

MUNSUN 麥盛

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

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock code 股份代號: 1194



2018
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) was incorporated on 14 January 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. On 12 December 2017, the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda.

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.

During the year, the Group further extended its business into purchase and sale of metals and minerals in the PRC.

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 continues to seek the opportunities to establish investment funds on high investment return.

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 7.1 million ounces. The Group produced 62 Koz and 73 Koz of gold for the years ended 31 December 2018 and 2017, respectively.

麥盛資本集團有限公司於二零零四年一月十四日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。於二零一七年十二月十二日，本公司於開曼群島撤銷註冊並根據百慕達法律於百慕達存續為獲豁免有限公司。

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。

於本年內，本集團在中國進一步拓展業務至購買和銷售金屬及礦產。

本集團已進行多元化經營，將業務拓展至香港及中國的金融服務行業，包括資產管理及證券經紀與諮詢服務。本集團繼續尋找機會設立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欒靈金礦，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7.1百萬盎司。截至二零一八年及二零一七年十二月三十一日止年度，本集團分別生產黃金62千盎司及73千盎司。

JINXING GOLD MINE IN HENAN

Jinxing Mine is currently our largest mine in terms of total gold resources and 2018 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 75.4 tonnes (2,423 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 60.7 tonnes (1,953Koz) 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二零一八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75.4噸(2,423千盎司)，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60.7噸(1,953千盎司)，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 14.9 tonnes (482 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 GOLD 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 51.4 tonnes (1,654 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14.9噸(482千盎司)，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51.4噸(1,654千盎司)，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 mining licenses covering a total mining area of 1.9 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 (519 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。目前該礦持有採礦許可證，總礦區面積1.9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(519千盎司)，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。

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Group for the year ended 31 December 2018 to our shareholders.

During the year under review, it saw rising interest rates, strong U.S. economy lifted by the Trump administration's tax cuts and higher U.S. stock prices. Against these backdrops, Gold encountered substantial headwinds for the most of year and Gold price seesawed in 2018. Gold started to rebound in the final quarter of 2018 as volatility returned to US markets after a prolonged calm. Equity market volatility and the resulting investors' fear restored gold's safe-haven appeal. During 2018, the Group continued with its efforts on exploration, organic expansion as well as cost control in a safe and an environmentally friendly manner. With the stricter environmental regulations and controls in China, we remain dedicated to the philosophy of operating in a safe and environmentally friendly manner.

Following the Group's diversification of its operation into financial services industry, the Group continues to explore every opportunity to establish investment funds on high investment return in 2018. During the year under review, the Group has operated two investment funds under its management in the PRC. In the end of 2018, a subscription agreement had been signed with an investor for preparation and establishment of a new investment fund in January 2019 in spite of the overall sluggish market and industry supervision in 2018.

Looking forward to 2019, it is expected that U.S. dollar will weaken arising from geopolitical tensions caused by ongoing trade disputes between the U.S. and China. Also, fed policy stance on interest rate hike will become more neutral. Risks of higher market volatility and slowdown in global economic growth will continue to increase. As such, we would expect gold will maintain its high relevance as a safe-haven assets throughout 2019. The Group will continue to enhance the mining production process and improve the technology to achieve the cost efficiency.

尊敬的各位股東：

本人謹代表董事會欣然向股東匯報本集團截至二零一八年十二月三十一日止年度的年度報告。

於回顧年度內，息口上升、特朗普政府減稅刺激美國經濟表現強勁，以及美國股價上揚。面臨如此局勢，黃金於年中大部分時間受到重挫，金價於二零一八年反覆起伏。鑒於平靜已久的美市於二零一八年第四季再度動盪，故金價開始反彈。股市波動及其導致的投資者恐慌情緒，令黃金再次發揮安全港的作用。二零一八年期間，本集團繼續貫徹安全環保的原則，致力開拓、內部擴充及控制成本。隨著中國收緊環境法規及管控，我們依然致力將安全及環保方式經營作為我們的經營哲學。

隨著本集團實行多元化經營，將業務拓展至金融服務行業，本集團於二零一八年持續探索機遇，設立高回報基金。於回顧年度內，本集團在中國營運屬下兩項投資基金。儘管二零一八年整體市場不景氣及行業監管下，我們於二零一八年底與一名投資者簽訂一項認購協議，以預備並於二零一九年一月設立新投資基金。

展望二零一九年，中美持續貿易糾紛導致地緣政治局勢緊張，美元預期因而轉弱。同時，聯儲局有望軟化加息政策立場。市場波動及全球經濟衰退風險持續增加。故此，我們預期黃金於二零一九年繼續為重要的避險資產。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。

Higher levels of equity market volatility is likely to continue in 2019. With diversification of Group's business into the financial services industry, we recognize that strengthening of risk and liability management as well as the improvement of the cost control are essential to the Group's continued growth in a world of fast-changing threats and opportunities. The asset management business will continue to contribute to the Group's long term capital growth as it expands.

I owe my gratitude to my fellow board members for their guidance and wisdom, to my colleagues for their dedication and diligence and to our stakeholders for their continued support throughout the year.

Mr. Yi Shuhao

Chairman

Hong Kong, 29 March 2019

預期股市於二零一九年持續出現大幅波動。隨著本集團實現業務多元化至金融服務行業，我們意識到加強風險及負債管理以及改善成本控制，對本集團在機危萬變的世界中持續發展至關重要。資產管理業務擴張將繼續貢獻本集團的長期資本增長。

本人謹在此感謝過去一年董事會同寅給予指導及智慧、同事竭誠盡責，以及我們持份者的持續支持。

易淑浩先生

主席

香港，二零一九年三月二十九日

FINANCIAL HIGHLIGHTS

財務摘要

KEY FINANCIAL HIGHLIGHT

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)

主要財務摘要

FY 2018 二零一八 財政年度	FY 2017 二零一七 財政年度	Movement % 變化 %
62	74	-16%
813,901	838,305	-3%
226,132	317,798	-29%
(466,335)	(390,190)	20%
12,683,081	13,591,807	-7%
3,579,137	5,018,945	-29%
183,490	754,194	-76%
3,395,647	4,264,751	-20%
7,724,828	7,209,880	7%

*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 bank balances and pledged deposits.
- Net debts are total debts less cash and bank balances 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銀行結餘以及已抵押存款。
- 淨債項為總債項減現金及銀行結餘以及已抵押存款。

GOLD MARKET OUTLOOK

The full year gold demand for in 2018 saw a gain of 4% reaching 4,345.1 tonnes according to the research of the World Gold Council. The rise is largely led by the strong central bank buying for diversification and safety driven by heightened geopolitical and economic uncertainty throughout the year. Central bank demand alone was the highest since 2015, rocketed by 74% reaching 651.5 tonnes. Global bar and coin demand boosted in the second half of the year, up by 4% to 1,090.2 tonnes in 2018. Annual inflow into gold-backed Exchange Traded Funds (“ETF”) recorded 68.9 tonnes representing 67% lower than inflows in 2017. A recovery of ETF inflows of 112.4 tonnes in the fourth quarter primarily caused by the stock market volatility and signs of slowing in economic growth. Europe was the only region to see net ETF growth in 2018. Annual jewellery demand barely changed at 2,200 tonnes. China was the main area of jewellery growth, in spite of a slowdown in the fourth quarter mainly due to the trade frictions. Gold used in technological applications grew slightly by 1% to 334.6 tonnes in 2018 owing to the increasing expansion of high-end consumer electronics and vehicle electrification throughout the year.

As for gold supply, total supply increased steadily by 1% to 4,490.2 tonnes in 2018, with higher recycling and the mine production inched to a record high of 3,346.9 tonnes. The ongoing strict environmental regulations and controls in China resulted in a 9% fall in national mine production. With mine production expected to be stable in 2019, supply will remain constrained.

In the first quarter of 2018, gold price rose by 4% on fears of geopolitical uncertainties. During the third quarter, gold's price fell 5% largely caused by the strong US dollar and the Fed's interest rate hike expectations. In the fourth quarter, gold price increased slightly fuelled by higher market volatility. Gold price seesawed in 2018.

Looking forward to 2019, it is believed that U.S. dollar will weaken arising from geopolitical tensions caused by ongoing trade wars between the U.S. and China. Also, Fed policy stance on interest rate hike will become more neutral. Risk will be intensified by higher market volatility and increased likelihood of slowdown in global economic growth. As such, we would expect the prospect of gold market will be more favourable and there will be a slow recovery in gold price in 2019.

黃金市場前景

於二零一八年，根據世界黃金協會的研究，全年黃金需求上升4%至4,345.1噸。上升大致是因全年地緣政治及經濟不明朗因素加劇令央行為分散風險及安全而強勁買盤所導致。央行需求飆升74%至651.5噸，創二零一五年新高。全球的金條及金幣的需求在下半年上升，於二零一八年增加4%至1,090.2噸。黃金交易所交易基金（「交易所交易基金」）的年度流入量為68.9噸，較二零一七年的流入量低67%。股市波動以及經濟增長出現放緩的跡象令第四季度交易所交易基金流入量回升112.4噸，歐洲是二零一八年唯一錄得交易所交易基金淨增長的地區。年度金飾需求幾乎沒有變化，為2,200噸。儘管貿易摩擦使第四季度出現經濟放緩，但中國還是金飾增長的主要領域。由於全年高端消費電子產品及汽車電氣化日益推展，於二零一八年在技術應用中使用的黃金輕微增長1%至334.6噸。

黃金供應方面，二零一八年的總供應穩步上升1%至4,490.2噸，回收量較高及金礦生產量創歷史新高，達3,346.9噸。中國推出日益嚴格的環境法規及監控導致國家金礦產量下降9%。隨著金礦產量預期於二零一九年保持穩定，供應仍將受到限制。

於二零一八年第一季度，由於對地緣政治不明朗的恐懼，金價上升4%。由於美元走強及預期聯儲局加息，金價於第三季度下跌5%，於第四季，金價因市場波動增加而稍微上升。金價於二零一八年反覆起伏。

展望二零一九年，中美持續貿易戰令地緣政治局勢緊張，美元預期因而走弱。同時，聯儲局的加息政策立場將變得更為中立。市場波動及全球經濟增長放緩風險持續加劇。因此，我們預期黃金市場前景將更加有利，二零一九年金價將會出現緩慢復甦。

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BUSINESS REVIEW

Financial Services Business

Following the Group's diversification of its operation into financial services industry, the Group continues to explore every opportunity to establish investment funds on high investment return in 2018.

During the year under review, the Group has operated two investment funds under its management in the PRC. In the end of 2018, a subscription agreement had been signed with an investor for preparation and establishment of a new investment fund in January 2019 in spite of the overall sluggish market and industry supervision in 2018.

Trading of metals and minerals

The Group is involved in trading of metals and minerals in PRC and the revenue of this segment was approximately HK\$114,003,000 (2017: nil).

Gold Mining Business

At the same time, the Group continued focusing in mine development and reserve converting exploration during the year. Total gold production was 2 tonnes (62 Koz) during the year, a 16% decrease as compared to that in 2017.

業務回顧

金融服務業務

隨著集團進行業務多元化至金融服務行業，本集團於二零一八年持續探索成立高投資回報的投資基金的各個機遇。

於回顧年度期間，本集團屬下營運兩項中國投資基金。儘管二零一八年整體市場不景氣及面臨行業監管下，本集團已於二零一八年底與一名投資者簽訂認購協議，以預備並於二零一九年一月設立新投資基金。

金屬及礦產貿易

本集團於中國從事金屬及礦產貿易，此分類錄得收益約114,003,000港元(二零一七年：零)。

金礦開採業務

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噸(62千盎司)，較二零一七年減少16%。

Henan Jinxing Gold 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 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 75.4 tonnes (2,423 Koz) with average grade of 4.6g/t. Gold production in 2018 was 0.7 tonnes (23 Koz), an increase of 1% compared to that of 2017.

In the end of August 2018, both projects, namely “Kangshan Gold Mine Area Production-Purpose Exploration by Luanchuan County Jinxing Mining Co., Ltd.” of Henan Province and “Kangshan Gold Mine Area In-depth Investigation by Luanchuan County Jinxing Mining Co., Ltd.” of Henan Province, have been initiated and the implementation solutions thereunder have also been optimized. Major construction works, such as reinforcement works, site selection and dust screen works as well as Beigou tailings dams expansion works, of Jinxing Mine have been completed.

Henan Luanling Gold 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 60.7 tonnes (1,953 Koz) with average grade of 3.2g/t. Gold production in 2018 was 0.5 tonnes (14 Koz), a decrease of 18% compared to that of 2017.

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較好的連續性，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75.4噸(2,423千盎司)，平均品位為4.6克／噸。二零一八年的黃金產量為0.7噸(23千盎司)，較二零一七年產量增加1%。

於二零一八年八月底啟動《河南省樂川縣金興礦業有限責任公司康山金礦生產勘探》和《河南省樂川縣金興礦業有限責任公司康山金礦深部詳查》的項目，並對其實施的方案進行優化。金興金礦已完成加固工程、選廠防塵棚工程、北溝尾礦庫擴容工程等之主要建築工程。

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60.7噸(1,953千盎司)，平均品位為3.2克／噸。二零一八年的黃金產量為0.5噸(14千盎司)，較二零一七年產量減少18%。

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Expert conference evaluations as well as prospecting tender conferences regarding The Implementation Solution of Gold Mine Area Production-Purpose Exploration by Luanchuan County Luanling Gold Mine Co., Ltd. of Henan Province and The Implementation Solution of Gold Mine Area In-depth Investigation by Luanchuan County Luanling Gold Mine Co., Ltd. of Henan Province for Henan Luanling Mine were organized whereby awardees were confirmed. Prospecting contracts were subsequently signed. Construction for production-purpose exploration and geological prospecting were also completed.

Yunnan Mojiang Gold 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 Belt, implying favourable geology attributions. It has JORC code gold resources of 14.9 tonnes (482 Koz) with average grade of 1.4 g/t. Gold production in 2018 was 0.7 tonnes (22 Koz), a 31% decrease compared to that of 2017.

Prospecting and drilling works of Mojiang Gold Mine are under construction. Open mining is strictly conducted in accordance with mining designs, systematic logging and sampling are conducted at the mining sites and its surroundings as well as ore block-out in order to ensure ore quality. Mining boundaries are timely amended if there are any ore attitude changes according to the geological logs. Combining both drilling information and tunnel logs, transverse and drift construction are designed and conducted.

Yunnan Hengyi Gold 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.

河南樂靈金礦組織了《河南省樂川縣樂靈金礦有限公司金礦生產勘探實施方案》和《河南省樂川縣樂靈金礦有限公司金礦深部詳查實施方案》的專家會議評審和鑽探招投標會議，並確定了中標的單位，其後已簽訂了鑽探合同，及已經完成生產勘探地質勘查之工程。

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—金平及哀牢山褶皺帶，這意味著有利的地質因素。其JORC標準黃金資源量為14.9噸(482千盎司)，平均品位為1.4克/噸，而黃金產量於二零一八年為0.7噸(22千盎司)，較二零一七年產量減少31%。

墨江金礦的鑽探及鑽孔之工程正進行施工，露天採剝嚴格按採剝設計施工，採場及周邊進行系統編錄取樣，圈定礦體，確保礦石品質；根據地質編錄，礦體產狀變化時，及時修改採剝界限。結合鑽孔資料與坑道編錄，設計施工穿脈與沿脈工程。

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。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思茅地塊東北緣。

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. It has JORC code gold resources of 51.4 tonnes (1,654 Koz) with an average grade of 2.7 g/t. Gold production in 2018 was 67 kg (2 Koz), a 347% increase compared to that of 2017.

Tunnel mining works at Langnitang mine section under Shangzhai mining rights of Hengyi Gold Mine were conducted.

Inner Mongolia Yongfeng Gold 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 (519 Koz) with an average grade of 9.5 g/t. The output of Yongfeng Mine in 2018 was 20 kg (1 Koz), a 29% decrease compared to that of 2017.

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。其JORC標準黃金資源量為51.4噸(1,654千盎司)，平均品位為2.7克／噸。二零一八年的黃金產量為67千克(2千盎司)，較二零一七年產量增加347%。

恆益金礦在上寨採礦權浪泥塘礦段已進行了巷道探礦的工作。

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分，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(519千盎司)，平均品位9.5克／噸。永豐金礦於二零一八年產量為20千克(1千盎司)，較二零一七年產量減少29%。

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GOLD RESOURCES/RESERVES

At the end of year 2018, the Group had total resources of 218.5 tonnes which is compliant with the JORC code and/or its equivalent. Measured and indicated resources (inclusive of proven and probable reserves) were 83.1 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⁾		Measured + Indicated ⁽²⁾ 探明+控制 ⁽²⁾		Inferred 推斷		Total 合計
Jinxiing Mine	金興金礦	35.9	39.5	75.4	1,153	1,270	2,423	
Luanling Mine	樂靈金礦	16.7	44.0	60.7	538	1,415	1,953	
Mojiang Mine	墨江金礦	11.4	3.5	14.9	369	113	482	
Hengyi Mine	恆益金礦	14.1	37.3	51.4	455	1,199	1,654	
Yongfeng Mine	永豐金礦	5.0	11.1	16.1	162	357	519	
Total	合計	83.1	135.4	218.5	2,677	4,354	7,031	

(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

於二零一八年年末，本集團按JORC標準及／或其類比資源總量為218.5噸。探明與控制資源量(包括證實與概略儲量)為83.1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。

ANNUAL REVIEW – EXPLORATION AND INFRASTRUCTURE DEVELOPMENT

The Group continued its exploration work in its mines, and in total has completed trenching of approximately 19,998m and diamond drilling of approximately 370m.

年度回顧－勘探及基建發展

本集團於其礦山持續從事勘探工作，共完成坑探工程量約19,998米，鑽探工程量約370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 (9,288m) 坑探(9,288米)	Trenches (2,616m) 坑探(2,616米)
iii)	No. of drillholes 鑽探洞孔數目	2 drilling spots of each of 10 mine mouths 共10個坑口，每個坑口 2個工作面	2 drilling spots of each of 2 mine mouths 共2個坑口， 每個坑口2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	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, Houmusi, Qiaogou, Xiaobeigou tunnels, etc. 18坑、28坑、19坑、3坑、杏樹堖、磨石溝、后母寺、橋溝、小北溝等坑道主巷開拓及坑口採切工程	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

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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 (5,776m) 坑探(5,776米)	Trenches (2,318m) 坑探(2,318米)
iii) No. of drillholes 鑽探洞孔數目	3 drilling points of each of 8 mine mouths 共8個坑口，每個坑口3個工作面	4 drilling spots of each of 7 mine mouths 共7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.301, 305, 306, 307, 308, 311 and 401 301坑、305坑、306坑、307坑、308坑、311坑及401坑主巷開拓及採切工程	Development of main tunnel and engineering cut works of Dongpo No.100 and 13, Huichungou No.201, 200, 202 and 115 東坡100坑、13坑，茴椿溝201坑、200坑、202坑及115坑主巷開拓及採切工程

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)
ii)	Exploration project 勘探工程	Diamond drilling (370m) 鑽探(370米)
iii)	No. of drillholes 鑽探洞孔數目	13 drillholes 13個鑽孔
iv)	Average size of drillholes 鑽探洞孔平均大小	Diameter of 75mm 鑽孔直徑75毫米
v)	Average depth of drillholes 鑽探洞孔平均深度	28m 28米

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 three mining stope to separate the stripping and mining area, and 6 other heap leaching plants 共建3個採場，分別剝離、採礦區，共建其他堆浸廠6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

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EXPLORATION, DEVELOPMENT AND MINING PRODUCTION EXPENDITURES

During the year, the Group had capital expenditures of HK\$130 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 34(a) to the financial statements.

During the year, the Group incurred production costs of HK\$588 million which included raw materials of HK\$172 million, amortisation and depreciation of HK\$179 million, wages and subcontractors' fees of HK\$149 million, resources compensation fees and taxes of HK\$24 million and other miscellaneous mining and processing costs of HK\$64 million.

MERGERS AND ACQUISITIONS AND DISPOSAL

There was no significant major merger, acquisition or disposal by the Group during the reporting period and up to the date of this Annual Report.

勘探、開發及開採生產活動開支

於年內，本集團有關勘探、開發及開採活動的資本開支為130百萬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34(a)。

於年內，本集團產生生產成本588百萬港元，其中包括原材料172百萬港元、攤銷及折舊費用179百萬港元，工薪及分包商費用149百萬港元、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64百萬港元。

併購及出售

本集團於報告期內及直至本年報日期並無進行重大併購及出售活動。

FINANCIAL REVIEW

Revenue and Results

During the year, the Group recorded profit from operations of HK\$80 million as compared with profit from operations of HK\$53 million last year. The increase in profit from operations is mainly due to the fair value loss on financial assets at fair value through profit or loss of HK\$85 million, which included fair value loss arisen from listed shares and unlisted equity investments in investment funds of HK\$81 million and HK\$4 million respectively, recorded by the Group last year, but, no relevant loss incurred during this year. However, the profit from operations is eroded by the decrease of sales revenue and gross profit mentioned in following paragraph in this section. In addition, the Group has an increase of the finance costs to HK\$538 million (2017: HK\$427 million) during the year (details are set out in the following section headed "Finance Costs"). Accordingly, the Group's loss after tax increased to HK\$466 million during the year as compared to HK\$390 million last year.

During the year, the Group's revenue and gold production decreased by 3% to HK\$814 million (2017: HK\$838 million) and 16% to 62 thousand ounces (2017: 74 thousand ounces) respectively. The decrease in revenue is mainly arisen from the decrease in gold price, stricter environmental regulations and controls in China and earlier start of raining season in Yunnan in the PRC resulted in decrease in the Group's gold production during the year. The gross profit margin of the Group decreased to 28% during the reporting period (2017: 38%) which is attributable from the increase of revenue on trading of metals and minerals which has a lower gross profit margin than other operating segments, the decrease in gold price and the increase in the Group's production costs per unit. The Group's sale revenue decreased by 3% during the reporting period, but its production costs, particularly fixed production costs, were not reduced in the same rate. In addition, increased mining depth and complicated geologic structure in the particular mining site currently under production pushed production cost higher.

財務回顧

收益及業績

於年內，本集團錄得經營溢利 80 百萬港元，去年則錄得經營溢利 53 百萬港元。經營溢利增加主要由於本集團去年錄得透過損益按公平值列賬之金融資產之公平值虧損 85 百萬港元，其中包括上市股票及於投資基金的非上市股權投資之公平值虧損分別為 81 百萬港元及 4 百萬港元，但本年度並無發生相關虧損。然而，本節下文段落所述的銷售收益及毛利減少導致經營溢利縮水。而且，本集團財務成本於年內增加至 538 百萬港元（二零一七年：427 百萬港元）（詳情載於「財務成本」一節）。因此，本集團稅後虧損於年內增加至 466 百萬港元，而去年則為 390 百萬港元。

於本年度，本集團的收益減少 3% 至 814 百萬港元（二零一七年：838 百萬港元）及黃金產量減少 16% 至 6.2 萬盎司（二零一七年：7.4 萬盎司）。收益減少主要因本年度金價下跌、中國實施更加嚴格的環境法規及控制及中國雲南雨季提前到來導致本集團黃金產量減少。由於毛利率較其他經營分部為低的金屬及礦產貿易之收益有所增加，金價下跌及本集團單位生產成本增加，本集團的毛利率降至報告期間的 28%（二零一七年：38%）。本集團的銷售收益於報告期間減少 3%，但其生產成本，尤其是固定生產成本並未按相同比率下降。此外，目前正在生產的採礦場開採深度增加及地質結構複雜，造成生產成本提高。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's total comprehensive loss increased by 22 times to HK\$728 million during the year as compared to HK\$31 million last year. The increase in total comprehensive loss is attributable to the Group's recognition on an exchange loss on translation of financial statements of PRC subsidiaries and associate of HK\$291 million during the year (2017: exchange gain of HK\$359 million) that is arisen from depreciation of exchange rate of RMB against HK\$ during the year.

During the year, the loss per share of the Company was HK20.4 cents (2017 (restated): HK53.87 cents). The loss per share last year and this year has been adjusted to reflect the impact on the Share Consolidation and Rights Issue of the Company which was effective on 28 May 2018 and 27 August 2018, respectively. Details are set out in notes 11 and 26(b) in the financial statements.

Other Income and Other Net Gain/Loss

During the year, the Group's other income was HK\$18 million (2017: HK\$20 million), representing a decrease by 10% as compared last year. The decrease is mainly due to the decrease in sundry income to HK\$1.5 million (2017: HK\$4 million).

During the year, the Group recorded the other net gain of HK\$2 million as compared to the other net loss of HK\$87 million last year. The turnaround to the other net gain is mainly attributable from the fair value loss on financial assets at fair value through profit or loss of HK\$85 million which included fair value loss arisen from listed shares and unlisted equity investments in investment funds of HK\$81 million and HK\$4 million respectively recorded by the Group last year, but, no relevant loss was incurred during this year.

Selling and Distribution Costs

During the year, the Group's selling and distribution costs were HK\$12 million (2017: HK\$16 million), representing a decrease by 25% as compared with last year. The decrease is mainly attributable to the decrease in the Group's revenue.

於年內，本集團的全面虧損總額增加22倍至728百萬港元，而去年則為31百萬港元。全面虧損總額增加由於人民幣兌港元匯率貶值，令本集團年內確認換算中國附屬公司及聯營公司財務報表產生之匯兌虧損291百萬港元(二零一七年：匯兌收益359百萬港元)。

於年內，本公司每股虧損為20.4港仙(二零一七年(經重列)：53.87港仙)。去年及本年度之每股虧損均已調整以反映本公司分別於二零一八年五月二十八日及二零一八年八月二十七日生效的股份合併及供股的影響。詳情載於財務報表附註11及26(b)。

其他收入及其他收益／虧損淨額

於年內，本集團的其他收入為18百萬港元(二零一七年：20百萬港元)，較去年減少10%。該減少主要由於雜項收入減少至1.5百萬港元(二零一七：4百萬港元)。

於年內，本集團錄得其他收入淨額為2百萬港元，而去年則錄得其他虧損淨額87百萬港元。轉為其他收入淨額主要由於本集團去年錄得透過損益按公平值列賬之金融資產之公平值虧損85百萬港元，其中包括上市股份及非上市股權投資基金的投資之公平值虧損分別為81百萬港元及4百萬港元，但本年度並無發生相關虧損。

銷售及分銷成本

於年內，本集團的銷售及分銷成本為12百萬港元(二零一七年：16百萬港元)，較去年減少25%。該減少主要是由於本集團收益減少。

Administrative Expenses

During the year, the Group's administrative expenses were HK\$154 million (2017: HK\$182 million), representing a decrease by 15% as compared with last year. The decrease is mainly due to a decrease in directors' and chief executive's emoluments to HK\$4 million (2017: HK\$14 million).

Finance Costs

During the year, the Group's finance costs were HK\$538 million (2017: HK\$427 million), representing an increase by 26% as compared with last year. The increase in finance costs is mainly due to a loss on the 2018 Convertible Bonds Restructure of HK\$55 million (2017: nil) recorded by the Group during the year, and increase in effective interest rates on the Group's bank and other borrowings due to the general increase in difficulty in sourcing finance in the market. However, the increase of finance costs is partly offset by the increase in non-cash fair value gain on derivative financial instruments relating to the convertible bonds from HK\$31 million last year to HK\$38 million during this year. Details of the 2018 Convertible Bonds Restructure and fair value gain on derivative financial instruments relating to the convertible bonds are set out in notes 6 (a) and 24 in the financial statements.

Deferred Tax

As at 31 December 2018, deferred tax liabilities amounted to HK\$580 million (2017: HK\$615 million), which represented mainly the estimated tax effect 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 25 (a) in the financial statements.

行政費用

於年內，本集團的行政費用為154百萬港元(二零一七年：182百萬港元)，較去年減少15%。該減少主要由於董事及行政總裁酬金減少至4百萬港元(二零一七年：14百萬港元)。

財務成本

於年內，本集團之財務成本為538百萬港元(二零一七年：427百萬港元)，較去年增加26%。財務成本增加乃主要由於本集團於本年度錄得二零一八年可換股債券重組虧損55百萬港元(二零一七年：無)及因市場融資難度普遍加大導致本集團銀行及其他借款的實際利率增加。然而，財務成本增加部分由可換股債券相關衍生金融工具的非現金公平值收益由去年的31百萬港元增加至本年度的38百萬港元所抵銷。有關二零一八年可換股債券重組及可換股債券相關衍生金融工具公平值收益的詳情載於財務報表附註6(a)及24。

遞延稅項

於二零一八年十二月三十一日，遞延稅項負債為580百萬港元(二零一七年：615百萬港元)，其主要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25(a)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

At 31 December 2018, the Group's cash and bank balances (including pledged deposits) and net current liabilities were HK\$183 million (2017: HK\$754 million) and HK\$2,702 million (2017: HK\$2,985 million), respectively. The decrease in the Group's net current liabilities is mainly attributable from (i) the Company completed share placement with net proceeds of approximately HK\$155 million; (ii) the Company completed rights issue with net proceeds of approximately HK\$326 million and set-off the underwriter loan approximately HK\$761 million; and (iii) the decrease in pledged bank deposits under current assets of HK\$507 million and bank and other borrowings and financial liabilities at fair value through profit or loss under current liabilities of HK\$828 million which is attributable from the settlement of bank and other borrowings and financial liabilities at fair value through profit or loss secured by the pledged bank deposits during the year. At 31 December 2018, the Group's net assets increased to HK\$7,725 million (2017: HK\$7,210 million).

The Group has met its needs of working capital and capital expenditure mainly through cash generated from operations, bank and other borrowings and financial liabilities at fair value through profit or loss. As at 31 December 2018, the Group's bank and other borrowings were repayable within one to five years and its fixed rate borrowings over total borrowings was 84%. 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 23 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 and Renminbi.

流動資金及財務資源

於二零一八年十二月三十一日，本集團之現金及銀行結餘(包括已抵押存款)為183百萬港元(二零一七年：754百萬港元)，流動負債淨額為2,702百萬港元(二零一七年：2,985百萬港元)。本集團的流動負債淨額減少主要由於(i)本公司完成股份配售所得款項淨額約155百萬港元；(ii)本公司完成供股所得款項淨額約326百萬港元及抵銷包銷商貸款約761百萬港元；及(iii)流動資產下之抵押銀行存款減少507百萬港元及流動負債下之銀行及其他貸款及透過損益按公平值列賬之金融負債減少828百萬港元，是由於已用銀行存款作抵押之銀行及其他貸款及透過損益按公平值列賬之金融負債於年內還款。於二零一八年十二月三十一日，本集團的資產淨值增加至7,725百萬港元(二零一七年：7,210百萬港元)。

本集團主要以營運所得現金、銀行及其他貸款及透過損益按公平值列賬之金融負債，滿足其營運資金及資本支出的需要。於二零一八年十二月三十一日，本集團的銀行及其他貸款須於一至五年內償還，而其定息貸款佔貸款總額為84%。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23。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和人民幣計值。

CAPITAL STRUCTURE

At 31 December 2018, the total number of issued ordinary shares of the Company was 5,836,921,580 shares, each of HK\$0.1 (the "Shares"). During the year, the Company has completed the capital reorganisation, the share consolidation, the share placing and the 2018 convertible bonds restructure as well as the rights issue and increase in authorized share capital. Further details are set out in the section headed "Share Capital" in the report of the directors in this annual report and note 26(b) in the financial statements respectively.

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 2018, the Group's gearing ratio decreased to 31% (2017: 37%). 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 bank balances 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 28 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any material contingent liabilities.

資本結構

於二零一八年十二月三十一日，本公司每股面值0.1港元之已發行普通股總數為5,836,921,580股（「股份」）。於年內，本公司已完成股本重組、股份合併、股份配售及二零一八年可換股債券重組以及供股及增加法定股本。進一步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26(b)。

本集團定期積極審閱及管理資本架構，以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。於年內本集團資本管理之方法並無改變。

於二零一八年十二月三十一日，本集團的資產負債比率減少至31%（二零一七年：37%）。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，減去現金及銀行結餘及已抵押存款。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綜合財務報表附註28。

或然負債

於二零一八年十二月三十一日，本集團並無產生任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 33(e) to the consolidated 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 management closely monitors gold product price exposure and will consider to use derivative contracts should the need arises. 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 33(d) in the consolidated financial statements.

SIGNIFICANT INVESTMENTS

At 31 December 2018, the Group had investments classified as financial assets at fair value through other comprehensive income of HK\$280 million, representing 2% of the Group's total assets, which include mainly investment in an unlisted company in the PRC of HK\$268 million and investment in a private equity fund in the PRC of HK\$12 million.

Save as disclosed above, the Group did not have any other investments at 31 December 2018.

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綜合財務報表附註33(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，管理層會密切監察黃金產品價格風險，並在有需要時考慮利用衍生工具合約。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。有關詳情載於綜合財務報表附註33(d)。

重大投資

於二零一八年十二月三十一日，本集團透過其他全面收益按公平值列賬之金融資產280百萬港元，佔本集團總資產的2%，主要包括投資於一間中國境內非上市公司268百萬港元及投資於一間中國私募股權基金12百萬港元。

除上文所披露者外，於二零一八年十二月三十一日，本集團並無任何其他投資。

EMPLOYEES

As at 31 December 2018, the Group employed approximately 830 (2017: 920) 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.

PRODUCTION SAFETY AND ENVIRONMENTAL PROTECTION

We operate in a responsible manner to ensure the health and safety of employees of our Group. 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.

僱員

於二零一八年十二月三十一日，本集團於中國內地及香港的僱員約830(二零一七年：920)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。

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法規規限，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。

MANAGEMENT DISCUSSION AND ANALYSIS

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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.

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.

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內之環境、社會及管治報告指引所載規定，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。

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合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。

Jinxing Mine and Luanling Mine had been granted a number of awards with fruitful results over the years. During the year, Jinxing Mine was granted an award of “Outperformed Enterprise in Economic Development” by the People’s government of regional town Baitu in March 2018. Luanling Mine was granted the title of “2017 Advanced Unit for Workplace Safety in the Gold Industry of Luoyang City” by the Luoyang Gold Administration Bureau in February 2018.

CORPORATE STRATEGY AND CORPORATE PROSPECT

Looking forward to 2019, it is believed that U.S. dollar will weaken arising from geopolitical tensions caused by ongoing trade wars between the U.S. and China. Also, Fed policy stance on interest rate hike will become more neutral. Risk will be intensified by higher market volatility and increased likelihood of slowdown in global economic growth. As it stands, we believe these factors will likely to make gold attractive in 2019.

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.

Following the Group’s diversification of its operations into financial services industry in Hong Kong and the PRC, including asset management and securities brokerage, the Group will seek new investment opportunities for delivering long term capital growth in a world of fast-changing threats and opportunities. As always, the Group will remain vigilant on costs and adopt a prudent approach in its growth strategies.

金興金礦及樂靈金礦多年來屢次獲獎，碩果累累。於本年度，再下一城，金興金礦於二零一八年三月獲得白土鎮人民政府頒發「經濟發展突出貢獻企業」的獎項。而樂靈金礦於二零一八年二月由洛陽市黃金局頒授「二零一七年度洛陽市黃金行業安全生產先進單位」的稱號。

公司戰略及前景

展望二零一九年，中美持續貿易戰令地緣政治局勢緊張，美元預期因而走弱。同時，聯儲局有望軟化加息政策立場。市場波動及全球經濟增長放緩風險持續增加。就此而言，我們相信該等因素將令黃金於二零一九年繼續令人注目。

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，以維持採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採礦工程。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。

隨着本集團實現業務多元化至中港金融服務行業(包括資產管理及證券經紀)後，本集團將尋求新投資機遇，力求在瞬息萬變的挑戰和機會之中達致長期資本增長。一如既往，本集團繼續嚴緊控制成本，並將審慎地實施我們的增長策略。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 18 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18及32(a)。

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 2018 except for certain deviations as specified with considered reason for such deviations as explained below.

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 2018, 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。

除下文解釋之若干已闡明原因之偏離行為外，截至二零一八年十二月三十一日止年度，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。

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」）於截至二零一八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。

CORPORATE GOVERNANCE REPORT

公司管治報告書

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 composition of the Board during the year and up to date of this report consists of 8 directors, with 5 Executive Directors, namely Mr. Yi Shuhao (Chairman and Chief Executive Officer), Mr. Chen Sheng (Vice Chairman), Mr Zhang Lirui (Vice Chairman), Mr. Yu Yong and Mr. Wang Baozhi. 3 Independent Non-Executive Directors, namely, Ms. Wong Chi Yan, Professor Xiao Rong Ge and Professor Zhang Tianyu.

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.

On 13 December 2018, Mr. Yi Shuhao, the Chairman of the Company was appointed as the Chief Executive Officer of the Company. On the same date, Mr. Chen Sheng resigned as the Chief Executive Officer but remained as an Executive Director and redesignated as Vice Chairman. The Board considers that vesting both of the roles of Chairman and Chief Executive Officer in Mr. Yi is beneficial to the business prospects and management of the Group as Mr. Yi has in-depth experience in business management and development and can lead the Group to have continuous growth in the future. The Company had considered the governance issue of balance of power and authority on the board and believed that the structure of the Company (including strong independent elements in the board and delegation of authorities to management) was sufficient to address this potential issue.

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

於年內及截至本報告日期止，董事會由八名董事組成，包括五名執行董事，分別為易淑浩先生(主席兼行政總裁)、陳勝先生(副主席)、張利銳先生(副主席)、余勇先生及王保志先生，以及三名獨立非執行董事，分別為黃志恩女士、肖榮閣教授及張田余教授。

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。

於二零一八年十二月十三日，本公司主席易淑浩先生獲委任為本公司行政總裁。於同日，陳勝先生辭任行政總裁並留任為執行董事及調任為副主席。董事會認為，易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易先生擔任對本集團之業務前景及管理有利。本公司已考慮董事會權力平衡的管治問題，並認為公司架構(包括董事會具備足夠獨立性及向管理層授予權力)足以應對這個潛在問題。

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 bye-laws of the Company (the "Bye-laws"), 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 Bye-laws, 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。彼等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。

CORPORATE GOVERNANCE REPORT

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Attendance records of the Directors at Board Meeting, Executive Committee Meeting, Audit Committee Meeting and General Meetings held in 2018 are as below:

各董事於二零一八年內舉行的董事會會議、執行委員會會議、審核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			
		Board meetings	Executive Committee meetings	Audit Committee meetings	General meetings
		董事會會議	執行委員會會議	委員會會議	股東大會
Executive Directors:	執行董事：				
Mr. Yi Shuhao (appointed as Chairman and Executive Director on 5 September 2018 and further appointed as Chief Executive Officer on 13 December 2018)	易淑浩先生 (於二零一八年九月五日獲委任為主席及執行董事及進一步於二零一八年十二月十三日獲委任為行政總裁)	0/0	2/2	—	0/0
Mr. Liu Lijiang (resigned on 24 October 2018)	劉力揚先生(於二零一八年十月二十四日辭任)	5/5	3/3	—	4/4
Mr. Chen Sheng	陳勝先生	5/5	4/4	—	1/4
Mr. Zhang Lirui	張利銳先生	5/5	4/4	—	0/4
Mr. Wang Baozhi	王保志先生	5/5	4/4	—	1/4
Mr. Yu Yong	余勇先生	5/5	3/4	—	1/4
Ms. Zang Dongling (resigned on 5 September 2018)	臧東玲女士(於二零一八年九月五日辭任)	4/5	2/2	—	1/4
INEDs:	獨立非執行董事：				
Professor Xiao Rong Ge	肖榮閣教授	5/5	—	3/3	0/4
Mr. Wu Tai Cheung	胡大祥先生	5/5	—	3/3	4/4
Professor. Zhang Tianyu	張田余教授	4/5	—	3/3	2/4

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 2018 according to the records provided by the Directors is as follows:

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，董事於二零一八年內接受的培訓概要如下：

Name of Directors	董事姓名	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
Executive Directors	執行董事	
Mr. Yi Shuhao	易淑浩先生	√
Mr. Chen Sheng	陳勝先生	√
Mr. Wang Baozhi	王保志先生	√
Mr. Zhang Lirui	張利銳先生	√
Mr. Yu Yong	余勇先生	√
Independent Non-Executive Directors	獨立非執行董事	
Mr. Wu Tai Cheung	胡大祥先生	√
Professor Xiao Rong Ge	肖榮閣教授	√
Professor Zhang Tianyu	張田余教授	√

CORPORATE GOVERNANCE REPORT

公司管治報告書

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, Ms. Wong Chi Yan, Professor Zhang Tianyu and Professor Xiao Rong Ge. Ms. Wong Chi Yan 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 2018, three Audit Committee meetings were held and the attendance of each member is set out in the section headed “Composition” of this report. The work performed by the Audit Committee included to review and recommend for the Board’s approval the interim and annual financial results and reports, financial reporting and compliance procedures, and internal control and risk management matters as well as to review and recommend for the Board’s approval, the Audit Planning Report and Internal Control Planning Report, the engagements with the 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黃志恩女士、張田余教授及肖榮閣教授組成。黃志恩女士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。

於截至二零一八年十二月三十一日止年度，本公司舉行三次審核委員會會議，而各成員之出席情況載於本報告「組成」一節內。審核委員會履行之工作包括審閱及建議董事會批准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，以及審閱並建議董事會批准年審計劃書及內控審閱計劃書，並委聘核數師及本公司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, Professor Zhang Tianyu and Ms. Wong Chi Yan, and one Executive Director, Mr. Yi Shuhao. Professor Zhang Tianyu 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 2018, no Remuneration Committee meeting was held. The Remuneration Committee also dealt with matters by way of circulation during 2018. In 2018 and up to the date of this report, the work of Remuneration Committee included to review the remuneration policies and made recommendation to the Board on the remuneration packages regarding renewal of service contract of executive director and independent non-executive director and newly appointed directors as well as annual review on remuneration policy and structure for directors and senior management of the Company.

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

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張田余教授及黃志恩女士，以及一名執行董事易淑浩先生組成。張田余教授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。

於截至二零一八年十二月三十一日止年度，薪酬委員會並無召開會議，薪酬委員會亦於二零一八年透過傳閱文件方式處理事宜，於二零一八年內及截至本報告日期止，薪酬委員會已履行之工作包括審閱薪酬政策及就續訂執行董事及獨立非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。

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。

CORPORATE GOVERNANCE REPORT

公司管治報告書

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 2018 are set out in note 8 to the consolidated financial statements of this annual report. The emoluments paid to senior management during the year ended 31 December 2018 were within the following bands:

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。截至二零一八年十二月三十一日止年度之董事酬金詳情載於本年報綜合財務報表附註8。截至二零一八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
HK\$0 to HK\$1,000,000	零港元至 1,000,000 港元	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	2
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	—

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, Ms. Wong Chi Yan and Professor Zhang Tianyu, and one Executive Director, Mr. Yi Shuhao 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黃志恩女士及張田余教授以及一名執行董事易淑浩先生。易淑浩先生為提名委員會主席。

The Nomination Committee is mainly responsible for the following:

- 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.
- regularly review the time required from a director to perform his responsibilities; and
- to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives.

提名委員會主要負責以下各方面：

- 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。
- 定期檢討董事履行其職責所需付出的時間；及
- 在適當情況下檢討董事會成員多元化政策，及檢討董事會就推行董事會成員多元化政策而制定之可計量目標，以及達致該等目標之進度。

CORPORATE GOVERNANCE REPORT

公司管治報告書

Board Diversity Policy

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 2018, no Nomination Committee meeting was held. The Nomination Committee also dealt with matters by way of circulation during 2018. In 2018 and up to the date of this report, the Nomination Committee's work included to make recommendation to the Board on rotation of directors for 2018 and 2019 AGM, appointments of Executive Director, Independent Non-Executive Director and the Chairman of the Board and Chief Executive Officer of the Company, re-designation of Vice Chairman of the Board, assess the Independence of Non-Executive Directors, reviewed the structure and size and diversity of the Board and reviewed the formulation of nomination policy and the revised terms of reference of Nomination Committee in alignment with the amendments to the Corporate Governance Code and the related listing rules effective on 1 January 2019.

The Company has formulated the nomination Policy and revised terms of reference of Nomination Committee as from 1 January 2019. The updated terms of reference of Nomination Committee had been made available on the website of the Stock Exchange and of the Company.

董事多元化政策

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制訂措施，以確保董事會具備所需技巧、經驗及多樣化的觀點與角度，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。

於截至二零一八年十二月三十一日止年度，並無召開提名委員會會議，提名委員會亦於二零一八年透過傳閱文件方式處理事宜。於二零一八年內及截至本報告日期，提名委員會已履行之工作包括就董事於二零一八年及二零一九年股東週年大會上輪值退任、委任本公司執行董事、獨立非執行董事以及董事會主席及行政總裁、調任董事會副主席、評核獨立非執行董事之獨立性，以及檢討董事會之架構、規模及多元化等事宜及按於二零一九年一月一日生效的新修訂《企業管治守則》及相關《上市規則》，就審閱訂立本公司之提名政策及修訂提名委員會職權範圍向董事會提供推薦建議。

本公司已於二零一九年一月一日制定提名政策及修訂提名委員會職權範圍。更新的提名委員會職權範圍已登載於聯交所及本公司之網站上。

Nomination Policy

The Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, the Company has formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board.

If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

提名政策

董事會應根據本公司業務而具備適當所需技巧、知識、經驗及多樣的觀點與角度。為確保董事會組成人員的變動不會帶來不適當的干擾，本公司已設有正式、經審慎考慮並具透明度的董事甄選、委任及重新委任程序，並設定有秩序的董事繼任計劃(如認為有需要)，包括定期檢討此類計劃。委任新董事(作為新增董事或填補所出現的臨時空缺)或重新委任任何董事乃經提名委員會推薦候選人後由董事會作出決定。

用於考慮候選人是否符合資格的標準，應視乎候選人是否能投入足夠時間及精神以處理本公司事務，並促進董事會成員多元化。

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮彼是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

CORPORATE GOVERNANCE REPORT

公司管治報告書

Executive Committee

The Executive Committee was established on 30 March 2017 and comprises all Executive Directors of the Company. Mr. Yi Shuhao 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 policies; and
- (ii) to plan and decide on strategies to be adopted by the Group on business activities.

Corporate Governance Committee

The Group has established a corporate governance committee (the "Corporate Governance Committee"). The Corporate Governance Committee currently consists of two Executive Directors, Mr. Yi Shuhao and Mr. Wang Baozhi. Mr. Yi Shuhao is the Chairman of the Corporate Governance Committee.

執行委員會

執行委員會於二零一七年三月三十日成立，目前由所有執行董事組成，易淑浩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。

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兩名執行董事易淑浩先生及王保志先生組成。易淑浩先生為企業管治委員會主席。

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 2018, no Corporate Governance Committee meeting was held while Corporate Governance Committee dealt with matters by way of circulation. In 2018 and up to the date of this report, the Corporate Governance Committee's work included to review and make recommendations to the Board and Board Committee on establishment of dividend policy, nomination policy and the revised terms of reference of Nomination Committee.

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 82.

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企業管治報告書內所載守則及披露的情況。

截至二零一八年十二月三十一日止年度，企業管治委員會並無召開會議。企業管治委員會透過傳閱文件方式處理事宜。於二零一八年及截至本報告日期，企業管治委員會已履行之工作包括審閱制定股息政策、提名政策及更新提名委員會之職權範圍並向董事會及董事委員會提供推薦建議。

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82頁之核數師報告。

CORPORATE GOVERNANCE REPORT

公司管治報告書

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

核數師酬金

於年內，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：

2018
二零一八年
HK\$' 000
千港元
3,360
730

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 2018. 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.

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，已對本公司截至二零一八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。於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資料。員工必須嚴格遵守及維持資料之保密性。僅適當級別的人員才獲准接觸價格敏感資料及內幕資料。

COMPANY SECRETARY

The Company Secretary, Ms. Leung Lai Seung, 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 special 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.

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 26 June 2018 and the special general meetings of the Company held on 31 January 2018, 25 May 2018 and 23 August 2018. 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 special general meeting and putting forward proposals at Shareholders' meetings

Under the Company's Bye-laws, 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 a special 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.

公司秘書

公司秘書梁麗嫦女士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。

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二零一八年六月二十六日舉行的股東週年大會及本公司於二零一八年一月三十一日、二零一八年五月二十五日及二零一八年八月二十三日舉行的股東特別大會。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。

CORPORATE GOVERNANCE REPORT

公司管治報告書

ENQUIRIES TO THE BOARD

Enquiries may be put to the Board through the Company's Principal Place of Business in Hong Kong at Units 5&6, 17/F, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong (email: info@munsun.hk).

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2018, there is no change in the Company's constitutional documents.

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，地址為香港灣仔港灣道1號會展廣場辦公大樓17樓5至6室(電郵地址：info@munsun.hk)。

章程文件

截止二零一八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. Yi Shuhao (易淑浩), aged 32, was appointed as an Executive Director, the Chairman of the Board, the Chairman of Executive Committee and a member of Corporate Governance Committee of the Company on 5 September 2018. Mr. Yi was subsequently appointed as an authorized representative, a member of Remuneration Committee and the Chairman of Nomination Committee of the Company on 24 October 2018. Mr. Yi was also re-designated from a member of Corporate Governance Committee to the Chairman of Corporate Governance Committee of the Company. Mr. Yi was appointed as the Chief Executive Officer of the Company on 13 December 2018. He has received a bachelor's degree in laws from Henan Institute of Science and Technology. He also holds the Legal Professional Qualification Certificate and Lawyer License of the People's Republic of China. He has eight years of legal consulting and commercial experience. Mr. Yi previously served as a lawyer at Beijing Yingke (Shenzhen) Law Firm. He also previously worked as a lawyer in Guangdong Guanghe (Zhuhai) Law Firm and served as a product director at Digital China Macao Commercial Offshore Limited.

董事

執行董事

易淑浩先生，32歲，於二零一八年九月五日獲委任為本公司之執行董事、董事會主席、執行委員會主席及企業管治委員會之成員。易先生其後於二零一八年十月二十四日獲委任為本公司之授權代表、薪酬委員會之成員及提名委員會之主席，易先生亦由本公司企業管治委員會之成員調任為企業管治委員會之主席。於二零一八年十二月十三日，易先生獲委任為本公司之行政總裁。易先生於河南科技學院取得法學學士學位，彼亦持有中華人民共和國法律職業資格證書及律師執業證。彼擁有八年之法律諮詢及商業經驗。易先生曾於北京市盈科(深圳)律師事務所擔任律師。彼亦曾於廣東廣和(珠海)律師事務所任職律師及於神州數碼澳門離岸商業服務有限公司擔任產品董事。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Chen Sheng (陳勝), aged 46, was appointed as an Executive Director and a member of the Executive Committee of the Company on 6 September 2017. Mr. Chen has been appointed as the Chief Executive Officer of the Company on 24 January 2018. Mr. Chen subsequently resigned as the Chief Executive Officer of the Company and was redesignated as Vice Chairman of the Board of the Company on 13 December 2018. Mr. Chen graduated from China European International Business School with a master's degree in business administration (EMBA). He has over 20 years' experience in government and state-owned corporate governance and extensive economic financial and investment experience. Mr. Chen served as a researcher in the research centre of the State-owned Assets Supervision and Administration Commission of the State Council of Shanghai Municipal Government. He worked as the deputy general secretary in the Asia Research Centre of Shanghai Jiaotong University, the deputy general manager in the Asia Pacific International Commodity Exchange Centre of China Railway and the president of Shanghai Rongfa Enterprise Development Limited.

Mr. Zhang Lirui (張利銳), aged 46, was appointed as an Executive Director of the Company on 10 July 2015. Mr. Zhang is currently a member of Executive Committee of the Company. Mr. Zhang was subsequently redesignated as vice chairman of the Board of the Company on 13 December 2018. 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 has more than 26 years of experiences in the business sectors of market capital and securities. During the years from 1992 to 2008, Mr. Zhang 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. 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.

陳勝先生，46歲，於二零一七年九月六日獲委任為本公司之執行董事及執行委員會成員。陳先生並於二零一八年一月二十四日獲委任為本公司之行政總裁。陳先生其後於二零一八年十二月十三日辭任本公司之行政總裁及獲調任為本公司之董事會副主席。陳先生於中歐國際工商學院取得高級工商管理碩士學位(EMBA)。彼擁有超過二十年政府管理與國有企業監管經驗以及豐富的經濟金融與投資經驗。陳先生曾任職上海市國有資產監督管理委員會研究室研究員，於上海交通大學環太研究中心擔任副秘書長，於中國中鐵亞太國際商品交易中心擔任副總經理及於上海融發企業發展有限公司擔任總裁。

張利銳先生，46歲，於二零一五年七月十日獲委任為本公司執行董事。張先生現為本公司執行委員會成員。張先生其後於二零一八年十二月十三日獲調任為本公司之董事會副主席。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。張先生於市場資本及證券業務領域擁有逾26年經驗。於一九九二年至二零零八年，張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。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。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Wang Baozhi (王保志), aged 51, was appointed as an Executive Director and a member of each of the Executive Committee and Corporate Governance Committee of the Company on 21 August 2017. Mr Wang obtained a bachelor's degree in agriculture education from Yuxi Agriculture College and a master's degree in Economics from Jiangxi University of Finance and Economics (formerly Jiangxi Finance and Economics College). He is currently a member of the Chinese Institute of Certified Public Accountants. He has over 23 years of experience in finance. Mr. Wang has been the managing director of south china business headquarter of Zhongrong International Trust Company Limited ("Zhongrong International") since April 2009. Before joining Zhongrong International, he has previously worked as the project manager of Shenzhen Baifuda Finance Company Limited, the financial controller of Shenzhen Chengnong Siliao Company Limited, the financial controller of Shenzhen Hongji (Group) Logistic Company Limited, the chief financial officer of Shenzhen Nanyou (Holdings) Limited and an auditor of Shenzhen Minfu Audit Firm.

Mr. Yu Yong (余勇), aged 62, was appointed as an Executive Director, the Deputy Chief Executive Officer and a member of the Executive Committee of the Company on 6 September 2017. Mr Yu holds a bachelor's degree in geology engineering (mine exploration) from the Central South Institute of Mining and Metallurgy. He is a professor-level senior engineer and a national mineral reserves appraiser. He has numerous years of extensive experience in geological exploration technology, geological technology management and resource assessment. He served as the deputy director of the China Metallurgical Geology Bureau, the deputy manager of the geological resources department of the China National Gold Group, the secretary, the vice president and chief engineer of China National Gold Geology Co., Ltd.. He has long been engaged in solid mineral geological exploration, mining geological, geological research, geological technology management and mine management. He has presided over and mainly participated in a number of major scientific research and

王保志先生，51歲，於二零一七年八月二十一日獲委任為本公司執行董事，執行委員會及企業管治委員會成員。王先生於豫西農業專科學校獲得農業教育大專學位及於江西財經大學(前稱江西財經學院)取得經濟學碩士學位。彼現為中國註冊會計師協會會員。彼擁有超過二十三年財務經驗。王先生自二零零九年四月任職中融國際信託有限公司(「中融國際」)華南業務總部董事總經理。於加入中融國際前，彼曾於深圳百富達融資公司擔任項目經理、於深圳成農飼料股份公司擔任財務總監、於深圳鴻基(集團)物流公司擔任財務總監、於深圳南油集團有限公司擔任財務科長、並於深圳民孚審計師事務所擔任社會審計。

余勇先生，62歲，於二零一七年九月六日獲委任為本公司之執行董事、副總裁及執行委員會成員。余先生於中南礦冶學院獲得地質系礦產普查勘探工學學士學位。彼為教授級高級工程師及國家礦產資源儲量評估師。彼擁有多年豐富的地質勘查技術和地質技術管理以及資源考察評估經驗。彼曾擔任冶金工業部地質局副處長，中國黃金集團地質資源部副經理，中國黃金集團地質有限公司書記、副總及總工。長期從事固體礦產地質勘查、礦山地質探礦、地質科研以及地質技術管理和礦山經營管理等工作。曾先後主持或主要參與多個重大科研及找礦項目，並獲得中國黃金協會科學技術一等獎兩項及二等獎一項。彼亦主持或負責完成了數個大中小型勘查項目。負

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

mining projects, and obtained two first-class awards and one second-class award in science and technology from the China Gold Association. He has also presided over and completed a number of large and medium-sized exploration projects, and was responsible for or participated in numerous domestic and foreign mining rights projects, presided over or participated in the review of various types of geological prospecting design projects, participated in or reviewed various geological exploration reports.

Independent Non-Executive Directors

Ms. Wong Chi Yan (黃志恩), aged 37, was appointed as an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee of the Company on 1 March 2019.

Ms. Wong holds a Bachelor of Business Administration degree in Accounting awarded by Hong Kong Baptist University and a Master of Laws in International Corporate and Financial Law awarded by The University of Wolverhampton, the United Kingdom. She is an associate member of the Hong Kong Institute of Certified Public Accountants, and an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Wong has extensive experiences in auditing, accounting and financing as well as merger and acquisition.

Ms. Wong is currently an independent non-executive director of each of Success Dragon International Holdings Limited (stock code: 1182), Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) (stock code: 1178) and Asia Television Holdings Limited (stock code: 707), companies listed on the Main Board of the Stock Exchange. Ms. Wong is also the company secretary of Goldway Education Group Limited (stock code: 8160), a company listed on the Growth Enterprise Market ("GEM") of the Stock Exchange, and the company secretary and authorised representative of each of Flyke International Holdings Ltd. (stock code: 1998) and China Properties Investment Holdings Limited (stock code: 736), companies listed on the Main Board of the Stock Exchange.

責或參與考察了一批國內外礦權項目，主持或參與審查了多個各類地質探礦設計項目，參與或主審了一批各類地質勘查報告。

獨立非執行董事

黃志恩女士，37歲，於二零一九年三月一日獲委任為本公司獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會之成員。

黃女士持有香港浸會大學之工商管理會計學士學位及英國伍爾弗漢普頓大學國際企業及金融法律碩士學位。彼為香港會計師公會之會員、香港特許秘書公會及英國特許秘書及行政人員公會會員。黃女士於審計、會計、財務及併購方面擁有豐富經驗。

黃女士目前為聯交所主板上市公司勝龍國際控股有限公司（股份代號：1182）、匯銀控股集團有限公司（前稱共享經濟集團有限公司（股份代號：1178）及亞洲電視控股有限公司（股份代號：707）各自之獨立非執行董事。黃女士亦為聯交所創業板（「創業板」）上市公司金滙教育集團有限公司（股份代號：8160）之公司秘書；以及飛克國際控股有限公司（股份代號：1998）及中國置業投資控股有限公司（股份代號：736）各自之公司秘書及授權代表，該等公司均於聯交所主板上市。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Ms. Wong was an executive director and authorised representative of Elegance Optical International Holdings Limited (stock code: 907) from February 2017 to October 2018, a company listed on the Main Board of the Stock Exchange. She was also an executive director of CHerish Holdings Limited (stock code: 2113) from October 2017 to June 2018, a company listed on the Main Board of the Stock Exchange. She was an independent non-executive director of Ding He Mining Holdings Limited (stock code: 705) from January 2018 to July 2018, a company listed on the Main Board of the Stock Exchange. She was an executive director and authorised representative of Aurum Pacific (China) Group Limited (stock code: 8148) from May 2015 to October 2017. She was also an executive director, company secretary and authorised representative of PPS International (Holdings) Limited (stock code: 8201) from June 2015 to July 2016, companies listed on the GEM of the Stock Exchange. She was also the executive director of China Taifeng Beddings Holdings Limited (stock code: 873) from July 2016 to August 2016, a company listed on the Main Board of the Stock Exchange. She was the company secretary and authorised representative of Fullsun International Holdings Group Co., Limited (formerly known as URIGHT International Holdings Limited) (stock code: 627) a company listed on the Main Board of the Stock Exchange from September 2013 to April 2016. She was also an independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823) from March 2017 to February 2019, a company listed on the Main Board of the Stock Exchange.

黃女士曾於二零一七年二月至二零一八年十月擔任聯交所主板上市公司高雅光學國際集團有限公司（股份代號：907）之執行董事及授權代表。彼亦曾於二零一七年十月至二零一八年六月擔任聯交所主板上市公司東盈控股有限公司（股份代號：2113）之執行董事。彼亦曾於二零一八年一月至二零一八年七月擔任聯交所主板上市公司鼎和礦業控股有限公司（股份代號：705）之獨立非執行董事。彼曾於二零一五年五月至二零一七年十月擔任奧栢中國集團有限公司（股份代號：8148）之執行董事及授權代表，彼亦曾於二零一五年六月至二零一六年七月擔任寶聯控股有限公司（股份代號：8201）之執行董事、公司秘書及授權代表，該等公司均為聯交所創業板上市公司。彼亦曾於二零一六年七月至二零一六年八月擔任聯交所主板上市公司中國泰豐床品控股有限公司（股份代號：873）之執行董事。彼曾於二零一三年九月至二零一六年四月擔任聯交所主板上市公司福晟國際控股集團有限公司（前稱佑威國際控股有限公司，股份代號：627）之公司秘書及授權代表。彼亦曾於二零一七年三月至二零一九年二月擔任聯交所主板上市公司德普科技發展有限公司（股份代號：3823）之獨立非執行董事。

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 69, 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 engaged in the research studies on various types of minerals involving non-ferrous metals, precious metals, ferrous metals, non-metals and energy minerals, and has in-depth studies on the rules for the formation of metal ore deposits and mine exploration and has accomplished a series of research achievements. Academic publications in the recent decade include: Geochemistry of rock mineral deposits (Geological Publishing House), Boron ore deposits in Liaodong (Geological Publishing House), Gold mine formation rules and mineralization forecast in the deep parts of Xiaoqinling (Geological Publishing House), Phosphate ore deposits in China (Geological Publishing House), Molybdenum ore formation theory (Geological Publishing House) and Crystalline graphite ore deposits in northern China (Science Press). 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，69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)礦床學專業教授及博士生導師。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。彼現從事研究礦產，涉及各種有色金屬、貴金屬、黑色金屬、非金屬、能源礦產等，對金屬礦床成礦規律找礦勘查有深入研究，取得了系列研究成果。近十年以來出版學術專著有：岩石礦床地球化學(地質出版社)；遼東硼礦床(地質出版社)；小秦嶺深部金礦成礦規律與成礦預測(地質出版社)；中國磷礦床(地質出版社)；鉬礦成因論(地質出版社)；華北顯晶質石墨礦床(科學出版社)。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

Professor Zhang Tianyu (張田余), aged 44, was appointed as an Independent Non-Executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 21 August 2017. Professor Zhang was re-designated as the Chairman of the Remuneration Committee of the Company on 31 August 2017. Professor Zhang obtained a bachelor's degree in Accounting from Nankai University, a master's degree in Accounting from Shanghai University of Finance and Economics and a Doctor of Philosophy in Accounting from The Hong Kong University of Science and Technology. He has over 12 years of experience in accounting. Professor Zhang is a professor in School of Accountancy in The Chinese University of Hong Kong ("Chinese University") and the director of the Center for Institutions and Capital Market in Shenzhen Finance Institute. His research focuses on political institutions and governance in China emerging market. He is now sitting on the editorial board of The Accounting Review and Contemporary Accounting Research. Before joining the Chinese University, he worked for City University of Hong Kong in 2011. Professor Zhang also served as an independent director of Netac Technology Co Ltd from February 2011 to February 2017. The aforesaid company is listed on the Shenzhen Stock Exchange.

張田余教授，44歲，於二零一七年八月二十一日獲委任為本公司獨立非執行董事，兼任審核委員會、薪酬委員會及提名委員會成員。張教授於二零一七年八月三十一日獲調任為薪酬委員會之主席。張教授於南開大學獲得會計學學士學位，於上海財經大學獲得會計學碩士學位，及於香港科技大學獲得哲學博士（會計學）學位。彼擁有超過12年會計經驗。張教授現任香港中文大學（「中文大學」）會計學院之教授及深圳高等金融研究院制度與資本市場研究中心主任。彼主力研究中國新興市場的政治制度和治理。彼為現任「會計評論」和「當代會計研究」雜誌之編委。於加入中文大學前，張教授曾於二零一一年在香港城市大學任職。張教授於二零一一年二月至二零一七年二月曾擔任深圳朗科科技股份有限公司之獨立董事，上述公司於深圳證券交易所上市。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

董事及高級管理層履歷

Senior Management

Ms. Leung Lai Seung (梁麗嫦), aged 56, was appointed as the company secretary of the Company on 23 January 2017. Ms. Leung was subsequently appointed as the Service Agent of the Company on 24 October 2018. 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.

高級管理層

梁麗嫦女士，56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。梁女士其後於二零一八年十月二十四日獲委任為本公司之代理人。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（股份代號：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 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its principal subsidiaries are set forth in note 29(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 9 to 28. This discussion forms part of the report of the directors.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 83 and 84.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2018.

DIVIDEND POLICY

In alignment with the recent amendments to the Corporate Governance Code and the related listing rules, the Company has formulated the dividend policy as from 1 January 2019.

In determining whether to propose a dividend and the relevant dividend pay-out ratio, the board of directors of the Company shall take into considerations, inter alia, the Group's earnings performance, financial position, expected working capital requirements, investment requirements, future expansion plan and general economic condition as well as other external factors that may have an impact on the business of the Company. The payment of dividend is also subject to any restrictions and requirements under the Bermuda law, the Company's Bye-laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There can be no assurance that a dividend will be proposed or declared in any given year

董事謹此提呈截至二零一八年十二月三十一日止年度之年報及經審核財務報表。

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29(a)。香港公司條例附表5規定之討論及分析載於第9至28頁。此討論構成董事會報告之一部分。

業績及股息

本集團截至二零一八年十二月三十一日止年度之業績載於第83及84頁的綜合損益表及綜合全面收益表。

董事並不建議就截至二零一八年十二月三十一日止年度派付任何股息。

股息政策

按新修訂《企業管治守則》及相關上市規則，本公司已於二零一九年一月一日制定股息政策。

本公司之董事會在決定是否建議派發股息及釐定有關派息比率時，須考慮到（其中包括）本集團的收益表現、財務狀況、預期營運資金需求、投資需求、日後擴展計劃及一般經濟狀況以及可能對本公司業務產生影響的其他外在因素。本公司派付股息亦受百慕達法律、本公司細則以及香港聯合交易所有限公司證券上市規則所規限。本公司不保證在任何一年建議或宣派股息。

REPORT OF THE DIRECTORS

董事會報告

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 307.

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 87 and 88 and note 26 to the consolidated 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 consolidated financial statements.

BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 December 2018 are set out in note 23 to the consolidated financial statements.

CONVERTIBLE BONDS

Particulars of convertible bonds of the Group and the Company as at 31 December 2018 are set out in note 24 to the consolidated financial statements.

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 307 頁。

儲備

本集團及本公司年內儲備之變動詳情分別載於第 87 及 88 頁的綜合權益變動表及綜合財務報表附註 26。

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綜合財務報表附註 13。

貸款

有關本集團於二零一八年十二月三十一日銀行及其他貸款之詳情載於綜合財務報表附註 23。

可換股債券

本集團及本公司於二零一八年十二月三十一日可換股債券之詳情載於綜合財務報表附註 24。

SHARE CAPITAL

As at 31 December 2018, the total number of issued ordinary shares of the Company was 5,836,921,580 at par value of HK\$0.1 each. During the year, the Company has completed the capital reorganisation, the share consolidation, the share placing and the 2018 convertible bonds restructure, as well as the rights issue and increase in authorized share capital. Details of the above transactions are set out in the following sections headed “2018 Capital Reorganisation”, “Share Consolidation and Change in Board Lot Size”, “Placing of New Shares under General Mandate” and “Rights Issue and Increase in Authorised Share Capital” and note 26(b) in the consolidated financial statements. No convertible bonds of the Company was exercised during the year.

Subsequent to the end of the year under review, the Board proposed to implement the capital reorganisation by reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.099 on each of the issued existing shares of the Company such that the nominal value of each issued existing share of the Company will be reduced from HK\$0.1 to HK\$0.001 (the “2019 Capital Reorganisation”). The Board also proposed to refresh the existing general mandate for the directors to allot, issue and deal with new shares up to 20% of the total number of issued shares of the Company as at the date of passing of such resolution at the special general meeting (“Refreshment of the Existing General Mandate”).

The aforesaid proposals were approved by the shareholders of the Company at a special general meeting of the Company held on 27 February 2019. Details were set out in the announcements of the Company dated 18 January 2019, 27 February 2019 and 28 February 2019 as well as the circular of the Company dated 4 February 2019. The Capital Reorganisation has become effective on 28 February 2019.

股本

於二零一八年十二月三十一日，本公司每股面值0.1港元之已發行普通股總數為5,836,921,580股。於本年度內，本公司已完成股本重組、股份合併、股份配售及二零一八年可換股債券重組以及供股及增加法定股本。有關上述交易之詳情載於下文「二零一八年股本重組」、「股份合併及更改每手買賣單位」、「根據一般授權配售新股」及「增加法定股本」各節及綜合財務報表附註26(b)。於年內，概無本公司換股債券獲行使。

於回顧年度後，董事會建議進行股本重組，涉及透過註銷本公司繳足股本（以每股已發行現有股份0.099港元為限），致使本公司每股已發行現有股份之面值將由0.1港元削減至0.001港元以削減本公司之已發行股本「二零一九年股本重組」。董事會亦建議更新現有一般授權，以供董事配發、發行及處置最多為本公司在有關決議案於股東特別大會上獲通過當日已發行股份總數20%之新股份（「更新現有一般授權」）。

上述建議已於二零一九年二月二十七日舉行之本公司股東特別大會上由本公司股東批准。詳情載於本公司日期為二零一九年一月十八日、二零一九年二月二十七日及二零一九年二月二十八日之公告以及本公司日期為二零一九年二月四日之通函內。股本重組已於二零一九年二月二十八日生效。

REPORT OF THE DIRECTORS

董事會報告

2018 Capital Reorganisation

On 12 October 2017, the Board proposed to effect the capital reorganisation (the “2018 Capital Reorganisation”) in the following manner: (i) the par value of each of the issued shares of HK\$0.125 each in the existing share capital of the Company (“Existing Shares”) reduced from HK\$0.125 each to HK\$0.005 each (“New Shares”) by cancelling the capital paid-up thereon to the extent of HK\$0.12 on each of the issued Existing Shares (the “Capital Reduction”); (ii) immediately following the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) would be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company would be increased to HK\$150,000,000 by the creation of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$150,000,000 divided into 30,000,000,000 New Shares; (iii) the credits arising in the books of the Company from the Capital Reduction would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda; and (iv) the amount standing to the credit of the contributed surplus account be applied to be applied in any other manner as may be permitted under the the bye-laws of the Company in effect from time to time and all applicable laws of Bermuda.

The aforesaid proposal was approved by the shareholders of the Company by a special resolution at an extraordinary general meeting of the Company held on 27 November 2017. Details of the 2018 Capital Reorganisation were set out in the announcements of the Company dated 12 October 2017, 27 November 2017, 12 December 2017 and 2 January 2018 as well as the circular of the Company dated 1 November 2017. The 2018 Capital Reorganisation has become effective on 2 January 2018.

二零一八年股本重組

於二零一七年十月十二日，董事會建議並透過下列方式進行股本重組（「二零一八年股本重組」）：(i) 透過註銷每股已發行現有股份之實繳股本0.12港元，將本公司現有股本中每股面值0.125港元之已發行股份（「現有股份」）之面值由每股0.125港元削減至每股0.005港元（「新股份」）（「股本削減」）；(ii) 緊隨股本削減生效後，全面註銷本公司所有法定但未發行股本（包括由股本削減產生之法定但未發行股本），及於註銷有關股本後，隨即藉增設額外新股份（足以增加本公司法定股本至150,000,000港元，分為30,000,000,000股新股份）增加本公司法定股本至150,000,000港元；(iii) 在本公司賬目中因股本削減而產生之進賬將撥入本公司之實繳盈餘賬（定義見百慕達一九八一年公司法）；及(iv) 實繳盈餘賬之進賬金額已按該進賬金額用於撇銷本公司之累計虧損，或按照於由本公司不時生效的細則及百慕達所有適用法律可能允許之任何其他方式動用。

上述建議已於二零一七年十一月二十七日舉行之本公司股東特別大會上由本公司股東通過特別決議案批准。二零一八年股本重組之詳情載於本公司日期為二零一七年十月十二日、二零一七年十一月二十七日、二零一七年十二月十二日及二零一八年一月二日之公告以及本公司日期為二零一七年十一月一日之通函內。二零一八年股本重組已於二零一八年一月二日生效。

Placing of New Shares under General Mandate

On 17 January 2018, the Company entered into a Placing Agreement with an independent placing agent whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, up to 2,779,000,000 new shares of the Company to not less than six independent places at HK\$0.057 per Placing Share.

The completion of the Placing took place on 1 February 2018. A total of 2,779,000,000 new shares of the Company have been allotted and issued to not less than six Placers under general mandate. The net proceeds from the Placing, after deduction of the placing commission and other related expenses of approximately HK\$155 million has been fully used as intended during the year under review. HK\$120 million was used for the settlement of the Group's debts whilst HK\$35 million was used for general working capital (comprising production costs, finance costs and administrative expenses of approximately HK\$20 million, HK\$10 million and HK\$5 million respectively). Details of the Placing are set out in the Company's announcements dated 17 January 2018 and 1 February 2018.

Share Consolidation and Change in Board Lot Size

By an ordinary resolution passed at the special general meeting on 25 May 2018, pursuant to the share consolidation (the "Share Consolidation"), every 20 issued and unissued shares of HK\$0.005 each were consolidated into 1 consolidated share (the "Consolidated Share") of HK\$0.1 each in the share capital of the Company. The Share Consolidation has become effective on 28 May 2018. At the same time, the board lot size has been changed from 2,000 shares to 10,000 Consolidated Shares. Following the Share Consolidation, the authorised share capital of the Company are HK\$150,000,000 divided into 1,500,000,000 Consolidated Shares of a par value of HK\$0.1 each, of which 833,845,940 Consolidated Shares are already in issue. Details of the Share Consolidation are set out in the Company's announcements dated 10 April 2018, 27 April 2018 and 25 May 2018 as well as the Company's circular dated 3 May 2018.

根據一般授權配售新股

於二零一八年一月十七日，本公司與一名獨立配售代理訂立配售協議，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，按每股配售股份0.057港元配售最多2,779,000,000股本公司新股份。

配售事項已於二零一八年二月一日完成。合共2,779,000,000股本公司新股份已按一般授權配發及發行予不少於六名獨立承配人。配售事項所得款項淨額（經扣除配售佣金及其他相關開支後）約為155百萬港元已於回顧年內按計劃全動用，其中120百萬港元已用於支付本集團債務，以及另外35百萬港元已用作一般營運資金（包括生產成本、財務成本及行政開支分別約20百萬港元、10百萬港元及5百萬港元）。配售事項之詳情載於本公司日期為二零一八年一月十七日及二零一八年二月一日之公告內。

股份合併及更改每手買賣單位

於二零一八年五月二十五日舉行之本公司股東特別大會上由本公司股東通過普通決議案，根據股份合併（「股份合併」），本公司股本中每20股每股面值0.005港元之已發行及未發行股份合併為1股每股面值0.1港元之合併股份（「合併股份」）。股份合併已於二零一八年五月二十八日生效。與此同時，股份於聯交所買賣之每手買賣單位已由2,000股股份更改為10,000股合併股份。跟隨股份合併後，本公司法定股本為150,000,000港元，分為1,500,000,000股每股面值0.1港元之合併股份，其中833,845,940股合併股份已獲發行。股份合併之詳情載於本公司日期為二零一八年四月十日、二零一八年四月二十七日及二零一八年五月二十五日之公告以及本公司日期為二零一八年五月三日之通函內。

REPORT OF THE DIRECTORS

董事會報告

Rights Issue and Increase in Authorised Share Capital

On 21 June 2018, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with certain underwriters for the proposed rights issue of not less than 5,003,075,640 rights shares and not more than 5,045,075,640 rights shares (the “Rights Share(s)”) at the subscription price of HK\$0.22 per each Rights Share on the basis of 6 Rights Shares for 1 existing issued share of the Company (the “Rights Issue”). The aggregate subscription price for the Rights Issue will be not less than approximately HK\$1,101 million and not more than approximately HK\$1,110 million. Pursuant to the Underwriting Agreement, the underwriters have undertaken to the Company to fully underwrite the Rights Shares and certain underwriters will set off the aggregate subscription price payable by the relevant underwriters to the Company for subscription of the Rights Shares which are not taken up by the qualifying shareholders of the Company (the “Untaken Shares”) pursuant to the Underwriting Agreement against part of the underwriters’ loans, including the Loans of the Incoming Lenders owed by the Company to the respective underwriter (the “Set-off”). The estimated net cash proceeds from the Rights Issue (taking into account the effect of the Set-Off and deducting the related expenses for the Rights Issue) will be not less than approximately HK\$326 million and not more than approximately HK\$1,096 million.

供股及增加法定股本

於二零一八年六月二十一日，本公司與若干包銷商訂立包銷協議（「包銷協議」）以建議按每持有1股本公司現有已發行股份獲發6股供股股份之基準按認購價每股供股股份0.22港元供股發行不少於5,003,075,640股供股股份且不超過5,045,075,640股供股股份（「供股股份」）（「供股」）。供股之總認購價將不少於約1,101百萬港元且不超過約1,110百萬港元。根據包銷協議，包銷商已向本公司承諾悉數包銷供股股份及若干包銷商將以相關包銷商因認購包銷協議項下未獲本公司合資格股東接納的供股股份（「未獲接納股份」）而應付予本公司之總認購價部分抵銷本公司結欠各包銷商之包銷商貸款（包括接替放款人之貸款）（「抵銷」）。估計供股所得現金款項淨額（經計及抵銷之影響及扣除供股相關開支）將不少於約326百萬港元及不多於約1,096百萬港元。

In order for the Company to allot and issue the Rights Shares proposed under the Rights Issue and to provide the flexibility for future development, the Company increased its authorised share capital from HK\$150,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.1 each to HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.1 each by the creation of an additional 8,500,000,000 new ordinary shares (the "Increase Authorised Share Capital"), all of which will rank pari passu with all existing ordinary shares of the Company in all respects. The Rights Issue and the Increase Authorised Share Capital have been approved by the shareholders of the Company at the Company's special general meeting on 23 August 2018 and the Increase Authorised Share Capital was effective from 23 August 2018. The Rights Issue transaction has been completed on 26 September 2018, and an aggregate of 5,003,075,640 new shares had been allotted and issued by the Company. Details are set out in the Company's announcements between 21 June 2018 and 26 September 2018 and its circular dated 3 August 2018 and the prospectus dated 4 September 2018.

The net proceeds from the Rights Issue, after set-off the underwriter loan and deducting related expenses, are approximately HK\$326 million. During the year, the net proceeds were used for the Group's general working capital of approximately HK\$49 million and reduction of the Group's debts of HK\$277 million.

為使本公司配發及發行供股項目下建議之供股股份及靈活地應對未來發展，本公司藉增設額外8,500,000,000股新普通股(彼等將於所有方面與全部本公司現有普通股股份享有同等權益)，將本公司法定股本由150,000,000港元(分為1,500,000,000股每股0.1港元之普通股)增加至1,000,000,000港元(分為10,000,000,000股每股0.1港元之普通股)(「增加法定股本」)。供股及增加法定股本已於二零一八年八月二十三日之本公司股東特別大會上獲本公司股東批准及增加法定股本自二零一八年八月二十三日起生效。供股交易於二零一八年九月二十六日已完成，且本公司已配發及發行合共5,003,075,640股新股份。詳情載於本公司日期由二零一八年六月二十一日至二零一八年九月二十六日期間之公告及其日期為二零一八年八月三日之通函以及日期為二零一八年九月四日之售股章程。

供股之所得款項淨額經抵銷包銷商貸款及扣除相關開支後約為326百萬港元。於本年度內，所得款項淨額乃用作本集團分別約為49百萬港元一般營運資金及減少本集團債務277百萬港元。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS

On 21 June 2018, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with certain underwriters for the proposed rights issue of not less than 5,003,075,640 rights shares and not more than 5,045,075,640 rights shares (the “Rights Shares”) at the subscription price of HK\$0.22 per rights share on the basis of 6 rights shares for every 1 existing issued share of the Company (the “Rights Issue”). The aggregate subscription price for the Rights Issue will be not less than approximately HK\$1,101 million and not more than approximately HK\$1,110 million. Details of the Rights Issue are set out in the Company’s announcements between 21 June 2018 and 26 September 2018 and the Company’s circular dated 3 August 2018 and the prospectus dated 4 September 2018.

Mr. Liu Liyang (“Mr. Liu”), the former executive Director and the chairman of the Board, through Tai Ning Investment Holdings Limited and his personal interest, was interested in 21,482,343 Shares (representing approximately 2.58% of the issued share capital of the Company as at 23 August 2018); Mr. Zhang Lirui (“Mr. Zhang”), an executive Director, was interested in 2,584,169 Shares (representing approximately 0.31% of the issued share capital of the Company as at 23 August 2018). Under the listing rules, Mr. Liu and Mr. Zhang are the connected persons of the Company and they are required to abstain in favour of from voting on the resolution in relation to the approval of the Rights Issue and the Underwriting Agreement. The Rights Issue and the Increase Authorised Share Capital have been approved by the shareholders of the Company at the Company’s special general meeting on 23 August 2018. The Rights Issue transaction was completed on 26 September 2018. The above Connected transaction is also disclosed in the section headed “Rights Issue and Increase in Authorised Share Capital” in the Report of Directors.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above connected transactions.

Save as disclosed above, there was no other non-exempted connected transaction entered into by the Company during the year. The related party transactions as disclosed in notes 35(a) to the consolidated financial statements are fully exempted connected transactions under Chapter 14A of the Listing Rules.

關連交易

於二零一八年六月二十一日，本公司與若干包銷商訂立包銷協議（「包銷協議」）以建議按每持有1股本公司現有已發股份獲發6股供股股份（「供股股份」）之基準按認購價每股供股股份0.22港元供股發行不少於5,003,075,640股供股股份且不超過5,045,075,640股供股股份（「供股」）。供股之總認購價將不少於約1,101百萬港元且不超過約1,110百萬港元。供股之詳情載於本公司日期由二零一八年六月二十一日至二零一八年九月二十六日之公告及本公司日期為二零一八年八月三日之通函以及日期為二零一八年九月四日之售股章程內。

劉力揚先生（「劉先生」），前執行董事及董事會主席，透過泰寧投資控股有限公司及其個人權益於21,482,343股股份（約佔本公司於二零一八年八月二十三日已發行股本之2.58%）中擁有權益；張利銳先生（「張先生」），為執行董事，於2,584,169股股份（約佔本公司於二零一八年八月二十三日已發行股本之0.31%）中擁有權益。根據上市規則，劉先生及張先生為本公司的關連人士及彼等須就批准供股及包銷協議的決議案放棄投贊成票。供股及增加法定股本已於二零一八年八月二十三日之本公司股東特別大會上獲本公司股東批准。供股交易已於二零一八年九月二十六日完成。以上關連交易亦於董事會報告「供股及增加法定股本」一節內披露。

就上述關連交易，本公司已遵守了聯交所上市規則第14A章的披露規定。

除上文所披露外，本公司於年內並沒有訂立其他非豁免關連交易。根據上市規則第14A章，綜合財務報表附註35(a)所載各關連人士交易為全面獲豁免關連交易。

DIRECTORS

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

Executive Directors:

- Mr. Yi Shuhao (*Chairman and Chief Executive Officer*)
(*appointed as Chairman and Executive Director on 5 September 2018 and appointed as Chief Executive Officer on 13 December 2018*)
- Mr. Liu Liyang (*resigned as Chairman on 5 September 2018 and resigned as Executive Director on 24 October 2018*)
- Mr. Chen Sheng (*Vice-Chairman*)
(*resigned as Chief Executive Officer on 13 December 2018 and re-designated as Vice-Chairman on the same date*)
- Mr. Zhang Lirui (*Vice-Chairman*)
(*re-designated as Vice-Chairman on 13 December 2018*)
- Mr. Yu Yong (*Deputy Chief Executive Officer*)
- Mr. Wang Baozhi
- Ms. Zang Dongling (*resigned on 5 September 2018*)

Independent Non-Executive Directors:

- Professor Xiao Rong Ge
- Mr. Wu Tai Cheung
(*resigned on 1 March 2019*)
- Professor Zhang Tianyu
- Ms. Wong Chi Yan
(*appointed on 1 March 2019*)

董事

年內及直至本報告日期，董事如下：

執行董事：

- 易淑浩先生(主席兼行政總裁)
(於二零一八年九月五日獲委任為主席及執行董事並於二零一八年十二月十三日獲委任為行政總裁)
- 劉力揚先生(於二零一八年九月五日辭任主席及於二零一八年十月二十四日辭任執行董事)
- 陳勝先生(副主席)
(於二零一八年十二月十三日辭任行政總裁及於同日調任為副主席)
- 張利銳先生(副主席)
(於二零一八年十二月十三日獲調任為副主席)
- 余勇先生(副總裁)
- 王保志先生
- 臧東玲女士
(於二零一八年九月五日辭任)

獨立非執行董事：

- 肖榮閣教授
- 胡大祥先生
(於二零一九年三月一日辭任)
- 張田余教授
- 黃志恩女士
(於二零一九年三月一日獲委任)

REPORT OF THE DIRECTORS

董事會報告

The service contract of Mr. Wang Baozhi as an Executive Director was signed on 21 August 2017 for a term of three years. The service contract for each of Mr. Chen Sheng and Mr. Yu Yong as Executive Directors was signed on 6 September 2017 for a term of three years. The service contract of Mr. Zhang Lirui as an Executive Director was signed on 10 July 2018 for a term of three years. The service contract of Mr. Yi Shuhao as an Executive Director was signed on 5 September 2018 for a term of three years.

The service contract of Professor Zhang Tianyu as an Independent Non-executive Director was signed on 21 August 2017 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 2019. The service contract of Ms. Wong Chi Yan as an Independent Non-Executive Director was signed on 1 March 2019 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 Bye-laws. Pursuant to Bye-law 84(1), Mr. Wang Baozhi, Mr. Zhang Lirui 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 Bye-law 83 (2), Ms. Wong Chi Yan 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.

王保志先生作為執行董事之服務合約於二零一七年八月二十一日簽訂，為期三年。而陳勝先生及余勇先生作為執行董事之各自服務合約於二零一七年九月六日簽訂，為期三年。張利銳先生作為執行董事服務合約於二零一八年七月十日簽訂，為期三年。易淑浩先生作為執行董事之服務合約於二零一八年九月五日簽訂，為期三年。

張田余教授作為獨立非執行董事之服務合約於二零一七年八月二十一日簽訂，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，自二零一九年一月二十一日起計為期三年。黃志恩女士作為獨立非執行董事之服務合約於二零一九年三月一日簽訂，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84(1)條規定，王保志先生、張利銳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83(2)條規定，黃志恩女士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。

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES

As at 31 December 2018, 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

於二零一八年十二月三十一日，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	Number of shares (including underlying shares) 股份數目(包括相關股份)			Number of underlying shares held under equity derivatives (Note a) 以股本衍生工具持有之相關股份數(附註a)	Total 合計	Approximate % of Issued Share Capital 佔已發行股本之概約百分比
	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益			
Mr. Zhang Lirui 張利銳先生	246,314,828	—	—	7,148,400	253,463,228	4.34%

REPORT OF THE DIRECTORS

董事會報告

Notes:

- (a) 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 2018, 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.

SHARE OPTIONS SCHEMES

The Company currently has one share option scheme: the 2014 Share Option Scheme.

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.

附註：

- (a) 此乃本公司授出之購股權涉及之相關股份權益，有關詳情載於下文「購股權計劃」一節。

除以上所披露者外，於二零一八年十二月三十一日，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。

購股權計劃

本公司現有一項購股權計劃：二零一四年購股權計劃。

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10年期間仍然有效。

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% (ie. 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. On 12 October 2016, 1,385,769,378 options have been granted under the 2014 Share option Scheme. During the year, no 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 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.

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.

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更新獲批准之日期)本公司已發行普通股之10%(即1,385,769,378股股份)。於二零一六年十月十二日，根據二零一四年購股計劃已授出1,385,769,378份購股權，於年內，概無根據二零一四年購股權計劃授出任何購股權。

除非股東批准，否則於任何十二個月就根據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%。

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。

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The exercise price of options under 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 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 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.

The Company had completed Share Consolidation on 28 May 2018. Adjustments were made to the exercise prices and the number of Consolidated Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the Share Consolidation, the subscription price of share options outstanding was adjusted to HK\$4.972 per Consolidated Share and the total number of share options outstanding was adjusted to 39,638,467 Consolidated Shares.

The Company had also completed Rights Issue on 26 September 2018. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the Rights Share, the subscription price of share options outstanding was adjusted to HK\$4.799 per Share and the total number of share options outstanding was adjusted to 22,895,598 Shares with effect from 27 September 2018.

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。

即使二零一四年購股權計劃訂有任何其他條款,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%。

本公司已於二零一八年五月二十八日完成股份合併。有關尚未行使之購股權而將予發行的合併股份行使價及數目已按照購股權計劃的條款及條件、上市規則第17.03(13)條及聯交所發出日期為二零零五年九月五日的補充指引作出調整。於股份合併後,未行使之購股權的認購價調整至每股合併股份4.972港元及尚未行使之購股權總數調整至39,638,467股合併股份。

本公司亦於二零一八年九月二十六日完成供股。有關尚未行使之購股權而將予發行的股份行使價及數目已按照購股權計劃的條款及條件、上市規則第17.03(13)條及聯交所發出日期為二零零五年九月五日的補充指引作出調整。於供股後,未行使之購股權的認購價調整至每股股份4.799港元及尚未行使之購股權總數調整至22,895,598股,自二零一八年九月二十七日生效。

As at the date of issue of this annual report, the number of Shares in respect of which options had been granted and remained outstanding under 2014 Share Option Scheme was 14,555,799, representing approximately 0.25% of the existing issued share capital of the Company as at the date of this report.

Details of the share options granted and remained outstanding as at 31 December 2018 under the 2014 Share Option Scheme are as follows:

截至本年報刊發日期，二零一四年購股權計劃項下已授出及尚未行使的購股權所涉及之股份數目為14,555,799股，於本報告日期約佔本公司現有已發行股本的0.25%。

根據二零一四年購股權計劃，於二零一八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	Price 行使價	Number of share options 購股權數目									
		Outstanding at 1 January 2018 二零一八年 一月一日 尚未行使	Lapsed before Share Consolidation 股份合併前 失效	Exercised before Share Consolidation 股份合併前 行使	Outstanding share options immediately before Share Consolidation 緊接股份 合併前 尚未行使之 購股權	Adjusted share options after Share Consolidation 股份合併後 經調整之尚未 行使購股權	Number of share options lapsed after Share Consolidation 股份合併後 失效之 購股權數目	Outstanding share options immediately before completion of Rights Issue 緊接股份 完成供股前 尚未行使之 購股權	Adjusted share options after completion of Rights Issue 完成供股後 經調整之 尚未行使 購股權	Number of share options lapsed after completion of Rights Issue 完成供股後 失效之 購股權數目	Outstanding at 31 December 2018 二零一八年 十二月 三十一日 尚未行使
Mr. Liu Liyang (resigned on 24 October 2018) 劉力揚先生 (於二零一八年 十月二十四日辭任)	4.799	138,000,000	-	19	137,999,981	6,899,999	6,899,999	7,148,399	(7,148,399)	-	
Mr. Zhang Linui 張利銳先生	4.799	138,000,000	-	-	138,000,000	6,900,000	6,900,000	7,148,400	-	7,148,400	
Other senior management staff and Employees 其他高級管理人員及僱員	4.799	623,269,378	(106,500,000)	-	516,796,378	25,838,468	(17,538,469)	8,299,999	8,598,799	(1,191,400)	7,407,399
Total 合計		899,269,378	(106,500,000)	19	792,796,359	39,638,467	(17,538,469)	22,099,998	22,895,598	(8,339,799)	14,555,799

*Note1: The exercise price of the outstanding share option has been adjusted to reflect the effect of the Share Consolidation and completion of Rights Issue.

The above share options are of an exercise price of HK\$4.799 per share with the exercise period from 12 October 2016 to 11 October 2019.

*附註1：尚未行使購股權之行使價已予調整以反映股份合併及完成供股後之影響。

上述購股權之行使價為每股4.799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。

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The share options granted are recognised in the consolidated financial statements. The information on measurement of the fair value of share options is set out in note 31 to the consolidated financial statements.

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 35 to the consolidated 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.

PERMITTED INDEMNITY PROVISION

The Bye-laws of the Company provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets and profits of the Company from and against all actions, costs, losses, damages and expenses which he/she may sustain or incur in by reason of the execution of the duties of his/he office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

授出的購股權已於綜合財務報表確認。有關計量購股權公平值之資料載於綜合財務報表附註31。

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

除於綜合財務報表附註35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。

獲准許的彌償條文

本公司之公司細則規定，本公司各董事或其他高級職員有權就履行其職務或在其他有關方面蒙受或招致的所有訴訟、費用、虧損、損失及開支自本公司資產及利潤中獲得彌償。此外，本公司已就董事可能面對之有關法律訴訟安排適當的董事及主要職員責任保險。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, 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 or short position 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:

LONG POSITION IN THE SHARES OF THE COMPANY

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares/ underlying Shares held 所持股份/ 相關股份數目	Approximate % of shareholding 概約持股 百分比
1. Liu Shiwei 柳士威	Beneficial and spouse interest (Note (a)) 實益及配偶權益(附註(a))	1,670,515,980	28.62%
2. Guan Yuyan 官玉燕	Corporate and spouse interest (Note (b)) 法團及配偶權益(附註(b))	1,670,515,980	28.62%
3. Grace Silver Limited 瑞盈有限公司	Beneficial interest (Note (c)) 實益權益(附註(c))	1,305,038,799	22.36%
4. Beijing Easyhome Investment Holding Group Co., Ltd.* 北京居然之家投資控股 集團有限公司	Corporate interest (Note (d)) 法團權益(附註(d))	643,061,087	11.02%
5. Koo Yuen Kim 古潤金	Beneficial and corporate interest (Note (e)) 實益及法團權益(附註(e))	611,345,727	10.47%

主要股東

於二零一八年十二月三十一日，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%或以上權益或淡倉，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：

本公司股份之好倉

REPORT OF THE DIRECTORS

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* The English name is for identification purpose only

Notes:

- (a) Mr. Liu Shiwei holds 365,477,181 Shares by virtue of his personal interest. Ms. Guan Yuyan, being Mr. Liu's spouse, has interest of 1,305,038,799 Shares in the Company via her wholly-owned controlled corporation namely Grace Silver Limited. Accordingly, Mr. Liu is also taken to be interested in 1,305,038,799 Shares via his spouse.
- (b) Ms. Guan Yuyan has deemed interest in 1,305,038,799 Shares via her wholly-owned controlled corporation namely Grace Silver Limited. Mr. Liu Shiwei being the spouse of Ms. Guan has interest of 365,477,181 Shares in the Company. Accordingly, Ms. Guan is also taken to be interested in 365,477,181 Shares via her spouse.
- (c) Grace Silver Limited is wholly and beneficially owned by Ms. Guan Yuyan.
- (d) China Home Hong Kong Limited is wholly-owned by Beijing Easyhome Investment Holding Group Co., Ltd.. China Home Hong Kong Limited is directly holding 643,061,087 Shares and Beijing Easyhome Investment Holding Group Co., Ltd. is deemed to hold 643,061,087 Share through its controlled interests in China Home Hong Kong Limited.
- (e) Mr. Koo Yuen Kim holds 595,258,945 Shares by virtue of his personal interest and 16,086,782 Shares through his wholly-owned controlled corporation namely Golden Eagle (Asia) Investment Limited.

Saved as disclosed above in this section, as at 31 December 2018, 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.

* 英文名稱僅供識別之用

附註：

- (a) 柳士威先生藉由其個人權益持有 365,477,181 股股份。官玉燕女士為柳先生之配偶，通過其全資擁有之受控法團瑞盈有限公司於本公司 1,305,038,799 股股份中擁有權益。因此，柳先生亦被視為通過其配偶於 1,305,038,799 股股份中擁有權益。
- (b) 官玉燕女士被視為通過其全資擁有之受控法團瑞盈有限公司於 1,305,038,799 股股份中擁有權益。柳士威先生為官女士之配偶，於本公司 365,477,181 股股份中擁有權益。因此，官女士亦被視為通過其配偶於 365,477,181 股股份中擁有權益。
- (c) 瑞盈有限公司由官玉燕女士全資及實益擁有。
- (d) 華居(香港)有限公司由北京居然之家投資控股集團有限公司全資擁有。華居(香港)有限公司直接持有 643,061,087 股股份，而北京居然之家投資控股集團有限公司被視為通過其於華居(香港)有限公司的受控權益持有 643,061,087 股股份。
- (e) 古潤金先生藉由其個人權益持有 595,258,945 股股份，並通過其全資擁有之受控法團金鷹(亞洲)投資有限公司於 16,086,782 股股份中擁有權益。

除本節上文所披露者外，於二零一八年十二月三十一日，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。

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 2018, 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 29 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 Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was continued.

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二零一八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29至44頁所載之公司管治報告書。

董事於競爭業務之權益

概無董事及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

本公司之公司細則或百慕達(本公司存續之司法權區)法例並無載有優先購買權之條文。

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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 24%
- five largest suppliers totally 77%

Sales

- the largest customer 24%
- five largest customers totally 70%

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 34 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 24%
- 五大供應商合共 77%

銷售

- 最大客戶 24%
- 五大客戶合共 70%

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 34。

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 consolidated financial statements for the year ended 31 December 2018 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.

On behalf of the Board
Mr. Yi Shuhao
Chairman

Hong Kong, 29 March 2019

核數師

天健德揚會計師事務所有限公司(「天健德揚」)已審核截至二零一八年十二月三十一日止年度之綜合財務報表，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。

代表董事會
易淑浩先生
主席

香港，二零一九年三月二十九日

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 and continued in Bermuda 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 83 to 306, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, and 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 2018, 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.

致麥盛資本集團有限公司之股東

(於開曼群島註冊成立並於百慕達存續之有限公司)

意見

吾等已審核列載於第 83 頁至第 306 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，其包括於二零一八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表、綜合全面收益表、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 貴集團於二零一八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。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(b) to the consolidated financial statements, which indicates the losses incurred for the years ended 31 December 2017 and 2018 and the extent of net current liabilities as at 31 December 2018. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2(b) to the consolidated financial statements, the Directors are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our opinion is not modified in respect of this matter.

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.

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。

有關持續經營之重大不明朗因素

吾等務請 閣下垂注綜合財務報表之附註2(b)，當中顯示 貴集團於二零一七年十二月三十一日及二零一八年十二月三十一日止年度錄得虧損及加上截至二零一八年十二月三十一日有淨流動負債水平。該等情況顯示有重大不明朗因素存在，這可能令 貴公司持續經營能力構成重大疑問。考慮綜合財務報表附註2(b)所載之措施及安排，董事認為 貴集團將可應付其未來營運資金及財務需求。吾等的意見並未因此事項而修改。

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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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.

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

The impairment assessment of the 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 approximately HK\$5,955 million as at 31 December 2018.

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.

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。

吾等在審計中識別的關鍵審核事項概述如下：

採礦權減值的評估

更多資料於綜合財務報表附註 12 披露。

關鍵審核事項

截至二零一八年十二月三十一日，貴集團採礦權的賬面值約為 5,955 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。

INDEPENDENT AUDITOR'S REPORT

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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 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
- comparing the calculated recoverable values to the associated carrying values, assessing whether any impairment charges were necessary.

Impairment assessment of the goodwill

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

Key Audit Matter

During the previous years, the group acquired the entire equity interests in Shenzhen Munsun Asset Management Company Limited, Munsun Asset Management (Asia) Limited and Munsun Securities Limited. The purchase price allocation resulted in goodwill allocated to the cash-generating unit of the financial services operation of the Group (the "FS CGU") of approximately HK\$281 million as at 31 December 2018.

Impairment of goodwill has to be assessed annually. The assessment process is complex, requires significant judgment and imposes significant estimation uncertainties.

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
- 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。

商譽的減值評估

更多資料於綜合財務報表附註 12 披露。

關鍵審核事項

於以前年度，貴集團收購深圳市麥盛資產管理有限公司、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。截至二零一八年十二月三十一日，購買價分攤產生的商譽使本集團金融服務業務的現金產生單位(「金融服務業務的現金產生單位」)合計約為281百萬港元。

商譽減值必須每年作出評估。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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

How our audit addressed the Key Audit Matter

Our approach focused on the following procedures:

- reviewing management's impairment model for assessing the carrying value of goodwill and challenging management on the identification of the FS CGU, 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 of directors and have reviewed the historical accuracy of management's forecasts;
- evaluating the implied growth rates beyond 2018 by considering evidence available to support these assumptions and their consistency with findings from other areas of our audit and by performing sensitivity analyses;
- 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; and
- comparing the calculated recoverable values to the associated carrying values, assessing whether any impairment charges were necessary.

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.

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：

- 審閱管理層用於評估商譽賬面值的減值模型，並就金融服務業務的現金產生單位、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；
- 評估二零一八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；
- 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；及
- 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。

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。

INDEPENDENT AUDITOR'S REPORT

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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.

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.

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。

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。

INDEPENDENT AUDITOR'S REPORT

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

As part of an audit in accordance with HKSA's, 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,

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。

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

INDEPENDENT AUDITOR'S REPORT

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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.
- 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.

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。
- 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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

出具本獨立核數師報告的審核項目董事為陳育棠。

Ascenda Cachet CPA Limited

Certified Public Accountants

Hong Kong, 29 March 2019

天健德揚會計師事務所有限公司

執業會計師

香港，二零一九年三月二十九日

Chan Yuk Tong

Practising Certificate Number P03723

陳育棠

執業證書編號：P03723

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	4(a)	813,901	838,305
Cost of sales	銷售成本		(587,769)	(520,507)
Gross profit	毛利		226,132	317,798
Other income	其他收入	5	18,157	19,665
Other net gain/(loss)	其他收益/(虧損)淨額	5	2,225	(86,922)
Selling and distribution costs	銷售及分銷成本		(12,255)	(15,579)
Administrative expenses	行政費用		(154,091)	(181,831)
Profit from operations	經營溢利		80,168	53,131
Finance costs	財務成本	6(a)	(538,212)	(426,782)
Share of profit of associate	分佔聯營公司溢利		2,039	1,973
Loss before tax	除稅前虧損	6	(456,005)	(371,678)
Income tax expense	所得稅開支	7	(10,330)	(18,512)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損		(466,335)	(390,190)
			HK cents	HK cents
			港仙	港仙
				(Restated) (經重列)
Loss per share	每股虧損	11		
Basic	基本		(20.40)	(53.87)
Diluted	攤薄		(20.40)	(53.87)

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year	年度虧損		(466,335)	(390,190)
Other comprehensive (loss)/income for the year (net of tax)	年度其他全面 (虧損)/收益 (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	換算下列公司 財務報表產生之 匯兌差額：			
– subsidiaries	– 附屬公司		(290,483)	358,409
– associate	– 聯營公司		(507)	572
			(290,990)	358,981
<i>Items that may not be reclassified subsequently to profit or loss:</i>	<i>其後不可能重新分類至 損益之項目：</i>			
Increase in fair value of financial assets at fair value through other comprehensive income	透過其他全面收益 按公平值列賬之 金融資產的公平值增加		29,408	—
			(261,582)	358,981
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		(727,917)	(31,209)

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於二零一八年十二月三十一日

(Expressed in Hong Kong dollars 以港元列示)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets			
Intangible assets	12	6,279,604	6,455,816
Fixed assets	13	5,056,737	5,298,507
Deposits paid for gold mining and exploration rights	14	144,666	152,375
Financial assets at fair value through other comprehensive income	15	280,166	—
Available-for-sale investments	15	—	264,120
Investment in associate	16	10,501	8,969
Trade, loans and other receivables, deposits and prepayments	18	109,532	49,379
Pledged deposits	20	45,564	47,992
Deposits paid for fixed assets		87,787	93,379
Other deposits		10,536	13,464
Total non-current assets		12,025,093	12,384,001
Current assets			
Inventories	17	197,023	181,389
Trade, loans and other receivables, deposits and prepayments	18	320,092	316,183
Pledged deposits	20	56,955	564,163
Client trust bank balances	21	2,947	4,032
Cash and bank balances	21	80,971	142,039
Total current assets		657,988	1,207,806
Current liabilities			
Trade and other payables	22	751,596	739,115
Contract liabilities	22	29,237	—
Bank and other borrowings	23	2,231,387	2,071,096
Financial liabilities at fair value through profit or loss	19	—	988,444
Derivative financial instruments	24	216	—
Convertible bonds	24	329,946	385,460
Tax payable		17,840	9,176
Total current liabilities		3,360,222	4,193,291

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於二零一八年十二月三十一日

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net current liabilities	流動負債淨值		(2,702,234)	(2,985,485)
Total assets less current liabilities	總資產減流動負債		9,322,859	9,398,516
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他貸款	23	1,017,804	1,573,945
Deferred tax liabilities	遞延稅項負債	25(a)	580,227	614,691
Total non-current liabilities	非流動負債總額		1,598,031	2,188,636
NET ASSETS	資產淨值		7,724,828	7,209,880
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	26	583,692	1,737,240
Reserves	儲備		7,141,136	5,472,640
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔 權益總額		7,724,828	7,209,880

Approved and authorised for issue by the board of directors on 29 March 2019.

經董事會於二零一九年三月二十九日核准並許可發出。

Mr. Yi Shuhao

易淑浩先生

Chairman and Chief Executive Officer

主席及行政總裁

Mr. Zhang Lirui

張利銳先生

Executive Director

執行董事

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
截至二零一八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 26 (b)) (附註26(b))	Share premium 股份溢價 HK\$'000 千港元 (notes 26 (b) & (附註26 (b)及 26(c)(v))	Contributed surplus 實繳盈餘 HK\$'000 千港元 (notes 26 (b) & (附註26 (b)及 26(c)(i))	Statutory reserves 法定儲備 HK\$'000 千港元 (note 26 (c)(iv)) (附註26 (c)(iv))	Fair value reserves 公平值儲備 HK\$'000 千港元 (note 26 (c)(vi)) (附註26 (c)(vi))	Capital reserve 資本儲備 HK\$'000 千港元 (note 26 (c)(iii)) (附註26 (c)(iii))	Exchange reserve 匯兌儲備 HK\$'000 千港元 (note 26 (c)(iii)) (附註26 (c)(iii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,737,240	-	5,611,589	147,057	-	95,511	7,128	(388,645)	7,209,880
Changes in equity for 2018:	二零一八年之權益變動:									
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(466,335)	(466,335)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	29,408	-	(290,990)	-	(261,582)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	29,408	-	(290,990)	(466,335)	(727,917)
Capital reorganisation (note 26 (b)(i))	資本重組(附註26(b)(i))	(1,667,750)	-	1,667,750	-	-	-	-	-	-
Issue of new shares by share placing (note 26 (b)(ii))	透過股份配售發行新股份(附註26 (b)(ii))	13,895	144,508	-	-	-	-	-	-	158,403
Transaction costs for issue of new shares under by share placing (note 26 (b)(ii))	透過股份配售發行新股份的交易成本(附註26 (b)(ii))	-	(3,126)	-	-	-	-	-	-	(3,126)
Issue of new shares under Rights Issue (note 26 (b)(iv))	根據供股發行新股份(附註26 (b)(iv))	500,307	600,369	-	-	-	-	-	-	1,100,676
Transaction cost for issue of new shares under Rights Issue (note 26 (b)(iv))	根據供股發行新股份的交易成本(附註26 (b)(iv))	-	(13,088)	-	-	-	-	-	-	(13,088)
Lapse of share options	購股權失效	-	-	-	-	-	(65,163)	-	65,163	-
Appropriation of safety production fund	撥付安全生產基金	-	-	-	5,551	-	-	-	(5,551)	-
Utilisation of safety production fund	動用安全生產基金	-	-	-	(2,523)	-	-	-	2,523	-
Appropriation of statutory surplus reserve	撥付法定盈餘儲備	-	-	-	1,186	-	-	-	(1,186)	-
At 31 December 2018	於二零一八年十二月三十一日	583,692	728,663	7,279,339	151,271	29,408	30,348	(283,862)	(794,031)	7,724,828

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至二零一八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	Share premium 股份溢價	Contributed surplus 實繳盈餘	Statutory reserves 法定儲備	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total equity 權益總額
		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
		(note 26 (b))	(notes 26 (b) & 26(c) (v))	(notes 26 (b) & 26(c) (i))	(note 26 (c) (iv))	(note 26 (c) (ii))	(note 26 (c) (iii))		
		(附註 26(b))	(附註 26 (b) 及 26(c) (v))	(附註 26 (b) 及 26(c) (i))	(附註 26 (c)(iv))	(附註 26 (c)(ii))	(附註 26 (c)(iii))		
At 1 January 2017	於二零一七年一月一日	1,737,240	5,611,589	—	139,147	210,429	(351,853)	(105,463)	7,241,089
Changes in equity for 2017:	二零一七年之權益變動:								
Loss for the year	本年度虧損	—	—	—	—	—	—	(390,190)	(390,190)
Other comprehensive income for the year	本年度其他全面收益	—	—	—	—	—	358,981	—	358,981
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	—	—	358,981	(390,190)	(31,209)
Lapse of share options	購股權失效	—	—	—	—	(114,918)	—	114,918	—
Transfer of share premium account to contributed surplus (note 26 (i))	股份溢價賬轉至實繳盈餘(附註 26(i))	—	(5,611,589)	5,611,589	—	—	—	—	—
Appropriation of safety production fund	撥付安全生產基金	—	—	—	5,313	—	—	(5,313)	—
Utilisation of safety production fund	動用安全生產基金	—	—	—	(4,242)	—	—	4,242	—
Appropriation of statutory surplus reserve	撥付法定盈餘儲備	—	—	—	6,839	—	—	(6,839)	—
At 31 December 2017	於二零一七年十二月三十一日	<u>1,737,240</u>	<u>—</u>	<u>5,611,589</u>	<u>147,057</u>	<u>95,511</u>	<u>7,128</u>	<u>(388,645)</u>	<u>7,209,880</u>

The notes on pages 92 to 306 form part of these consolidated financial statements.

第 92 至第 306 頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營活動			
Loss before tax	除稅前虧損		(456,005)	(371,678)
Adjustments for:	調整：			
Amortisation of intangible assets	無形資產攤銷	6(c), 12	86,914	96,341
Depreciation and amortisation of fixed assets	固定資產折舊及攤銷	6(c), 13	110,763	97,364
Finance costs	財務成本	6(a)	538,212	426,782
Interest income	利息收入	5	(15,669)	(14,741)
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	(986)	(537)
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	—	85,196
Loss/(gain) on disposal of fixed assets	出售固定資產之虧損／(收益)	5	572	(153)
Share of profit of associate	分佔聯營公司溢利		(2,039)	(1,973)
Changes in working capital:	營運資金變動：			
Increase in inventories	存貨增加		(29,652)	(71,394)
(Increase)/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(增加)／減少		(36,898)	3,136
Decrease/(Increase) in client trust bank balances	客戶信託銀行結餘減少／(增加)		1,085	(802)
Increase in trade and other payables	應付賬款及其他應付款項增加		(13,446)	178,433
Cash generated from operations	經營活動產生之現金		182,851	425,974
Tax paid	已付稅項			
— PRC income tax paid	— 已付中國所得稅		(4,607)	(23,437)
Net cash flows from operating activities	來源於經營活動之現金流淨額		178,244	402,537

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

(Expressed in Hong Kong dollars 以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investing activities	投資活動			
Payment for purchase of fixed assets	購置固定資產付款	13	(127,025)	(277,831)
Proceeds from disposal of fixed assets	出售固定資產所得款項		902	830
Payment for purchase of intangible assets	購入無形資產付款	12	(16,377)	—
Decrease in other non-current deposits	其他非流動按金減少		2,712	26,052
Decrease in deposits paid for fixed assets	就固定資產支付之按金減少		868	4,950
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		—	221,085
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		986	537
Interest received	已收利息		20,382	5,797
Net cash considerations paid for acquisitions of subsidiaries	收購附屬公司所付現金代價淨額		—	(26,264)
Increase in restricted deposit	受限制的貨幣資金增加		(32,972)	—
Net cash flows used in investing activities	投資活動所用之現金流淨額		(150,524)	(44,844)

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars 以港元列示)

		Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
Financing activities	融資活動	38(b)		
Proceeds from issue of new shares by share placement	以股份配售發行新股份之所得款項	26(b)(ii)	158,403	—
Transaction costs for issue of new shares by share placing	以股份配售發行新股份的交易成本	26(b)(ii)	(3,126)	—
Proceeds from issue of new shares under Rights Issue	根據供股發行新股份之所得款項	26(b)(iv)	339,999	—
Transaction costs for issue of new shares under Rights Issue	根據供股發行新股份的交易成本	26(b)(iv)	(13,088)	—
Payment for the 2018 Convertible Bonds Restructure	二零一八年可換股債券重組付款	24(ii)	(83,421)	—
Net proceeds from new bank and other borrowings	新增銀行及其他貸款之所得款項淨額	38(b)	2,234,903	1,167,506
Repayment of bank and other borrowings	償還銀行及其他貸款	38(b)	(1,756,388)	(1,789,544)
Net proceeds from financial liabilities at fair value through profit or loss	透過損益按公平值列賬之金融負債之所得款項淨額	38(b)	—	780,450
Repayment of financial liabilities at fair value through profit or loss	償還透過損益按公平值列賬之金融負債	38(b)	(962,295)	(574,919)
Decrease in pledged deposits	已抵押存款減少		491,441	466,202
Finance costs paid	已付財務成本	38(b)	(520,408)	(395,070)
Net cash flows used in from financing activities	融資活動所用之現金流淨額		(113,980)	(345,375)
Net (decrease)/ increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(86,260)	12,318
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物		142,039	105,595
Effect of foreign exchange rate changes	匯率變動之影響		(7,780)	24,126
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	21	47,999	142,039

The notes on pages 92 to 306 form part of these consolidated financial statements.

第92至第306頁之附註屬本綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(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 (the “Company”) was incorporated in the Cayman Islands and continued in Bermuda 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, the Group further extended its business into purchase and sale of metals and minerals in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated 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(「本公司」)為一間於開曼群島註冊成立並於百慕達存續之有限公司。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。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。

於本年內，本集團在中國進一步拓展業務至購買和銷售金屬及礦產。

2. 主要會計政策

(a) 合規聲明

此等綜合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。此等綜合財務報表亦符合香港《公司條例》的適用披露要求。此等綜合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。

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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)

(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 consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the financial statements of the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except financial assets and liabilities at fair value through profit or loss or through other comprehensive income 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綜合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) 綜合財務報表之編製基準

截至二零一八年十二月三十一日止年度之財務報表包括本公司及其附屬公司之財務報表。

編製此等綜合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或其他全面收益按公平值列賬之金融資產及負債及衍生金融工具。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元(「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」)。就呈列綜合財務報表而言，本集團已採用港元作為其列示貨幣。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

In preparing the consolidated financial statements, the Company's directors have considered the future liquidity of the Group. The Group incurred a loss attributable to owners of the Company of HK\$390,190,000 and HK\$466,335,000 for the years ended 31 December 2017 and 2018 respectively, and, the Group had net current liabilities of HK\$2,702,234,000 as at 31 December 2018. These conditions indicate the existence of a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern. Nevertheless, the Company's 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 been granted new bank and other borrowings of approximately HK\$111 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) As detailed in note 26(b)(iv) to the consolidated financial statements, the Company completed a rights issue in September 2018, resulting in net cash proceeds of approximately HK\$326 million and the reduction of loans by approximately HK\$761 million. The directors of the Company are considering various alternatives, including but not limited to the restructuring of certain current due loans to long term loans and other capital raising activities, to support its working capital needs.

2. 主要會計政策(續)

(b) 綜合財務報表之編製基準(續)

於編製綜合財務報表時，本公司董事已考慮本集團之未來流動資金。截至二零一七年及二零一八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虧損分別為390,190,000港元及466,335,000港元，及截至二零一八年十二月三十一日，本集團之流動負債淨額為2,702,234,000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，本公司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，本集團已獲授新增銀行及其他貸款約111百萬港元。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) 誠如綜合財務報表附註26(b)(iv)所載，本公司於二零一八年九月完成供股。最終收到現金所得款項淨額約326百萬港元及減少761百萬港元借款。本公司董事正在考慮以不同方法，包括但不限於重組部分短期借款至長期及其他集資活動，用以支持其營運上的資金需求。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

- (iii) A substantial shareholder of the Company, Mr. Liu Shiwei, 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.
- (iv) 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 consolidated financial statements for the year ended 31 December 2018 on a going concern basis. The consolidated 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 2018. 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) 綜合財務報表之編製基準(續)

- (iii) 本公司主要股東柳士威先生已同意於有需要時候會提供持續財務支援，讓本集團能償付其於可見未來到期之負債。
- (iv) 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二零一八年十二月三十一日止年度之綜合財務報表乃屬合適。倘本集團未能按持續經營基準繼續經營，綜合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二零一八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(即賦予本集團現有權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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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分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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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) 業務合併及商譽

業務合併採用收購法入賬。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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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.

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.

2. 主要會計政策(續)

(d) 業務合併及商譽(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股權，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。分類為權益的或有對價不需要重新計量，日後的結算記入在權益內。

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，該等差額在重估後，於損益中確認為議價收購收益。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Business combinations and goodwill

(continued)

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.

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) 業務合併及商譽(續)

初始確認後，商譽乃按成本減累計減值虧損計量。商譽須於每年進行測試是否發生減值，或倘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現金產生單位，該現金產生單位或組別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等現金產生單位或組別。

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分被處置，在確定該處置損益時，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)(vi)). 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日期之公平值計量。無形資產的可使用年限列為有限期或無限期。有限期的無形資產其後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)(vi))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。

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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 statement of financial position. 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)(vi)).

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財務狀況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(見附註2(h)(vi))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，則本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分時，本集團評估其擁有各個組成部分附帶之風險與報酬是否絕大部分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，惟倘兩個部分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(x)).

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分之租賃權益相對公平值之分配比例分配至土地及樓宇部分。

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(x))。

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.
- Machinery and equipment 5 - 10 years
- Motor vehicles 4 - 8 years
- Office equipment, fixtures and fittings 3 - 5 years

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。
- 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。

倘固定資產之部分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分並單獨計提折舊。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)(vi)). 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列賬(見附註2(h)(vi))。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，直至在建工程大部分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分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。並無轉讓所有權絕大部分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) (vi). 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)(vi)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分。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，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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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" (see note 2 (u)).

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產

- (i) *投資及其他金融資產
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
首次確認及計量*

於首次確認時，金融資產乃分類為隨後按攤銷成本計量、透過其他全面收益按公平值計量及透過損益按公平值計量。

金融資產於首次確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計入損益的金融資產)交易成本計量金融資產。如「收益確認(於二零一八年一月一日起適用)」(見附註2(u))所載政策，並無重大融資成分或本集團並未應用實際權宜方法的貿易應收款項按香港財務報告準則第15號釐定的交易價格計量。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
首次確認及計量(續)

為使金融資產按攤銷成本或按公平值計入其他全面收益分類及計量，需產生僅為支付本金及未償還本金利息(「僅為支付本金及利息」)的現金流量。

本集團管理金融資產的業務模式指為產生現金流量而管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。

金融資產之所有常規買賣均於交易日(即本集團承諾購買或出售該資產之日期)確認。常規買賣指須按照一般由市場規定或慣例設定之期間內交付資產之金融資產買賣。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated income statement when the asset is derecognised, modified or impaired.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)

後續計量

金融資產的後續計量視乎以下分類：

按攤銷成本列賬的金融資產(債務工具)

倘達成以下兩項條件，本集團按攤銷成本計量金融資產：

- 金融資產於目的為持有金融資產以收取合約現金流量的業務模式持有。
- 金融資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

按攤銷成本列賬的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於綜合損益表中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
後續計量(續)

透過其他全面收益按公平值列賬之金融資產(債務工具)

倘符合以下兩項條件，則本集團會按公平值計入其他全面收益計量債務投資：

- 金融資產乃於持有旨在收取合約現金流量及出售的業務模式內持有。
- 金融資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated income statement. Dividends are recognised as other income in the consolidated income statement when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
後續計量(續)

指定為透過其他全面收益按公平值列賬之金融資產(股權投資)

於首次確認後，倘股權投資符合香港會計準則第32號金融工具：呈列項下的股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定透過其他全面收益按公平值列賬的股權投資。分類乃按個別工具基準而釐定。

該等金融資產的收益及虧損永不回流至綜合損益表。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於綜合損益表確認為其他收入，惟倘本集團受惠於該等所得款項作為收回部分金融資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定為透過其他全面收益按公平值列賬之股權投資無須進行減值評估。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
後續計量(續)

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣金融資產、於首次確認後指定為按公平值計入損益之金融資產，或需要強制按公平值計量之金融資產。倘金融資產乃為於近期進行出售或購回而收購，則金融資產會分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非衍生工具指定為實際對沖工具，則作別論。現金流量並非僅可用作償還本金及利息之金融資產分類為按公平值計入損益計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於首次確認時指定為透過損益按公平值列賬。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in the consolidated income statement when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
後續計量(續)

透過損益按公平值列賬之金融資產(續)

透過損益按公平值列賬之金融資產乃於財務狀況表按公平值列賬，而公平值變動淨額則於綜合損益表確認。

此類別包括本集團並無不可撤回地選擇分類為透過其他全面收益按公平值列賬之衍生工具及股權投資。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則分類為透過損益按公平值列賬之金融資產的股權投資股息亦於綜合損益表中確認為其他收入。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (i) *Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (i) *投資及其他金融資產*
(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)
(續)
後續計量(續)

透過損益按公平值列賬之金融資產(續)

嵌入混合合約(包含金融負債及非金融主合約)的衍生工具若其經濟特徵及風險與主合約並無密切關係；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非透過損益按公平值列賬，則該衍生工具與主合約分開並作為單獨衍生工具列賬。該等嵌入衍生工具按公平值計量，而公平值變動會於綜合損益表內確認。僅當合約條款出現變動，以致大幅改變其他情況下所需現金流量時或當原分類至透過損益按公平值列賬的金融資產獲重新分類時，方進行重新評估。

嵌入混合合約(包含金融資產主合約)的衍生工具不得單獨列賬。金融資產主合約連同嵌入式衍生工具須整體分類為透過損益按公平值列賬之金融資產。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產
(於二零一八年一月一日前適用之香港會計準則第39號項下政策)
首次確認及計量*

於首次確認時，金融資產乃分類為透過損益按公平值列賬之金融資產、貸款及應收賬款以及可供出售金融工具或指定為有效對沖之對沖工具之衍生工具(倘適用)。金融資產於首次確認時按公平值加收購金融資產產生之交易成本計算，惟透過損益按公平值列賬之金融資產則除外。

金融資產之所有常規買賣均於交易日(即本集團承諾購買或出售該資產之日期)確認。常規買賣指須按照一般由市場規定或慣例設定之期間內交付資產之金融資產買賣。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產(於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)*

後續計量

金融資產按以下分類進行後續計量：

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣之金融資產及首次確認時被指定為透過損益按公平值列賬之金融資產。金融資產如以短期出售為目的而購買，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)除非指定為香港會計準則第39號所界定之有效對沖工具，否則亦分類為持作買賣。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)* (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the consolidated income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” (see note 2(u)).

Financial assets 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)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產*
(於二零一八年一月一日前適用之香港會計準則第39號項下政策)
(續)
後續計量(續)

透過損益按公平值列賬之金融資產(續)

透過損益按公平值列賬之金融資產按公平值於財務狀況表列賬，其公平值正變動淨額於綜合損益表呈列為其他收入及收益，而公平值負變動淨額於綜合損益表呈列為財務成本。該等公平值變動淨額不包括此金融資產之任何股息或利息，該等股息及利息根據「收益確認(於二零一八年一月一日前適用)」所載政策予以確認(見附註2(u))。

於首次確認時被指定為透過損益按公平值列賬之金融資產於首次確認日期指定，惟須符合香港會計則第39號之規定。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產(於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)後續計量(續)*

透過損益按公平值列賬之金融資產(續)

嵌入主合約的衍生工具若其經濟特徵及風險與主合約並無密切關係，且主合約並非持作買賣亦非指定為透過損益按公平值列賬，則該衍生工具以獨立衍生工具入賬並按公平值列賬。該等嵌入衍生工具以公平值計量，相關公平值變動於綜合損益表確認。僅當合約條款出現變動，以致大幅改變其他情況下所需現金流量時或當原分類至按公平值計入損益的金融資產獲重新分類時，方進行重新評估。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the consolidated income statement. The loss arising from impairment is recognised in the consolidated income statement in finance costs for loans and in other expenses for receivables.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產
(於二零一八年一月一日前適用之香港會計準則第39號項下政策)
(續)*

後續計量(續)

貸款及應收賬款

貸款及應收賬款為具有固定或可確定付款但在活躍市場並無報價之非衍生金融資產。於首次計量後該等資產其後採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本乃經計及任何收購折讓或溢價後計算，包括屬於實際利率一部分之費用或成本。實際利率攤銷計入綜合損益表之其他收入及收益。減值產生之虧損於綜合損益表之貸款財務成本及應收款項之其他開支中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產
(於二零一八年一月一日前適用之香港會計準則第39號項下政策)
(續)
後續計量(續)*

可供出售金融投資

可供出售金融投資指上市及非上市股權投資及債務證券之非衍生金融資產。分類為可供出售之股權投資指並非分類為持作買賣或指定為按公平值計入損益之投資。此分類下之債務證券為擬無限期持有之債務證券，並可能因應流動資金需求或市況變化而出售。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the consolidated income statement in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the consolidated income statement in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the consolidated income statement as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" (see note 2(u)).

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產 (於二零一八年一月一日前適用之香港會計準則第39號項下政策) (續) 後續計量(續)*

可供出售金融投資(續)

首次確認後，可供出售金融投資其後按公平值計量，有關未變現盈虧則確認為可供出售投資重估儲備之其他全面收益，直至有關投資終止確認(屆時累計盈虧於綜合損益表之其他收益中確認)或直至投資被釐定為出現減值(屆時相關累計盈虧自可供出售投資重估儲備重新分類至綜合損益表之其他收益或開支)為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入，並根據「收益確認(於二零一八年一月一日前適用)」(見附註2(u))所載之政策於綜合損益表之其他收益中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment, or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產 (於二零一八年一月一日前適用之香港會計準則第39號項下政策) (續) 後續計量(續)*

可供出售金融投資(續)

倘非上市股權投資之公平值因以下原因而不能可靠計量：(a)該項投資之合理公平值估算範圍存在重大變動，或(b)在評估公平值時未能合理評估及使用有關範圍內可能出現之多項估計，則該等投資以成本減任何減值虧損列賬。

本集團評估短期內出售可供出售金融資產之能力及意向是否仍然適當。在少數情況下，倘本集團因市場不活躍而無法交易此類金融資產時，當管理層於可預見未來有能力及有意持有該等資產或持有至到期，則可將其重新分類為金融資產。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (ii) *Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)*

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated income statement.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (ii) *投資及其他金融資產 (於二零一八年一月一日前適用之香港會計準則第39號項下政策) (續) 後續計量(續)*

可供出售金融投資(續)

倘重新分類某項可供出售金融資產，則重新分類日期之公平值賬面值會成為其新攤銷成本，而該資產原先已於權益確認之相關盈虧，在投資之剩餘年期按實際利率攤銷至損益。新攤銷之成本與到期金額之任何差額亦應在該資產之剩餘年期按實際利率攤銷。倘該資產其後釐定減值，原計入權益之金額則重新分類至綜合損益表。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

(iii) *Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

(iii) *終止確認金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及於二零一八年一月一日前適用之香港會計準則第39號項下政策)*

金融資產(倘適用，則一項金融資產之一部份或一組類似金融資產之一部份)在下列情況將主要終止確認(即從本集團綜合財務狀況表中移除)：

- 收取該項資產所得現金流量之權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或根據「轉手」安排承擔在無重大延誤下向協力廠商全數支付已收取之現金流量之責任；及(a)本集團已轉讓資產之絕大部分風險及回報，或(b)本集團並無轉讓或保留資產之絕大部分風險及回報，惟已轉讓資產之控制權。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (iii) *Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018) (continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (iii) *終止確認金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下政策及於二零一八年一月一日前適用之香港會計準則第39號項下政策) (續)*

倘本集團已轉讓其收取資產現金流量之權利或已訂立轉手安排，則評估有否保留資產所有權之風險及回報以及保留程度。倘並無轉讓或保留資產絕大部分風險及回報，亦無轉讓資產之控制權，則本集團會繼續確認該已轉讓資產至本集團持續參與之程度。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按本集團所保留之相關權利及責任為基礎進行計量。

以擔保形式對已轉撥資產之持續參與，按資產原賬面值與本集團可能須償還最高代價兩者之較低者計量。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

(iv) Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

(iv) 金融資產之減值（於二零一八年一月一日起適用之香港財務報告準則第9號項下政策）

本集團就所有並非透過損益按公平值列賬持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按原有實際利率相近的差額貼現。預期現金流量將包括來自銷售所持有抵押品或其他信用增級的現金流量，此乃合約條款不可或缺的部分。

一般方法

預期信貸虧損分兩個階段進行確認。對於自首次確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提撥備。對於自首次確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(全期預期信貸虧損)。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (iv) *Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (iv) *金融資產之減值（於二零一八年一月一日起適用之香港財務報告準則第9號項下政策）*
(續)
一般方法(續)

於各報告日期，本集團於評估自首次確認後金融工具的信貨風險是否顯著增加時，將於報告日期金融工具發生違約之風險與首次確認日起金融工具發生之違約風險進行比較，並考慮合理且具證據支持的資料，包括無需付出不必要的成本或努力而可得之歷史及前瞻性資料。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (iv) *Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (iv) *金融資產之減值（於二零一八年一月一日起適用之香港財務報告準則第9號項下政策）*
(續)
一般方法(續)

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。倘不合理預期可收回合約現金流，則撇銷該金融資產。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

(iv) *Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

General approach (continued)

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

(iv) *金融資產之減值（於二零一八年一月一日起適用之香港財務報告準則第9號項下政策）*（續）
一般方法（續）

第一 – 金融工具自階段
首次確認以來信貸風險未大幅增加，且其虧損撥備相等於12個月預期信貸虧損

第二 – 金融工具自階段
首次確認後信貸風險大幅增加，但並非信貸減值金融資產且其虧損撥備相等於全期預期信貸虧損

第三 – 於報告日期階段
信貸減值的金融資產(但並非購買或原始信貸減值)，其虧損撥備相等於全期預期信貸虧損。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (iv) *Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)*
(continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (iv) *金融資產之減值（於二零一八年一月一日起適用之香港財務報告準則第9號項下政策）*
(續)
簡化方法

對於並無重大融資成分或本集團就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

就包含重大融資成分的貿易應收款項及租賃應收款項而言，本集團選用的會計政策為採用簡化方法，根據上述政策進行預期信貸虧損計量。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值（於二零一八年一月一日前適用之香港會計準則第39號項下政策）*

本集團會於各報告期末評估有否客觀跡象顯示某項金融資產或一組金融資產出現減值。當初步確認該資產後發生之一項或多項事件對該項或該組金融資產之估計未來現金流量造成能可靠估計之影響，則存在減值。減值之證據可能包括債務人或一組債務人出現重大財務困難、違約或拖欠利息或本金，可能面臨破產或進行其他財務重組，以及可觀察數據顯示預計未來現金流量出現可計量之減少，如欠款或拖欠付款相關之經濟狀況有所轉變。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*
(continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值 (於二零一八年一月一日前適用之香港會計準則第39號項下政策)* (續)

按攤銷成本列賬之金融資產

對於按攤銷成本列賬之金融資產，本集團首先就個別重大之金融資產作單獨評估或就個別並非重大之金融資產作共同評估，以釐定是否存在減值。倘本集團確定單獨評估之金融資產並無客觀證據顯示減值，則無論該資產重大與否，均計入具類似信貸風險特徵之金融資產組別內，並共同作減值評估。單獨評估減值且減值虧損已確認或持續確認之資產不計入共同評估減值。

任何已識別之減值虧損金額按資產之賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)現值間之差額計量。估計未來現金流量之現值按金融資產之原實際利率(即於首次確認時計得之實際利率)折現。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*
(continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated income statement. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. Include other criteria for writing off amounts charged to the allowance account against the carrying amount of impaired financial assets.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated income statement.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值（於二零一八年一月一日前適用之香港會計準則第39號項下政策）*
(續)
按攤銷成本列賬之金融資產(續)

有關資產之賬面值可通過撥備賬而減少，而有關虧損於綜合損益表確認。利息收入則繼續採用計量減值虧損時所用折現未來現金流量之利率按已減少之賬面值累計。倘日後不能收回且所有擔保已變現或已轉撥予本集團，則撇銷貸款及應收賬款連同任何相關撥備。包括從已減值金融資產賬面值撇銷自撥備賬扣除金額之其他標準。

於其後期間，倘由於減值確認後所發生之事件導致估計減值虧損增減，則先前確認之減值虧損透過調整撥備賬增加或減少。倘撇銷於其後撥回，則相關撥回金額計入綜合損益表中之其他開支。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*
(continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the consolidated income statement, is removed from other comprehensive income and recognised in the consolidated income statement.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值（於二零一八年一月一日前適用之香港會計準則第39號項下政策）（續）*
按成本列賬之資產

倘有客觀跡象表明因公平值無法可靠計量而不以公平值列賬之非上市股本工具，或與該非上市股本工具相關及必須通過交付該非上市股本工具結算之衍生資產出現減值虧損，則有關虧損金額按資產賬面值與按類似金融資產現行市場回報率折讓之估計未來現金流量現值之差額計算。該等資產之減值虧損不得回撥。

可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估有否客觀證據顯示一項或一組投資減值。

倘可供出售資產已減值，則其成本(扣除任何本金付款及攤銷)與現有公平值之差額，扣除任何先前已於綜合損益表確認之減值虧損，將自其他全面收益移除，並於綜合損益表確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*
(continued)

Available-for-sale financial investments (continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement – is removed from other comprehensive income and recognised in the consolidated income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the consolidated income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值（於二零一八年一月一日前適用之香港會計準則第39號項下政策）*
(續)
可供出售金融投資(續)

倘股權投資分類為可供出售，客觀證據應包括投資公平值大幅或長期低於其成本。「大幅」乃與該項投資之原成本比較後評估，而「長期」則按公平值低於其原成本期間而評估。倘有證據顯示出現減值，按收購成本與現有公平值之差額計量之累計虧損(減過往就該項投資於綜合損益表確認之任何減值虧損)於其他全面收益中移除，並於綜合損益表中確認。分類為可供出售股本工具之減值虧損不會透過綜合損益表撥回。減值後公平值之增幅乃直接於其他全面收益中確認。

釐定「大幅」或「長期」時須作出判斷。於作出判斷時，本集團會評估(其中包括)一項投資之公平值少於其成本之持續時間或程度。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investments, other financial assets and other assets (continued)

- (v) *Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)*
(continued)

Available-for-sale financial investments (continued)

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the consolidated income statement if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement.

2. 主要會計政策(續)

(h) 投資，其他金融資產及其他資產(續)

- (v) *金融資產之減值（於二零一八年一月一日前適用之香港會計準則第39號項下政策）*
(續)
可供出售金融投資(續)

倘債務工具分類為可供出售，將對其按以攤銷成本入賬之金融資產相同之標準進行減值評估，惟減值金額為按攤銷成本與現有公平值之差額計量之累計虧損（減過往就該項投資於綜合損益表確認之任何減值虧損）。日後利息收入會就該項資產之削減賬面值持續累算，並按計量減值虧損時對未來現金流量進行貼現時使用之利率累算。利息收入作為財務收入的一部份列賬。若債務工具之公平值隨後增加可客觀地連繫至於減值虧損在綜合損益表確認後發生之事件，債務工具之減值虧損可透過綜合損益表撥回。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Investment, other financial assets and other assets (continued)

(vi) 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;
- investment in associate;
- 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) 投資其他金融資產及其他資產(續)

(vi) 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；
- 就金礦探礦及探礦權以及固定資產所付按金；
- 聯營公司之投資；
- 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) Investments, other financial assets and other assets (continued)

(vi) 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) 投資，其他金融資產及其他資產(續)

(vi) 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)

(i) Investment in associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associate is included in the consolidated income statement and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

2. 主要會計政策(續)

(i) 於聯營公司之投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制這些決策的權力。

本集團於聯營公司之投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。倘會計政策存在任何不一致，將會作出相應調整。本集團應佔聯營公司收購後業績及其他全面收益分別計入綜合損益表及綜合全面收益表。此外，倘於聯營公司的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司間交易的未變現收益及虧損將以本集團於聯營公司的投資為限對銷，惟倘未變現虧損證明所轉讓資產減值則除外。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Investment in associate (continued)

If an investment in an associate becomes an investment in a joint venture, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In case, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

(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)(iv) and (v)), 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) 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.

2. 主要會計政策(續)

(i) 於聯營公司之投資(續)

倘於聯營公司的投資變成於合營企業的投資，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司的重大影響力，本集團按其公允值計量及確認任何剩餘投資。聯營公司的賬面值與剩餘投資及出售所得款項的公允值之間的任何差額乃於損益內確認。

當聯營公司的投資歸類為持作出售時，則按香港財務報告準則第5號持作出售及已終止營運的非流動資產入賬。

(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)(iv)及(v))，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) 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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Inventories (continued)

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.

(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)

(k) 存貨(續)

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。

(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 and associate 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)(i) and (ii).

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分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分。

(n) 其他投資

本集團有關股本證券投資(於附屬公司及聯營公司的投資除外)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)(i)及(ii)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 financial assets at fair value through other comprehensive income. 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)(iv) and (v)). Dividend income from equity securities is recognised in profit or loss in accordance with the policies set out in note 2(u)(i) and (ii).

When the investments are derecognised or impaired (see note 2(h)(iii), (iv) and (v)), 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透過其他全面收益按公平值列賬之金融資產。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)(iv)及(v))。股本證券股息收入根據附註2(u)(i)及(ii)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)(iii)、(iv)及(v))，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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

- (o) Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018)

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.

2. 主要會計政策(續)

- (o) 金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)

首次確認及計量

於初步確認時，金融負債乃分類為按公平值計入損益之金融負債、貸款及借貸、應付款項或指定為有效對沖之對沖工具之衍生工具(倘適用)。

所有金融負債首次按公平值確認，如屬貸款及借貸以及應付款項，則扣除直接應佔交易成本。

本集團之金融負債包括應付及其他應付款項、衍生金融工具及其他借款。

後續計量

金融負債按以下分類進行後續計量：

透過損益按公平值列賬之金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)

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及首次確認時被指定為透過損益按公平值列賬之金融負債。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

- (o) Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. 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.

2. 主要會計政策(續)

- (o) 金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

後續計量(續)

透過損益按公平值列賬之金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

金融負債如以近期購回為目的而產生，則分類為持作買賣金融負債。此分類包括本集團根據香港財務報告準則第9號所界定之對沖關係不被指定為對沖工具之衍生金融工具。獨立嵌入式衍生工具亦分類為持作買賣，除非其被指定為有效對沖工具則另作別論。持作買賣負債之損益於綜合損益表確認。於綜合損益表確認之公平值收益或虧損淨額並不包括任何向該等金融負債所扣除之任何利息。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

- (o) Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the consolidated income statement, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to 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.

2. 主要會計政策(續)

- (o) 金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

後續計量(續)

透過損益按公平值列賬之金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號項下政策)(續)

首次確認時指定為透過損益按公平值列賬之金融負債於首次確認日期指定，及僅於符合香港財務報告準則第9號所規定之標準情況下會進行。指定為按透過損益按公平值列賬之金融負債的收益或虧損於綜合損益表中確認，惟本集團本身的信貸風險所產生的收益或虧損除外，其於其他全面收益中呈列及不會後續重新分類至綜合損益表。於綜合損益表中確認的公平值收益或虧損淨額不包括就該等金融負債收取的任何利息。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

- (o) Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under HKAS 39 applicable before 1 January 2018)

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) 金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

後續計量(續)

透過損益按公平值列賬之金融負債(於二零一八年一月一日前適用之香港會計準則第39號項下政策)

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及首次確認時被指定為透過損益按公平值列賬之金融負債。

金融負債如以近期購回為目的而購買，則分類為持作買賣金融負債。此分類包括本集團根據香港會計準則第39號所界定之對沖關係不被指定為對沖工具之衍生金融工具。獨立嵌入式衍生工具亦分類為持作買賣，除非其被指定為有效對沖工具則另作別論。持作買賣負債之損益於綜合損益表確認。於綜合損益表確認之公平值收益或虧損淨額並不包括任何向該等金融負債所扣除之任何利息。

首次確認時指定為透過損益按公平值列賬之金融負債於首次確認日期指定，及僅於符合香港會計準則第39號所規定之標準情況下方會進行。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

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

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

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. 主要會計政策(續)

(o) 金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)(續)

終止確認金融負債(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)

當負債之責任解除或取消或屆滿時，終止確認金融負債。

倘現有金融負債被來自同一借款人但條款極不相同之另一項負債所取代，或對現有負債之條款進行大幅修訂，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值之差額將在綜合損益表確認。

抵銷金融工具(於二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日前適用之香港會計準則第39號項下政策)

僅當具目前可執行法定權力抵銷已確認金額及計劃以淨額結算，或同時變現資產及清償負債時，金融資產與金融負債方可互相抵銷，並於綜合財務狀況表內以淨額呈報。

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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)

(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) *含有權益部分之可換股債券*

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分及權益部分之複合金融工具入賬。

初步確認時，可換股債券之負債部分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分款項之金額，乃確認為權益部分。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分。

負債部分其後將以攤銷成本入賬。於損益內確認之負債部分利息開支按實際利率法計算。權益部分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。

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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) *含有權益部分之可換股債券(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分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*

不含權益部分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分按公平值計量，並呈列作為衍生金融工具之一部分。凡所得款項超過初步確認為衍生工具部分款額之金額，乃確認為負債部分。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分。有關負債部分之交易成本部分，乃初步確認為負債一部分。有關衍生工具部分之部分則即時於損益確認。

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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 (see note 2(h)(i) and (ii)). 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)

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

倘兌換債券，衍生工具及負債部分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分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(見附註2(h)(i)及(ii))。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。

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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。

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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。

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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分則除外)；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。

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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。

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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。

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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。

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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.

(u) Revenue recognition

(i) Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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。

(u) 收益確認

(i) 收益確認(於二零一八年一月一日起適用)

來自客戶合約之收益

當向客戶轉移貨物或服務的控制權，即按反映本集團預期就該等貨物或服務有權換取的代價金額確認來自客戶合約之收益。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Revenue recognition (continued)

- (i) *Revenue recognition (applicable from 1 January 2018) (continued)*

Revenue from contracts with customers (continued)

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. 主要會計政策(續)

(u) 收益確認(續)

- (i) *收益確認 (於二零一八年一月一日起適用) (續)*
來自客戶合約之收益 (續)

當合約代價包含可變金額，估計代價金額為本集團轉讓貨品或服務予客戶時將有權換取的金額。可變代價於合約訂立時作估計並受限制，直至已確認的累計收入金額不大可能出現重大收入撥回，其時可變代價的相關不確定性隨即獲解決。

當合約包含之融資部分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收入按應收賬款現值計量，貼現所使用之貼現率將反映於本集團與客戶在合約開始時之單獨融資交易。當合約包含之融資部分為本集團提供一年以上的重大財務利益時，根據合約確認之收入包括按實際利息法就合約負債應計之利息開支。就客戶付款至轉讓承諾商品或者服務期限為一年或者更短之合約而言，交易價格採用香港財務報告準則第15號之實際權宜方法，不會對重大融資部分的影響作出調整。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Revenue recognition (continued)

- (i) *Revenue recognition (applicable from 1 January 2018) (continued)*

Revenue from contracts with customers (continued)

Sale of gold products and other by-products, trading of metals and minerals

Revenue from the sale of gold products and other by-products, trading of metals and minerals is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the gold products, metals and minerals.

Services rendered

Revenue for services rendered mainly includes the revenue arising from the provision of management and performance services, securities brokerage and commission and financing and advisory services, which are recognised over time when services are rendered.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. 主要會計政策(續)

(u) 收益確認(續)

- (i) *收益確認 (於二零一八年一月一日起適用)*
(續)

來自客戶合約之收益 (續)

銷售黃金產品及其他副產品，金屬及礦產貿易

銷售黃金產品及其他副產品，金屬及礦產貿易之收入於資產控制權轉移至客戶之某一時點(一般為交付黃金產品、金屬和礦產之時)確認。

提供服務

提供服務之收入主要包括來自提供管理及表現服務、證券經紀服務以及融資及顧問服務之收入，該等收入乃於提供服務之一段時間內確認。

其他收入

利息收入按應計基準採用實際利率法計算，使用於金融工具之預計年期或更短期間(如適用)內將估計未來收取現金準確貼現至金融資產賬面淨值之比率。

股息收入於確立股東收取付款之權利，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Revenue recognition (continued)

(ii) *Revenue recognition (applicable before 1 January 2018)*

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:

Sale of gold products and other by-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.

Service rendered

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.

Other income

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) 收益確認(續)

(ii) *收入確認(於二零一八年一月一日前適用)*

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：

銷售黃金產品及其他副產品

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。

提供服務

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。

其他收入

投資之股息收入在確立股東收取付款的權利時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Revenue recognition (continued)

(ii) Revenue recognition (applicable before 1 January 2018) (continued)

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

net fair value gains/losses on financial assets at fair value through profit or loss, include realised gains/losses which are recognised on the transaction dates when the relevant contract notes are exchanged; and unrealised fair value gains/ losses which are recognised in the period in which they arise.

(v) Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2. 主要會計政策(續)

(u) 收益確認(續)

(ii) 收入確認(於二零一八年一月一日前適用) (續)

利息收入於產生時按實際利率法確認。

按公平值計入損益的金融資產之公平值收益／虧損淨額包括已變現收益／虧損，於交易日交換有關成交單據時確認；及未變現公平值收益／虧損於產生期間確認。

(v) 合同負債(於二零一八年一月一日起適用)

合同負債指本集團因已向客戶收取代價(或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合同負債。合同負債於本集團履行合約時確認為收益。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) 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)

(w) 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元。財務狀況表項目則按報告期末適用之匯率換算為港元。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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) 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.

(x) Interest-bearing borrowings and borrowing costs

(i) 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.

2. 主要會計政策(續)

(w) 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分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。

(x) 計息貸款及貸款成本

(i) 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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Interest-bearing borrowings and borrowing costs (continued)

(ii) 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.

(y) 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)

(x) 計息貸款及貸款成本(續)

(ii) 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分之貸款成本，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分工作中止或完成時，貸款成本便會暫停或停止資本化。

(y) 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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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(y) 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)

(y) 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。

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綜合財務報表附註

(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) 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)

(y) 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。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the 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.

(aa) 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 consolidated income statement 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 consolidated income statement by way of a reduced depreciation charge.

2. 主要會計政策(續)

(z) 分部報告

綜合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分此等準則，則該等經營分部可能會被合併。

(aa) 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綜合損益表中，或從資產的賬面值中扣減，並透過扣減少折舊開支方式於綜合損益表中實際確認。

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綜合財務報表附註

(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:

Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28
Amendments to HKFRS 2	Share-based payment: Classification and measurement of share-based payment transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers
Amendments to HKAS 40	Transfers of Investment Property
HKFRIC 22	Foreign currency transactions and advance consideration

The adoption of the above new and revised HKFRSs has no material impact on these consolidated financial statements, except for HKFRS 9 and HKFRS 15 as described below:

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：

二零一四年至 二零一六年 週期之 年度改進	香港財務報告 準則第1號及 香港會計準則 第28號(修訂本)
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
香港財務報告 準則第4號 (修訂本)	應用香港財務報告 準則第9號金融工 具與香港財務報告 準則第4號保險合 約
香港財務報告 準則第9號	金融工具
香港財務報告 準則第15號	客戶合約收益
香港財務報告 準則第15號 (修訂本)	澄清香港財務報告 準則第15號客戶 合約收益
香港會計準則第 40號(修訂本)	轉讓投資物業
香港財務報告 詮釋委員會 第22號	外幣交易及預付 代價

除上文所述之香港財務報告準則第9號及香港財務報告準則第15號外，採納以上新訂及經修訂香港財務報告準則對本綜合財務報表並無重大影響：

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 9 Financial Instruments

(a) *Impact on the consolidated financial statements*

HKFRS 9 replaces HKAS 39 “Financial Instruments: Recognition and Measurement”. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The Group used modified retrospective approach while adopting HKFRS 9. The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. Therefore, comparative information continues to be reported under HKAS 39.

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss (“FVTPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale investments and financial assets at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

3. 會計政策之變動(續)

香港財務報告準則第9號「金融工具」

(a) *對綜合財務報表之影響*

香港財務報告準則第9號取代香港會計準則第39號「金融工具：確認及計量」。此準則載列金融資產、金融負債和部分買賣非財務項目合約的確認及計量要求。

採納香港財務報告準則第9號時通常無須重列比較資料，惟對沖會計法的若干方面則除外。本集團採納香港財務報告準則第9號時採用修正追溯法。本集團已根據過渡規定追溯應用香港財務報告準則第9號於二零一八年一月一日已存在的項目。因此，比較資料繼續以香港會計準則第39號的規定採用。

香港財務報告準則第9號將金融資產分類為三個主要類別：以攤銷成本計量，透過其他全面收益按公平值列賬計量及透過損益按公平值列賬（「透過損益按公平值列賬」）計量。這些取代了香港會計準則第39號的持有至到期投資、貸款及應收款項，可出售投資及透過損益按公平值列賬之金融資產類別。根據香港財務報告準則第9號，金融資產的分類按管理金融資產的業務模式及其合約現金流量的特徵釐定。

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綜合財務報表附註

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

3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 9 Financial Instruments (continued)

(a) *Impact on the consolidated financial statements (continued)*

The following table shows the changes in measurement categories of financial assets from HKAS 39 to HKFRS 9:

Available-for-sale investments	可供出售投資
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平值列賬之金融資產

The Group has elected to designate the available-for-sale investments as financial assets at fair value through other comprehensive income and to present subsequent changes in fair value in other comprehensive income and accumulated in investment revaluation reserve (non-recycling). At the time of disposal, the accumulated fair value is transferred to retained profits.

As these financial assets were previously classified as available-for-sale and measured at its fair value, therefor, no material adjustment was made on the opening balance upon the adoption of HKFRS 9.

3. 會計政策變動(續)

香港財務報告準則第9號「金融工具」(續)

(a) 對綜合財務報表之影響(續)

下表概述由香港會計準則第39號至香港財務報告準則第9號有關金融資產的計量類別變動：

HKAS 39 carrying amount at 31 December 2017 香港會計 準則第39號 於二零一七年 十二月三十一日 之賬面值 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	HKFRS 9 carrying amount at 1 January 2018 香港財務報告 準則第9號 於二零一八年 一月一日 之賬面值 HK\$'000 千港元
264,120	(264,120)	—
—	264,120	264,120
264,120	—	264,120

本集團已選擇指定可供出售投資為透過其他全面收益按公平值列賬之金融資產，並將其後公平值之變動於其他全面收益內呈列及累積於投資重估儲備中(不可轉回)。當出售時，該累計公平值會轉入保留溢利。

因為該等金融資產先前分類為可供出售投資並按公平值計量，因此，採納香港財務報告準則第9號並未對期初餘額作出重大調整。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 9 Financial Instruments (continued)

(b) *Impairment of financial assets*

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECL earlier than under the incurred loss accounting model in HKAS 39.

The Group has trade, loan and other receivables that are subject to HKFRS 9’s new ECL model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

The Group applies (i) simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables from initial recognition; and (ii) general approach to measuring ECL for the loan receivable.

3. 會計政策變動(續)

香港財務報告準則第9號「金融工具」(續)

(b) *金融資產減值*

香港財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求對金融資產的相關信貸風險持續計量，所以，在此模式下預期信貸虧損的確認會較香港會計準則第39號的已產生虧損會計模式為早。

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的應收賬款、貸款及其他應收款項，及本集團須根據香港財務報告準則第9號就該等應收賬款修訂其減值方法。

本集團採用(i)簡化方法計量預期信貸虧損，於初步確認時，為所有應收賬款、貸款及其他應收款項撥備整個存續期內的預期虧損；(ii)一般方法計量應收貸款的預期信貸虧損。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 9 Financial Instruments (continued)

(b) Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

Simplified approach

For trade and other receivables that do not contain a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of new approach did not result in any impact on the amounts reported in the opening consolidated statement of financial position on 1 January 2018 and the financial information during the year ended 31 December 2018.

3. 會計政策變動(續)

香港財務報告準則第9號「金融工具」(續)

(b) 金融資產減值(續)

一般方法

預期信貸虧損分兩個階段進行確認。就自初步確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損（「12個月預期信貸虧損」）。就自初步確認起已經顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備（「存續期預期信貸虧損」）。

簡化方法

對於不包含重大融資成分的應收賬款及其他應收款項，本集團計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據存續期預期信貸虧損確認減值撥備。本集團已根據其以往信貸虧損經驗，建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

採納新方法並未對於二零一八年一月一日之期初合併資產負債表及截至二零一八年十二月三十一日止年度之財務資料中呈列之金額造成任何影響。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 9 Financial Instruments (continued)

(b) Impairment of financial assets (continued)

Trade and loan and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, (i) the failure of a debtor to engage in a repayment plan with the Group; (ii) the debtor does not have a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may reduce the ability of the debtor to fulfil its contractual cash flow obligations.

While cash and bank balances, deposits, pledged deposits and other deposits are subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

3. 會計政策變動(續)

香港財務報告準則第9號「金融工具」(續)

(b) 金融資產減值(續)

當不存在可收回的合理預期時，本集團會撤銷應收賬款、貸款及其他應收款項。不存在可收回的合理預期的指標包括(其中包括)(i)債務人無法與本集團達成還款計劃；(ii)債務人未擁有雄厚實力，不能於短期內履行其合約現金流量責任；及(iii)經濟及業務狀況的長期不利變動可能會削弱債務人履行其合約現金流量責任的能力。

儘管現金及銀行結餘、按金、已抵押存款及其他按金須遵守香港財務報告準則第9號的減值規定，惟並無識別出減值虧損。

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綜合財務報表附註

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 15 Revenue from contracts with customers

HKFRS 15 supersedes HKAS 11 Construction contracts, HKAS 18 Revenue and related interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other accounting standards. HKFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

HKFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. HKFRS 15 also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method of adoption and it elected to apply that method to only those contracts that were not completed at the date of initial application. The comparative information for the consolidated financial statements would be presented based on the requirements of HKAS 18 and related interpretations, thus the comparative figures have not been restated.

3. 會計政策變動(續)

香港財務報告準則第15號「來自客戶合約之收益」

香港財務報告準則第15號取代香港會計準則第11號「建築合同」及香港會計準則第18號「收入」及相關詮釋，適用於所有因客戶合約而產生的收入，除非該等合同適用於其他會計準則。香港財務報告準則第15號建立一個五步模式，以確認客戶合約收益。根據香港財務報告準則第15號，收入按能反映實體預期就向客戶轉讓貨物或服務而有權獲得的代價金額確認。

香港財務報告準則第15號要求實體作出判斷，並考慮將該模式各步應用於其客戶合同時的所有相關事實及情況。香港財務報告準則第15號亦訂明獲取合同的增量成本及與履行合同直接相關的成本的會計處理。

本集團透過採用修改後的追溯調整法採納香港財務報告準則第15號，並選擇僅對於首次應用日期尚未完成的合同應用此方法。綜合財務報表的比較資料將根據香港會計準則第18號及相關詮釋的規定呈列，因此，比較數據未經重列。

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綜合財務報表附註

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

3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 15 Revenue from contracts with customers (continued)

Set out below are the amounts by which each consolidated financial statement line item was affected as at 1 January 2018 as a result of the adoption of HKFRS 15:

Liabilities

Receipts in advance (before adoption of HKFRS 15)
Contract liabilities (restated upon adoption of HKFRS 15)
Receipts in advance (restated upon adoption of HKFRS 15)

The adoption of HKFRS 15 has had no material impact on the consolidated income statement and consolidated statement of comprehensive income or on the Group's operating, investing and financing cash flows for the year ended 31 December 2018.

3. 會計政策變動(續)

香港財務報告準則第15號 「來自客戶合約之收益」(續)

下文所載為採納香港財務報告準則第15號對於二零一八年一月一日之各綜合財務報表項目構成影響之金額：

HK\$'000

千港元

負債

預收賬款(採用香港財務報告 準則第15號前)	64,541
合約負債(採用香港財務報告 準則第15號後重列)	(35,458)
預收賬款(採用香港財務報告 準則第15號後重列)	29,083

採納香港財務報告準則第15號對綜合損益及綜合全面收益表或對本集團截至二零一八年十二月三十一日止年度之經營、投資及融資現金流量並無造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(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 (i) 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); (ii) sales value of metals and minerals to customers (net of value added tax, returns and discounts) under the trading of metals and minerals (as defined below); and (iii) 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:

4. 收益及分部資料

(a) 收益

收益包括(i)金礦開採業務(定義如下)下向客戶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);(ii)金屬及礦產貿易(定義如下)下之出售金屬及礦產之銷售價值(減增值稅、退貨及折扣);及(iii)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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from contract with customers arising from Gold Mining Operation	金礦開採業務客戶合約收益		
Sale of	銷售		
– Gold products	– 黃金產品	601,460	654,195
– Other by-products	– 其他副產品	79,371	153,351
		680,831	807,546
Revenue from contract with customers arising from Trading of Metals and Minerals	金屬及礦產貿易客戶合約收益		
– Sale of metals and minerals	– 金屬及礦產銷售	114,003	—
Revenue from contract with customers arising from Financial Services Operation	金融服務業務客戶合約收益		
– Service fee income	– 服務收入	19,067	30,759
Total revenue from contracts with customers	總客戶合約收益	813,901	838,305
Timing of revenue recognition	確定收益時間		
Sale of gold products, other by-products, metals and minerals transferred at point in time	於某一時點轉讓的黃金產品其他副產品、金屬及礦產銷售	794,834	807,546
Services transferred over time	隨時間轉讓的服務	19,067	30,759
		813,901	838,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(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)

(a) Revenue (continued)

Performance obligation

Information about the Group's performance obligations is summarised below:

Sales of gold products and other by-products

The performance obligation is satisfied upon delivery of goods.

Sales of metals and minerals

The performance obligation is satisfied upon delivery of goods.

Management services

The performance obligation is satisfied upon services are rendered.

Brokerage services

The performance obligation is satisfied upon services are rendered.

4. 收益及分部資料(續)

(a) 收益(續)

履約義務

有關本集團履約義務的資料概述如下：

銷售黃金產品及其他副產品

履行義務在交付貨物時得到滿足。

金屬及礦產的銷售

履行義務在交付貨物時得到滿足。

管理服務

履行義務隨著服務的提供而逐漸得到滿足。

經紀服務

履行義務在提供服務時得到滿足。

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(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

For management purposes, the Group is organised into business units based on their products and services and has three (2017: two) reportable operating segments as follows:

- (i) mining and processing of gold ores and sales of gold products and other by-products (the "Gold Mining Operation");
- (ii) purchase and sales of metals and minerals (the "Trading of Metals and Minerals") (which was commenced during the year); and
- (iii) provision of financial services including asset management, securities brokerage, financing and advisory services (the "Financial Services Operation").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income and finance costs are excluded from such measurement.

All assets are allocated to reporting operating segments.

Segment liabilities exclude bank and other borrowings, convertible bonds and their related derivative financial instruments and other unallocated corporate liabilities as these liabilities are managed on a group basis.

More than 90% of the Group's revenue was derived from activities in the PRC and its principal assets were located in the PRC during the reporting period. Accordingly, no analysis by geographical information is provided.

4. 收益及分部資料(續)

(b) 分部資料

就管理目的而言，本集團根據其產品及服務，組織其業務單位，並擁有以下三個(二零一七年：兩個)可報告經營分部：

- (i) 金礦開採、加工及黃金產品及其他副產品之銷售(「金礦開採業務」)；
- (ii) 購買和銷售金屬及礦產(「金屬及礦產貿易」)(本年度開始)；及
- (iii) 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」)。

管理層關注本集團各經營分部業績以決定如何進行資源分配及評估其表現。分部業績是根據可報告分部利潤或虧損進行評估，該分部利潤為經調整的除稅前溢利或虧損。經調整的除稅前溢利或虧損與本集團的除稅前溢利或虧損計量一致，除利息收入及財務成本不在此計量。

所有資產均分配至可報告經營分部。

分部負債不包括銀行及其他借貸、可換股債券及其相關衍生金融工具以及其他未分配公司負債，因為該等負債以集團形式管理。

於報告期內，本集團超過90%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。

NOTES TO THE CONSOLIDATED 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)

4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

The Group's operation by business segment is as follows:

4. 收益及分部資料(續)

(b) 分部資料(續)

本集團按業務分部劃分的營運如下：

		2018 二零一八年				2017 二零一七年			
		Gold Mining Operation 金礦開採業務	Trading of Metals and Minerals 金屬及礦產貿易	Financial Services Operation 金融服務業務	Total 總計	Gold Mining Operation 金礦開採業務	Trading of Metals and Minerals 金屬及礦產貿易	Financial Services Operation 金融服務業務	Total 總計
		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
Segment revenue	分部收入								
Revenues from external customers	來自外部客戶收入	680,831	114,003	19,067	813,901	807,546	—	30,759	838,305
Segment profit/(loss)	分部溢利/(虧損)	76,367	231	(10,060)	66,538	117,323	—	(76,960)	40,363
Reconciliation:	調節項：								
Interest income	利息收入				15,669				14,741
Finance costs	財務成本				(538,212)				(426,782)
Loss before tax	除稅前虧損				(456,005)				(371,678)
Other segment information	其他分部資料								
Capital expenditure	資本支出	131,830	—	60	131,890	277,769	—	62	277,831
Depreciation and amortisation	折舊及攤銷	196,675	—	1,002	197,677	192,546	—	1,159	193,705
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公平值虧損	—	—	—	—	—	—	85,196	85,196
Share of profit of associate	分佔聯營公司溢利	—	—	2,039	2,039	—	—	1,973	1,973

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4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

		At 31 December 2018 於二零一八年十二月三十一日				At 31 December 2017 於二零一七年十二月三十一日			
		Gold Mining Operation	Trading of metals and minerals	Financial Services Operation	Total	Gold Mining Operation	Trading of metals and minerals	Financial Services Operation	Total
		金礦開採業務	金屬及礦產貿易	金融服務業務	總計	金礦開採業務	金屬及礦產貿易	金融服務業務	總計
		HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元
Segment assets and total assets	分部資產及總資產	11,940,509	—	742,572	12,683,081	12,892,026	—	699,781	13,591,807
Segment liabilities	分部負債	1,328,626	—	50,274	1,378,900	2,321,653	—	29,773	2,351,426
Reconciliation: Corporate and other unallocated liabilities	調節項：公司及其他未分配負債				3,579,353				4,030,501
Total liabilities	負債合計				4,958,253				6,381,927

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:

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶甲	196,626	101,156
Customer B	客戶乙	124,310	163,021
Customer C	客戶丙	95,399	122,926
Customer D	客戶丁	82,056	N/A (不適用) *
Customer E	客戶戊	N/A (不適用) *	141,771
Customer F	客戶己	N/A (不適用) *	183,670

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4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

- * The transactions with these respective customers did not contribute 10% or more of total revenue of the Group during the years ended 31 December 2018 or 2017.

5. OTHER INCOME AND OTHER NET GAIN/(LOSS)

4. 收益及分部資料(續)

(b) 分部資料(續)

- * 截至二零一八年或二零一七年十二月三十一日止年度，與該等客戶個別進行之交易並無佔本集團總收益之10%或以上。

5. 其他收入及其他收益／(虧損)淨額

Other income

Bank interest income
Dividend income
Sundry incomes

其他收入

銀行利息收入
股息收入
雜項收益

Other net gain/(loss)

Exchange gain/(loss), net
Fair value loss on financial assets at fair value through profit or loss
(Loss)/gain on disposal of fixed assets

其他收益／(虧損)淨額

匯兌收益／(虧損)淨額
透過損益按公平值列賬之
金融資產之公平值虧損
出售固定資產
(虧損)／收益

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
15,669	14,741
986	537
1,502	4,387
18,157	19,665
2,797	(1,879)
—	(85,196)
(572)	153
2,225	(86,922)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(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):

(a) Finance costs:	
Interest on bank and other borrowings	
Interest on convertible bonds (note 24)	
Interest on financial liabilities at fair value through profit or loss	
Total interest expenses on financial liabilities	
Less: Interest capitalised into construction in progress (note 13(c))	
Fair value (gain)/loss on financial liabilities at fair value through profit or loss (note 19)	
Fair value gain on derivative financial instruments (note 24)	
Loss on the 2018 Convertible Bonds Restructure (note 24(i))	

(a) 財務成本：	
銀行及其他貸款之利息	
可換股債券利息 (附註24)	
透過損益按公平值列賬之金融負債利息	
金融負債之利息開支總額	
減：於在建工程內資本化之利息 (附註13(c))	
透過損益按公平值列賬之金融負債公平值(收益)/虧損(附註19)	
衍生金融工具公平值收益(附註24)	
二零一八年可換股債券重組虧損(附註24(i))	

6. 除稅前虧損

除稅前虧損已扣除/(計入)下列各項：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
450,032	397,645
26,988	44,431
477,020	442,076
49,111	20,910
526,131	462,986
(3,851)	(6,762)
522,280	456,224
(1,187)	1,388
(37,638)	(30,830)
54,757	—
538,212	426,782

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6. LOSS BEFORE TAX (continued)

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

(b) Staff costs (including directors' remuneration)

Salaries, wages and other benefits

Contributions to retirement benefit schemes

6. 除稅前虧損(續)

除稅前虧損已扣除/(計入)下列各項：(續)

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
76,770	83,745
8,918	8,211
85,688	91,956

(b) 僱員成本 (包括董事酬金)

薪金、工資及

其他福利

退休福利計劃供款

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. LOSS BEFORE TAX (continued)

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

(c) Other items	(c) 其他項目
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 inventories sold under the trading of metals and minerals	金屬及礦產貿易之已出售存貨成本
Total cost of sales	銷售成本總額
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
Depreciation and amortisation of fixed assets (note 13)	固定資產折舊及攤銷 (附註13)
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\$236,893,000 (2017: HK\$216,939,000) 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)

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
473,997	520,507
113,772	—
587,769	520,507
86,914	96,341
3,360	3,239
730	970
110,763	97,364
34,183	22,829
80	80

附註：

- (i) 金礦開採業務之已出售存貨成本包括236,893,000港元(二零一七年：216,939,000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 CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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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
(Under)/over-provision in prior years	往年(不足)/超額撥備
— PRC income tax	— 中國所得稅
— Hong Kong profits tax	— 香港利得稅
Deferred tax credit (note 25(a))	遞延稅項抵免 (附註25(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
Profit attributable to associate	聯營公司應佔溢利
Under-provision in prior years	往年不足撥備

The share of tax attributable to associate amounting to HK\$672,000 (2017: HK\$660,000) is included in share of profit of associate in the consolidated income statement.

7. 所得稅

(a) 綜合損益表所示之稅項為：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(13,327)	(23,675)
(408)	(1,630)
—	1,402
(408)	(228)
(13,735)	(23,903)
3,405	5,391
(10,330)	(18,512)

(b) 稅項開支和會計虧損按適用稅率計算之對賬：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(456,005)	(371,678)
(94,585)	(66,397)
107,835	92,015
(2,818)	(6,841)
(510)	(493)
408	228
10,330	18,512

分佔聯營公司應佔稅項為672,000港元(二零一七年：660,000港元)已計入綜合損益表之分佔聯營公司溢利內。

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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 2018 and 2017.
- (d) No provision for Hong Kong profits tax has been made during the years ended 31 December 2018 and 2017 as the Group did not have any assessable profit subject to Hong Kong profits tax.
- (e) Pursuant to the rules and regulations of Bermuda, the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is exempted from any income tax in Bermuda, 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二零一八年及二零一七年十二月三十一日止年度內之應課稅溢利按25%計算。
- (d) 由於本集團於截至二零一八年及二零一七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) 根據百慕達、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百慕達、開曼群島及英屬處女群島所得稅。

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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：

	Note 附註	Salaries, allowances and benefits in kind		Retirement scheme contributions	Equity settled share-based payment	2018 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	二零一八年 總計	
		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		
Executive directors								
Mr. Yi Shuhao	易淑浩先生	(a)	—	161	6	167	—	167
Mr. Chen Sheng	陳勝先生	(b)	—	500	18	518	—	518
Mr. Zhang Lirui	張利銳先生	(c)	—	500	18	518	—	518
Mr. Yu Yong	余勇先生	(d)	—	1,000	18	1,018	—	1,018
Mr. Wang Baozhi	王保志先生	(e)	—	500	18	518	—	518
Mr. Liu Liyang	劉力揚先生	(f)	—	223	11	234	—	234
Ms. Zang Dongling	臧東玲女士	(g)	—	340	12	352	—	352
Independent non-executive directors	獨立非執行董事							
Mr. Wu Tai Cheung	胡大祥先生		240	—	—	240	—	240
Professor Xiao Rong Ge	肖榮閣教授		240	—	—	240	—	240
Professor Zhang Tianyu	張田余教授		240	—	—	240	—	240
Total	總計		720	3,224	101	4,045	—	4,045

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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 薪金、津貼 及實物利益	Retirement scheme contributions 退休計劃 供款	Sub-total 小計	Equity settled share-based payment 以股權 結算之股份 基礎支出	2017 Total 二零一七年 總計
	Note 附註	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
Executive directors	執行董事						
Mr. Liu Liyang	劉力揚先生 (f)	—	2,688	18	2,706	—	2,706
Mr. Chen Sheng	陳勝先生 (b)	—	159	6	165	—	165
Mr. Yu Yong	余勇先生 (d)	—	318	6	324	—	324
Mr. Wang Baozhi	王保志先生 (e)	—	182	7	189	—	189
Ms. Zang Dongling	臧東玲女士 (g)	—	159	6	165	—	165
Mr. Zhang Lirui	張利銳先生	—	2,688	18	2,706	—	2,706
Mr. Li Xianghong	李向鴻先生 (h)	—	2,000	12	2,012	—	2,012
Mr. Zhang Shuguang	張曙光先生 (h)	—	1,333	12	1,345	—	1,345
Mr. Wang Hao	王浩先生 (i)	—	2,500	15	2,515	—	2,515
Mr. Zhang Liwei	張力維先生 (j)	—	653	6	659	—	659
Independent non-executive directors	獨立非執行董事						
Mr. Wu Tai Cheung	胡大祥先生	240	—	—	240	—	240
Professor Xiao Rong Ge	肖榮閣教授	240	—	—	240	—	240
Professor Zhang Tianyu	張田余教授 (e)	87	—	—	87	—	87
Mr. Yin Chenggang	尹成剛先生 (k)	158	—	—	158	—	158
Total	總計	725	12,680	106	13,511	—	13,511

During the years ended 31 December 2018 and 2017, 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.

截至二零一八年及二零一七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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8. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes:

- (a) Mr. Yi Shuhao was appointed as the executive director and the chairman of the Company on 5 September 2018 and the chief executive officer on 13 December 2018.
- (b) Mr. Chen Sheng was appointed as the executive director and the chief executive officer of the Company on 6 September 2017 and 24 January 2018 respectively. He resigned as the chief executive officer and redesigned as vice-chairman of the Company on 13 December 2018.
- (c) Mr. Zhang Lirui re-designed as the vice-chairman of the Company on 13 December 2018.
- (d) Mr. Yu Yong was appointed as the executive director and deputy chief executive officer of the Company on 6 September 2017.
- (e) Mr. Wang Baozhi was appointed as executive director of the Company and Professor Zhang Tianyu was appointed as independent non-executive director of the Company on 21 August 2017.
- (f) Mr. Liu Liyang was appointed as the chairman of the Company on 6 September 2017 and resigned as the chairman and the executive director of the Company on 5 September 2018 and 24 October 2018 respectively.
- (g) Ms. Zang Dongling were appointed as executive director of the Company on 6 September 2017 and resigned on 5 September 2018.
- (h) Mr. Li Xianghong resigned as the chairman and the chief executive officer and the executive director of the Company and Mr. Zhang Shuguang resigned as executive director of the Company on 31 August 2017.
- (i) Mr. Wang Hao resigned as executive director on 31 October 2017.
- (j) Mr. Zhang Liwei resigned as executive director on 28 April 2017.
- (k) Mr. Yin Chenggang, was appointed as independent non-executive director of the Company on 4 January 2017 and resigned on 31 August 2017.

8. 董事及行政總裁酬金(續)

附註：

- (a) 易淑浩先生於二零一八年九月五日獲委任為本公司執行董事及主席並於二零一八年十二月十三日獲委任為行政總裁。
- (b) 陳勝先生分別於二零一七年九月六日及二零一八年一月二十四日獲委任為本公司執行董事及行政總裁。彼於二零一八年十二月十三日辭任本公司行政總裁及獲調任為副主席。
- (c) 張利銳先生於二零一八年十二月十三日獲調任為本公司副主席。
- (d) 於二零一七年九月六日，余勇先生獲委任為本公司執行董事兼副總裁。
- (e) 於二零一七年八月二十一日，王保志先生獲委任為本公司執行董事及張田余教授獲委任為本公司獨立非執行董事。
- (f) 劉力揚先生於二零一七年九月六日獲委任為本公司主席並分別於二零一八年九月五日及二零一八年十月二十四日辭任本公司主席及執行董事。
- (g) 臧東玲女士於二零一七年九月六日獲委任為本公司執行董事並於二零一八年九月五日辭任。
- (h) 於二零一七年八月三十一日，李向鴻先生辭任本公司主席兼行政總裁及執行董事及張曙光先生辭任本公司執行董事。
- (i) 王浩先生於二零一七年十月三十一日辭任執行董事。
- (j) 張力維先生於二零一七年四月二十八日辭任執行董事。
- (k) 尹成剛先生於二零一七年一月四日獲委任為本公司獨立非執行董事並於二零一七年八月三十一日辭任。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2017: four directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2017: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Retirement scheme contributions	退休計劃供款

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

HK\$0 to HK\$1,000,000	零港元至 1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元

10. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2018 and 2017.

9. 五位最高酬金僱員

年內五位最高酬金僱員包括一名董事(二零一七年：四名董事)，其酬金詳情載於上文附註8。餘下四名(二零一七年：一名)並非本公司董事或行政總裁的最高酬金僱員本年度酬金的詳情如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
4,992	2,000
50	18
5,042	2,018

酬金在以下範圍內而不屬董事亦不屬行政總裁的最高酬金僱員數目如下：

Number of employees 僱員人數

2018 二零一八年	2017 二零一七年
1	—
1	—
2	—
—	1

10. 股息

本公司董事不建議就截至二零一八年及二零一七年十二月三十一日止年度派付任何股息。

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11. LOSS PER SHARE

The basic and diluted loss per share and weighted average number of ordinary shares for the year ended 31 December 2017 have been adjusted to reflect the impact of the Share Consolidation (as defined in note 26) and Rights Issue (as defined in note 26) which was effective on 28 May 2018 and 26 September 2018, respectively.

(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\$466,335,000 (2017: HK\$390,190,000) and on the weighted average number of 2,286,114,000 (2017: 724,360,000 (as restated)) ordinary shares in issue during the year.

(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 2018 and 2017. Therefore, the diluted loss per share is same as basic loss per share during the years ended 31 December 2018 and 2017.

11. 每股虧損

截至二零一七年十二月三十一日止年度的每股基本及攤薄虧損及普通股加權平均數已經調整，以反映分別於二零一八年五月二十八日及二零一八年九月二十六日生效的股份合併(定義見附註26)及供股(定義見附註26)影響。

(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466,335,000港元(二零一七年：390,190,000港元)以及於年內已發行普通股之加權平均數2,286,114,000股(二零一七年：724,360,000股(經重列))計算。

(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二零一八年及二零一七年十二月三十一日止年度之每股虧損減少)。因此，截至二零一八年及二零一七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。

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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 2017	於二零一七年一月一日	7,001,523	42,158	500	273,893	7,318,074
Acquisition of subsidiary	收購附屬公司	—	—	—	7,225	7,225
Exchange adjustments	匯兌調整	255,518	3,186	—	—	258,704
At 31 December 2017	於二零一七年十二月三十一日	7,257,041	45,344	500	281,118	7,584,003
At 1 January 2018	於二零一八年一月一日	7,257,041	45,344	500	281,118	7,584,003
Additions	增置	54,875	—	—	—	54,875
Exchange adjustments	匯兌調整	(183,985)	(2,294)	—	—	(186,279)
At 31 December 2018	於二零一八年十二月三十一日	7,127,931	43,050	500	281,118	7,452,599
Accumulated amortisation	累計攤銷					
At 1 January 2017	於二零一七年一月一日	978,148	—	—	—	978,148
Charge for the year (note 6(c))	年內計提(附註 6(c))	96,341	—	—	—	96,341
Exchange adjustments	匯兌調整	53,698	—	—	—	53,698
At 31 December 2017	於二零一七年十二月三十一日	1,128,187	—	—	—	1,128,187
At 1 January 2018	於二零一八年一月一日	1,128,187	—	—	—	1,128,187
Charge for the year (note 6(c))	年內計提(附註 6(c))	86,914	—	—	—	86,914
Exchange adjustments	匯兌調整	(42,106)	—	—	—	(42,106)
At 31 December 2018	於二零一八年十二月三十一日	1,172,995	—	—	—	1,172,995
Carrying amounts	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	5,954,936	43,050	500	281,118	6,279,604
At 31 December 2017	於二零一七年十二月三十一日	6,128,854	45,344	500	281,118	6,455,816

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12. INTANGIBLE ASSETS (continued)

(a) (i) At 31 December 2018, the Group's mining rights with a total carrying amount of HK\$5,592,650,000 (2017: HK\$2,174,843,000) were pledged as security for bank and other borrowings facilities granted to the Group (note 23).

(ii) At 31 December 2018, 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 2018.

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 2018.

(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) 於二零一八年十二月三十一日，本集團總賬面值為5,592,650,000港元(二零一七年：2,174,843,000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23)。

(ii) 於二零一八年十二月三十一日，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，於二零一八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，於二零一八年十二月三十一日採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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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, which included Shenzhen Munsun Asset Management Company Limited (“Shenzhen Munsun”) in 2017 (Further details are set out in note 32 to the consolidated financial statements) and Munsun Asset Management (Asia) Limited (“Munsun Asia”) and Munsun Securities Limited (“Munsun Securities”) in 2016, has been allocated to the cash-generating unit (“CGU”) of the Financial Services Operation of the Group for impairment testing.

At 31 December 2018, 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 rate in revenues and timing of future capital expenditures and selection of discount rates. The growth rate is based on management’s plan on launch of products and expected growth in the CGU of the Financial Services Operation. Growth rates ranging from 36% to 87% (2017: 13% to 15%) have been applied to the cash flow projections. As there were changes in senior management and business plans of the Financial Services Operation, together with the increased uncertainties in the overall business environment, and certain funds managed by the Group were redeemed during 2018, the Group’s revenue from the Financial Services Operation decreased in 2018 as compared with 2017. However, the Group is prudently optimistic that, with the current management team and new business plans, the growth rate of the revenue of the Financial Services Operation will exceed that of previous years. The discount rate applied to the cash flow projections is 14% (2017: from 16%). In the opinion of the directors of the Company, no impairment on the goodwill was required as at 31 December 2018.

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(包括二零一七年的深圳市麥盛資產管理有限公司(「深圳麥盛」)(詳情載於綜合財務報表附註32)及於二零一六年的麥盛資產管理(亞洲)有限公司(「麥盛亞洲」)及麥盛證券有限公司(「麥盛證券」))所產生的商譽已撥入本集團金融服務業務的現金產生單位以作減值測試。

於二零一八年十二月三十一日，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。增長率基於管理層推出產品的計劃以及金融服務業務的現金產生單位的預期增長。現金流量預測已應用增長率由36%至87%(二零一七年：13%至15%)。由於金融服務業務之高級管理層及業務計劃出現變動，加上整體經商環境不確定性增加，以及本集團管理的若干基金於2018年年內被贖回，本集團金融服務業務收入於2018年對比2017年有所下降。儘管如此，本集團因應現管理團隊及新業務計劃，對金融服務業務收入之增長率比去年高表示審慎樂觀。現金流量預測應用的貼現率為14%(二零一七年：由16%)。本公司董事認為，於二零一八年十二月三十一日均無須作出商譽減值。

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13. FIXED ASSETS

13. 固定資產

Cost	成本	Buildings	Machinery	Motor	Office	Mining	Construction	Interests in	Total
		held for own use 持有作自用 之建築物 HK\$'000 千港元	and equipment 機器及設備 HK\$'000 千港元	vehicles 汽車 HK\$'000 千港元	equipment, furniture and fixtures 辦公室 設備、傢俱 及固定裝置 HK\$'000 千港元	structures 採礦構造物 HK\$'000 千港元	in progress 在建工程 HK\$'000 千港元	leasehold lands held for own use under operating leases 根據經營 租賃持有作 自用租賃 土地之權益 HK\$'000 千港元	
At 1 January 2017	於二零一七年一月一日	14,358	64,934	24,321	8,332	3,894,761	1,152,733	35,974	5,195,413
Exchange adjustments	匯兌調整	1,085	4,908	2,050	531	294,333	87,360	2,718	392,985
Acquisition of subsidiary (note 32)	收購附屬公司 (附註32)	—	—	4,344	42	—	—	—	4,386
Additions	增置	—	2,386	757	2,308	2,862	269,518	—	277,831
Disposals	出售	—	(11,214)	(429)	(131)	—	—	—	(11,774)
Interest capitalised	資本化利息	—	—	—	—	—	6,762	—	6,762
Transfer from construction in progress	轉撥自在建工程	—	—	—	—	433,605	(433,605)	—	—
							(notes (b) & (c)) (附註(b)及(c))		
At 31 December 2017	於二零一七年十二月三十一日	<u>15,443</u>	<u>61,014</u>	<u>31,043</u>	<u>11,082</u>	<u>4,625,561</u>	<u>1,082,768</u>	<u>38,692</u>	<u>5,865,603</u>
At 1 January 2018	於二零一八年一月一日	15,443	61,014	31,043	11,082	4,625,561	1,082,768	38,692	5,865,603
Exchange adjustments	匯兌調整	(781)	(3,052)	(1,395)	(498)	(234,015)	(54,881)	(1,957)	(296,579)
Additions	增置	—	5,512	66	1,347	11,046	113,919	—	131,890
Disposals	出售	—	(1,322)	(4,054)	—	—	—	—	(5,376)
Interest capitalised	資本化利息	—	—	—	—	—	3,851	—	3,851
Transfer from construction in progress	轉撥自在建工程	—	—	—	—	208,087	(208,087)	—	—
At 31 December 2018	於二零一八年十二月三十一日	<u>14,662</u>	<u>62,152</u>	<u>25,660</u>	<u>11,931</u>	<u>4,610,679</u>	<u>937,570</u>	<u>36,735</u>	<u>5,699,389</u>

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13. FIXED ASSETS (continued)

13. 固定資產(續)

		Buildings held for own use 持有作自用 之建築物 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Office equipment, furniture and fixtures 辦公室 設備、傢俱 及固定裝置 HK\$'000 千港元	Mining structures 採礦構築物 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Interests in leasehold lands held for own use under operating leases 根據經營 租賃持有作 自用租賃 土地之權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accumulated amortisation and depreciation	累計攤銷及折舊								
At 1 January 2017	於二零一七年一月一日	5,599	29,127	16,785	6,323	384,923	—	444,231	
Exchange adjustments	匯兌調整	506	2,036	1,321	443	32,149	—	36,598	
Charge for the year (note 6(c))	年內計提 (附註6(c))	2,278	5,395	3,152	1,511	84,150	—	97,364	
Disposals	出售	—	(10,609)	(373)	(115)	—	—	(11,097)	
At 31 December 2017	於二零一七年十二月三十一日	8,383	25,949	20,885	8,162	501,222	—	567,096	
At 1 January 2018	於二零一八年一月一日	8,383	25,949	20,885	8,162	501,222	—	567,096	
Exchange adjustments	匯兌調整	(466)	(1,431)	(947)	(390)	(27,920)	—	(31,305)	
Charge for the year (note 6(c))	年內計提 (附註6(c))	1,638	5,501	2,762	1,431	98,544	—	110,763	
Disposals	出售	—	(957)	(2,945)	—	—	—	(3,902)	
At 31 December 2018	於二零一八年十二月三十一日	9,555	29,062	19,755	9,203	571,846	—	642,652	
Carrying amounts	賬面值								
At 31 December 2018	於二零一八年十二月三十一日	5,107	33,090	5,905	2,728	4,038,833	937,570	5,056,737	
At 31 December 2017	於二零一七年十二月三十一日	7,060	35,065	10,158	2,920	4,124,339	1,082,768	5,298,507	

(notes (b) & (c))
(附註(b)及(c))

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13. FIXED ASSETS (continued)

- (a) As at 31 December 2018, the Group's fixed assets with a total carrying amount of HK\$761,837,000 (2017: HK\$816,326,000) were pledged as security for bank and other borrowings facilities granted to the Group (note 23).
- (b) The construction in progress at 31 December 2018 and 2017 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\$3,851,000 (2017: HK\$6,762,000). The borrowing costs have been capitalised at a rate of 9% (2017: 9%) per annum on the specific borrowings used for financing the construction in progress (note 6(a)).

14. DEPOSITS PAID FOR GOLD MINING AND EXPLORATION RIGHTS

At 31 December 2018, the Group paid aggregate deposits of HK\$144,666,000 (2017: HK\$152,375,000) for two proposed acquisitions of certain mining and exploration rights for gold mines in Henan and Yunnan, in the PRC from independent third parties. The transactions have not been completed during the year and up the date of approval of these consolidated financial statements.

13. 固定資產(續)

- (a) 於二零一八年十二月三十一日，本集團賬面值總額為761,837,000港元(二零一七年：816,326,000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23)。
- (b) 於二零一八年及二零一七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3,851,000港元(二零一七年：6,762,000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%(二零一七年：9%)資本化(附註6(a))。

14. 就金礦採礦及探礦權所付按金

於二零一八年十二月三十一日，本集團就向獨立第三方建議的兩項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合共144,666,000港元(二零一七年：152,375,000港元)。於年內及直至批准該等綜合財務報表日期，本集團並未完成此交易。

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15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS

Financial assets at fair value through other comprehensive income	透過其他全面收益按公平值列賬之金融資產
Unlisted investments, at fair value	非上市投資，以公平值計
Available-for-sale investments	可供出售投資
Unlisted investments, at fair value	非上市投資，以公平值計

15. 透過其他全面收益按公平值列賬之金融資產／可供出售投資

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
280,166	—
—	264,120

As further detailed in note 3 (a), the Group has elected to designate the available-for-sale investments as financial assets at fair value through other comprehensive income at 1 January 2018. At 31 December 2018, the Group's financial assets at fair value through other comprehensive income included investment in an unlisted company in the PRC of HK\$268,619,000 (2017: under available-for-sale investments of HK\$251,958,000) and investment in a private equity fund in the PRC of HK\$11,547,000 (2017: under available-for-sale investment of HK\$12,162,000).

誠如附註3(a)進一步詳述，本集團選擇指定可供出售投資作為於二零一八年一月一日透過其他全面收益按公平值列賬之金融資產。於二零一八年十二月三十一日，本集團的透過其他全面收益按公平值列賬之金融資產計入至於一間中國非上市公司的投資268,619,000港元(二零一七年：計入可供出售投資251,958,000港元)及與中國一項私募股權基金的投資11,547,000港元(二零一七年：計入可供出售投資12,162,000港元)。

At 31 December 2018, the Group's financial assets at fair value through other comprehensive income with carrying value of HK\$280,166,000 (2017: under available-for-sale investments of HK\$251,958,000) was pledged as security for the Group's bank and other borrowings (note 23).

於二零一八年十二月三十一日，本集團賬面值為280,166,000港元(二零一七年：計入可供出售投資251,958,000港元)的透過其他全面收益按公平值列賬之金融資產已質押為本集團銀行及其他貸款的抵押品(附註23)。

16. INVESTMENT IN ASSOCIATE

Share of net assets 分佔淨資產

16. 於聯營公司之投資

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
10,501	8,969

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16. INVESTMENT IN ASSOCIATE (continued)

At 31 December 2018, particulars of the associate are as follows:

Name of associate 聯營公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Fully paid-up registered capital 已繳足註冊資本	Group's effective interest 本集團 實際權益 %	Held by a subsidiary 由一附屬 公司持有 %	Principal activities 主要業務
Shenzhen Baotengsheng Fund Management Company Limited (note i) 深圳市保騰盛基金管理有限公司 (附註i)	The PRC 中國	RMB10,000,000 人民幣10,000,000元	24.5	24.5	Asset management and advisory service 資產管理及諮詢服務

The following table illustrates the summarised financial information of the associate:

Non-current assets	非流動資產	
Current assets	流動資產	
Current liabilities	流動負債	
Net assets	資產淨值	
Revenue	收益	
Profit for the year	年度溢利	
Other comprehensive income	其他全面收益	
Total comprehensive income	全面收益總額	
Dividend received from the associate	已收聯營公司之股息	
Proportion of the Group's ownership	本集團擁有權比例	
Group's share of net assets of the associate and the carrying amount of the investment	本集團應佔聯營公司之資產淨值及投資賬面值	

(i) The English name is for identification purpose only.

16. 於聯營公司之投資(續)

於二零一八年十二月三十一日，聯營公司之資料列載如下：

Proportion of ownership interest

擁有權權益比例

Group's effective interest

本集團
實際權益

%

Held by a subsidiary

由一附屬
公司持有

%

下表顯示聯營公司的財務資料概要：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
2,605	2,646
41,209	34,865
(952)	(903)
42,862	36,608
11,549	11,081
8,323	8,052
—	—
8,323	8,052
—	—
24.5%	24.5%
10,501	8,969

(i) 英文名稱僅供識別之用。

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17. 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

17. 存貨

綜合財務狀況表內之存貨包括：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
9,475	23,015
168,895	121,166
18,653	37,208
197,023	181,389

18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade and loans receivables	應收賬款及貸款
Less: Allowance for doubtful debts	減：呆賬撥備
Other receivables	其他應收款項
Sub-total	小計
Deposits and prepayments	按金及預付款項

Non-current portion	非即期部分
Current portion	即期部分

18. 應收賬款、貸款及其他應收款項、按金及預付款項

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	226,700	132,336
	—	—
(a) to (c)	226,700	132,336
(a) 至 (c)	69,723	115,369
	296,423	247,705
	133,201	117,857
	429,624	365,562
	109,532	49,379
	320,092	316,183
	429,624	365,562

As at 31 December 2018, 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.

於二零一八年十二月三十一日，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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18. 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

(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
More than two months but less than four months	超過二個月但少於四個月
More than four months but less than six months	超過四個月但少於六個月
More than six months but less than one year	超過六個月但少於一年
More than one year	超過一年

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 to four (2017: two) months is granted to the customers with high credibility.

18. 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	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(b)	107,319	23,524
(c)	119,381	108,812
	226,700	132,336

(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：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Less than two months	60,926	18,757
More than two months but less than four months	39,971	—
More than four months but less than six months	1,496	4,767
More than six months but less than one year	—	—
More than one year	4,926	—
	107,319	23,524

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。兩個月至四個月(二零一七年：兩個月)以內之信貸期授予具有高信貸質素之客戶。

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18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Trade receivables under the Gold Mining Operation (continued)

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (“ECL”). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In addition, one of the debtors with the balances of approximately HK\$47 million was guaranteed by and independent third parties, with no recent history of material defaults, the probability of default and the loss given default were estimated to be minimal.

Impairment under HKAS 39 for the year ended 31 December 2017

The ageing analysis of trade receivables as at 31 December 2017 under the Gold Mining Operation that are neither individually nor collectively considered to be impaired under HKAS 39 is as follows:

Neither past due nor impaired	未逾期或減值	18,757
Less than six months past due	逾期少於六個月	4,767
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	逾期超過一年	—

18. 應收賬款、貸款及其他應收款項、按金及預付款項 (續)

(b) 金礦開採業務下應收賬款(續)

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值

本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地區、產品類別、客戶類別及評級、信用證及其他信貸保險形式之保障劃分)之多個客戶分部組別逾期天數釐定。有關計量反映概率加權結果、貨幣之時間價值及於報告日期可獲得之有關過去事件、目前狀況及未來經濟狀況預測之合理可靠資料。另外，其中包括一個債務人約47百萬港元之應收款由獨立第三方作擔保，違約率及違約損失率估計甚低。

截至二零一七年十二月三十一日止年度根據香港會計準則第39號作出的壞賬準備

根據香港會計準則第39號，並無個別或整體被視為已減值之金礦開採業務下應收賬款於二零一七年十二月三十一日之賬齡分析如下：

At 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
18,757
4,767
—
—
23,524

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18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Trade receivables under the Gold Mining Operation (continued)

At the end of the reporting period, trade receivables under the Gold Mining Operation 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 certain independent customers that have a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

(c) Trade and loans receivables under the Financial Services Operation

18. 應收賬款、貸款及其他應收款項、按金及預付款項 (續)

(b) 金礦開採業務下應收賬款 (續)

於報告期末，既未逾期亦未減值之金礦開採業務下應收賬款與最近沒有拖欠記錄之若干獨立客戶有關。逾期但並無減值之應收款項與若干於本集團過往記錄良好之獨立客戶有關。根據過往經驗，管理層相信毋須就該等結餘作出減值撥備，由於其信貸質素並無重大變動，並認為該等結餘可全數收回。本集團並無就該等結餘持有任何抵押品。

(c) 金融服務業務下應收賬款及貸款

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 financial services business	其他金融服務業務應收賬款及貸款

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
712	1,182
—	164
712	1,346
118,669	107,466
119,381	108,812

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18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade and loans receivables under the Financial Services Operation (continued)

- (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 financial services 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 financial services 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
More than one year	多於一年

18. 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)

- (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金融服務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金融服務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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
7,964	258
110,705	107,208
118,669	107,466

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

18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade and loans receivables under the Financial Services Operation (continued)

- (ii) Impairment under HKFRS 9 for the year ended 31 December 2018

The Group applies general approach to measuring ECL for the trade and loan receivables from other financial services business as these business contained a significant financing component. ECLs are recognised in two stages. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

18. 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) 截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號作出的壞賬準備，本集團採用了一般方法來計算有關包含了重大利息的其他金融服務業務應收賬款及貸款。預期信貸虧損分兩個階段進行確認。對於自首次確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提撥備。對於自首次確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(全期預期信貸虧損)。

於各報告日期，本集團於評估自首次確認後金融工具的信貸風險是否顯著增加時，將於報告日期金融工具發生違約之風險與首次確認日起金融工具發生之違約風險進行比較，並考慮合理且具證據支持的資料，包括無需付出不必要的成本或努力而可得之歷史及前瞻性資料。

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18. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade and loans receivables under the Financial Services Operation (continued)

(iii) Impairment under HKAS 39 for the year ended 31 December 2017

The trade and loans receivables as at 31 December 2017 under the Financial Services Operation that are neither individually nor collectively considered to be impaired under HKAS 39 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 under the Financial Services Operation 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 of HK\$630,000 (2017: HK\$1,098,000) and the management fee receivables from the asset management funds managed by the Group of HK\$1,174,000 (2017: HK\$1,017,000). The Group held the securities of these cash clients from securities brokerage business as collateral over their individual balance and has assessed the recoverability of the management fee receivables from the asset management funds. The management believed that no impairment allowance was necessary in respects of these receivables.

18. 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)

(iii) 截至二零一七年十二月三十一日止年度根據香港會計準則第39號作出的壞賬準備

根據香港會計準則第39號，並無個別或共同視作減值的金融服務業務之下之應收賬款及貸款於二零一七年十二月三十一日如下：

2017
二零一七年
HK\$'000
千港元
106,697
407
1,053
655
2,115
108,812

於報告期末，本集團既未逾期亦未減值之金融服務業務下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為630,000港元(二零一七年：1,098,000港元)，及來自本集團管理下的資產管理基金之應收管理費用1,174,000港元(二零一七年：1,017,000港元)。本集團持有該等證券經紀業務下之現金客戶的證券作為彼等之個人結餘之抵押品及已評估資產管理基金之應收管理費用的可回收性。管理層相信毋須就該等應收賬款作出減值撥備。

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19. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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. The banks have granted gold leasing financing to the Group under the same banking facilities arrangement of the Group's bank borrowings (note 23(a)).

The fair values of the financial liabilities at fair value through profit or loss as at 31 December 2017 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. These financial liabilities at fair value through profit or loss were fully settled during the year ended 31 December 2018. During the year, fair value gain on financial liabilities at fair value through profit or loss was HK\$1,187,000 (2017: loss of HK\$1,388,000) (note 6(a)).

20. PLEDGED DEPOSITS

As at 31 December 2018, the Group's total deposits of HK\$102,519,000 (2017: HK\$612,155,000), including non-current portion and current portion of HK\$45,564,000 (2017: HK\$47,992,000) and HK\$56,955,000 (2017: HK\$564,163,000) respectively, which were held in bank and financial institutions were pledged as security for bank and other borrowings facilities granted to the Group (note 23). The interest rate of the pledged deposits ranged from 0.1% to 3.8% (2017: 0.1% to 3.8%) per annum during the year.

19. 透過損益按公平值列賬之金融負債

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23(a)）。

於二零一七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。該等透過損益按公平值列賬之金融負債已於截至二零一八年十二月三十一日年度期間內悉數償還。年內，透過損益按公平值列賬之金融負債的公平值收益為1,187,000港元（二零一七年：虧損1,388,000港元）（附註6(a)）。

20. 已抵押存款

於二零一八年十二月三十一日，本集團存款總額102,519,000港元（二零一七年：612,155,000港元），包括非流動部分及流動部分分別為45,564,000港元（二零一七年：47,992,000港元）及56,955,000港元（二零一七年：564,163,000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23）。年內已抵押存款之利率介乎每年0.1%至3.8%（二零一七年：0.1%至3.8%）。

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21. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES

Cash at banks	銀行存款
Cash in hand	現金
Cash and bank balances	現金及銀行結餘
Less: Restricted deposits in the bank balances	減：在銀行結餘中的受限制資金
Cash and cash equivalents	現金及現金等價物
Client trust bank balances	客戶信託銀行結餘

Restricted deposits are as follows:

Deposits paid for land reclamation	土地復墾保證金
Deposits paid for environmental governance	環境治理保證金

(a) Restricted deposits are included in the bank balances.

21. 現金及銀行結餘及客戶信託銀行結餘

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
80,362	141,721
609	318
80,971	142,039
(32,972)	—
47,999	142,039
2,947	4,032
50,946	146,071

受限制的貨幣資金明細如下：

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(a)	23,695	—
(a)	9,277	—
	32,972	—

(a) 受限制的貨幣資金餘額包含在銀行結餘中。

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21. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES (continued)

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.

The interest rates on cash at banks ranged from 0.1% to 0.4% (2017: 0.1% to 0.4%) per annum during the year.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$69,976,000 (2017: HK\$74,667,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. 現金及銀行結餘及客戶信託銀行結餘(續)

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。

年內銀行存款之利率介乎每年0.1%至0.4%(二零一七年：0.1%至0.4%)。

於報告期末，本集團以人民幣為單位的現金及銀行結餘為69,976,000港元(二零一七年：74,667,000港元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

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22. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES

Trade payables	應付賬款	(a) to (c)
Accrued charges and other payables	預提費用及 其他應付款項	(a) 至 (c)
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	
Contract liabilities	合同負債	

As detailed in note 3 to the consolidated financial statements, upon the adoption of HKFRS 15, receipts in advance from customers of HK\$35,458,000 as at 1 January 2018 were restated as contract liabilities. As at 31 December 2018, the remaining balance of receipts in advance represents mainly government grants received in advance.

(a) Trade payables

Trade payables under the Gold Mining Operation	金礦開採業務下 之應付賬款	(b)
Trade payables under the Financial Services Operation	金融服務業務下之 應付賬款	(c)

22. 應付賬款及其他應付款項，及合同負債

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(a) to (c)	173,572	156,568
(a) 至 (c)	541,010	518,006
	714,582	674,574
	37,014	64,541
	751,596	739,115
	29,237	—

誠如綜合財務報告附註3所陳述，於採納香港財務報告準則第15號後，二零一八年一月一日之預收客戶賬款35,458,000港元重列為合同負債。於二零一八年十二月三十一日，預收賬款餘額主要來自政府補貼之預收賬款。

(a) 應付賬款

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(b)	170,570	152,288
(c)	3,002	4,280
	173,572	156,568

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22. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES (continued)

(b) Trade payables under the Gold Mining Operation

The ageing analysis of trade payables under the Gold Mining Operation 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
– Clearing house in HK	– 位於香港之結算所

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.

22. 應付賬款及其他應付款項，及合同負債(續)

(b) 金礦開採業務下應付賬款

於報告期末，金礦開採業務下應付賬款根據發票日期之賬齡分析如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
16,104	86,362
27,032	59,799
127,434	6,127
170,570	152,288

(c) 金融服務業務下應付賬款

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
2,952	4,280
50	—
3,002	4,280

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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23. BANK AND OTHER BORROWINGS

As at 31 December 2018, 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 related parties	關連人士貸款
– Shareholder loans	– 股東貸款
– Other related loans	– 其他關聯貸款

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：即期部分

Non-current portion 非即期部分

23. 銀行及其他貸款

於二零一八年十二月三十一日，本集團擁有以下銀行及其他貸款：

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(a)	1,909,511	2,269,478
(b)	1,238,147	1,075,563
35(a)(v)	101,533	—
35(a)(i)	—	300,000
	3,249,191	3,645,041
	2,231,387	2,071,096
	248,054	761,610
	769,750	721,898
	—	90,437
	3,249,191	3,645,041
	(2,231,387)	(2,071,096)
	1,017,804	1,573,945

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23. BANK AND OTHER BORROWINGS (continued)

- (a) As at 31 December 2018 and 2017, the Group's secured bank and other borrowings and the financial liabilities at fair value through profit or loss were secured by the pledge of the Group's assets and share charge of certain subsidiaries of the Group (note 28) and guarantees given by certain subsidiaries of the Group and the Company, certain executive directors and ex-executive directors of the Company and senior management staff of subsidiaries and related parties (notes 35(a)(ii) to (iii)).
- (b) As at 31 December 2018, the Group's unsecured bank and other borrowings of HK\$106 million (2017: HK\$180 million) were guaranteed by certain subsidiaries and the Company, certain executive directors of the Company and one (2017: one) senior management staff of one (2017: one) subsidiary (note 35(a)(ii) and (iii)). Save as disclosed above, the remaining balance at 31 December 2018 and 2017 was unsecured and unguaranteed.
- (c) The range of effective interest rates on the Group's fixed rate and variable rate of the bank and other borrowings are 5% to 24% (2017: 4% to 15%) and 8% to 12% (2017: 6% to 9%) respectively.

23. 銀行及其他貸款(續)

- (a) 於二零一八年及二零一七年十二月三十一日，本集團已抵押銀行及其他貸款及透過損益按公平值列賬之金融負債已透過質押本集團資產及本集團若干附屬公司的股份押記(附註28)以及本集團若干附屬公司及本公司、本公司若干執行董事及前任執行董事以及附屬公司高級管理層員工及關聯方(附註35(a)(ii)至(iii))作出之擔保所抵押。
- (b) 於二零一八年十二月三十一日，本集團之無抵押銀行及其他貸款106百萬港元(二零一七年：180百萬港元)由若干附屬公司及本公司、本公司若干執行董事以及一間(二零一七年：一間)附屬公司之一名(二零一七年：一名)高級管理人員擔保(附註35(a)(ii)至(iii))。除上文所披露者外，於二零一八年及二零一七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借款之實際利率範圍分別為5%至24%(二零一七年：4%至15%)及8%至12%(二零一七年：6%至9%)。

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24. CONVERTIBLE BONDS

The 2016 Convertible Bonds

二零一六年可換股債券

At 1 January 2017	於二零一七年一月一日
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
Fair value gain (note 6(a))	公平值收益 (附註6(a))
At 31 December 2017	於二零一七年十二月三十一日
At 1 January 2018	於二零一八年一月一日
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
Extinguishment upon the completion of the 2018 Convertible Bonds Restructure (note (i))	二零一八年可換股債券重組完成後註銷 (附註(i))
At 31 December 2018	於二零一八年十二月三十一日
Representing:	指：
At 31 December 2018	於二零一八年十二月三十一日
At 31 December 2017	於二零一七年十二月三十一日
Current liabilities	流動負債

24. 可換股債券

Liability component	Derivatives	Total
負債部分	衍生工具	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
368,308	30,830	399,138
44,431	—	44,431
(27,279)	—	(27,279)
—	(30,830)	(30,830)
<u>385,460</u>	<u>—</u>	<u>385,460</u>
385,460	—	385,460
4,180	—	4,180
(2,728)	—	(2,728)
(386,912)	—	(386,912)
<u>—</u>	<u>—</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>—</u>
<u>385,460</u>	<u>—</u>	<u>385,460</u>

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24. CONVERTIBLE BONDS (continued)

The 2018 Convertible Bonds

二零一八年可換股債券

At 2 February 2018 (note (i))	於二零一八年二月二日(附註(i))
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
Fair value gain (note 6(a))	公平值收益(附註6(a))
At 31 December 2018	於二零一八年十二月三十一日
Representing:	指：
At 31 December 2018	於二零一八年十二月三十一日
Current liabilities	流動負債

24. 可換股債券(續)

Liability component	Derivatives	Total
負債部分	衍生工具	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
320,394	37,854	358,248
22,808	—	22,808
(13,256)	—	(13,256)
—	(37,638)	(37,638)
329,946	216	330,162
329,946	216	330,162

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24. CONVERTIBLE BONDS (continued)

24. 可換股債券(續)

Notes:

(i) Loss on the 2018 Convertible Bonds Restructure

附註：

(i) 二零一八年可換股債券重組之虧損

Liability components and derivatives

負債部分及衍生工具

Carrying amount of the 2016 Convertible Bonds	Cash paid for the 2018 Convertible Bonds Restructure (Note (ii))	Fair value of the 2018 Convertible Bonds	Loss on the 2018 Convertible Bonds Restructure (Note 6(a))
二零一六年可換股債券之賬面金額	二零一八年可換股債券重組之已付現金 (附註(ii))	二零一八年可換股債券之公平值	二零一八年可換股債券重組之虧損 (附註6(a))
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
386,912	83,421	358,248	(54,757)

(ii) Cash paid for the 2018 Convertible Bonds Restructure:

Cash payment
Transaction costs

Total cash outflow included in consolidated statement of cash flows

(ii) 二零一八年可換股債券重組之現金款項：

現金款項
交易成本

計入綜合現金流量表之現金流出總額

HK\$'000
千港元

75,251
8,170

83,421

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

24. CONVERTIBLE BONDS (continued)

- (a) 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 with maturity date 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 on 4 February 2018. 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”). In 2016, the Company made the convertible bonds restructure (the “2016 Convertible Bonds Restructure”) that included extinguishment of the bondholders’ rights on the Put Option and amendment to the existing terms and conditions of the 2013 Convertible Bonds. On 16 March 2016, the 2016 Convertible Bonds Restructure was completed and the Company issued and allotted approximately 1,176 million new ordinary shares of the Company and paid the aggregate amount of approximately HK\$361 million to the bondholders.

24. 可換股債券(續)

- (a) 於二零一三年二月四日，本公司發行本金金額為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二零一八年二月四日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」)。於二零一六年，本公司進行可換股債券重組(「二零一六年可換股債券重組」)，其包括撤銷債券持有人有關認沽期權之權利及對二零一三年可換股債券的現有條款及條件作修訂。於二零一六年三月十六日，二零一六年可換股債券重組已完成，本公司發行及配發約1,176百萬股本公司新普通股及支付合共約361百萬港元予債券持有人。

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24. CONVERTIBLE BONDS (continued)

The key amendments to other existing terms and conditions of the 2013 Convertible Bonds under the 2016 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. Save as disclosed as above, the 2016 Convertible Bonds were charged interest rate at 7.25% per annum and would be mature on 4 February 2018 that were kept unchanged with these terms of the 2013 Convertible Bonds. The conversion price of the 2016 Convertible Bonds was adjusted from HK\$0.4283 to HK\$0.26 and further adjusted to HK\$0.25 under the Conversion Price Reset on 4 August 2016 and 4 February 2017 respectively. At 31 December 2017, the outstanding principal amount of the 2016 Convertible Bonds was approximately HK\$376 million.

24. 可換股債券(續)

二零一六年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」)。本公司可選擇對贖回權利作出修改。除上文所披露者外，按年利率7.25厘計息並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。二零一六年可換股債券之兌換價根據重訂兌換價於二零一六年八月四日由0.4283港元調整至0.26港元，並於二零一七年二月四日進一步調整至0.25港元。於二零一七年十二月三十一日，二零一六年可換股債券之未償還本金額約為376百萬港元。

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24. CONVERTIBLE BONDS (continued)

(b) During the year, the Company through an independent consent solicitation agent, Daiwa Capital Markets HongKong Limited, invited bondholders to consider amendment to the existing terms and conditions of the 2016 Convertible Bonds (the “2018 Convertible Bonds Restructure”). The key amendments to the existing terms and conditions of the 2016 Convertible Bonds under the 2018 Convertible Bonds Restructure include: (a) a cash redemption amount of HK\$131,099 per each bond with principal amount of HK\$1,000,000 to each bondholder in addition to the HK\$350,000 per HK\$1,000,000 principal amount paid on 16 March 2016 under 2016 Convertible Bonds Restructure (the “Principal Paydown Amount”) plus an amount equal to 20% of the accrued interest to be paid on the completion date of the 2018 Convertible Bonds Restructure; (b) extension of the maturity of the 2016 Convertible Bonds together with accrued and unpaid interest thereon to 4 August 2019; (c) modification to the redemption right at the option of the Company, whereby: (i) the Company may at any time on or after 4 October 2018 to, and including 4 November 2018 (the “Optional Redemption Date”), redeem all, but not some only, of the bonds on the payment business day specified in the optional redemption notice as being the Optional Redemption Date at their outstanding principal amount together with accrued but unpaid interest to such date; (ii) if the Company issues an optional redemption notice, each bondholder will have the right to elect that all or some only of such holder’s convertible bond(s) (subject to partial redemption at the amount equal

24. 可換股債券(續)

(b) 於年內，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對二零一六年可換股債券現有條款及條件所作的修訂(「二零一八年可換股債券重組」)。根據二零一八年可換股債券重組對二零一六年可換股債券現有條款及條件所作的主要修訂包括：(a)在二零一六年三月十六日根據二零一六年可換股債券重組按每1,000,000港元本金額支付350,000港元之外，額外向本金額為1,000,000港元的每份債券的債券持有人支付現金贖回金額131,099港元(「本金首付款」)，另加相當於將於二零一八年可換股債券重組完成日期支付的20%之應計利息之金額；(b)延長二零一六年可換股債券連同其應計但未付利息至二零一九年八月四日到期日；(c)對本公司贖回權利之選擇權之修改，據此：(i)本公司可於二零一八年十月四日或其後至二零一八年十一月四日(「選擇贖回日期」)(包括該日)期間隨時按未償還本金額連同至選擇贖回通知指明之支付營業日(即選擇贖回日期)止應計但未付利息，於該日贖回全部(而非僅部分)債券；(ii)倘本公司發出選擇贖回通知，各債券持有人將有權選擇該持有人全部或僅部分可換股

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24. CONVERTIBLE BONDS (continued)

to HK\$362,271.85 (the “Partial Redemption Amount”) per each bond) shall not be redeemed (such bonds in respect of which such election is made) (the “Retained Bonds”); (iii) on the Optional Redemption Date, all Retained Bonds will be partially redeemed at the Partial Redemption Amount, whereupon the outstanding principal amount of such Retained Bond shall be reduced by the Partial Redemption Amount for all purposes; (iv) on the Optional Redemption Date, all convertible bonds other than Retained Bonds shall be redeemed in full by the Company at their outstanding amount together with accrued but unpaid interest to such date; and (v) removal of the Company’s existing right to early redemption exercisable after 4 February 2017 under the 2016 Convertible Bonds; (d) modification of the interest rate whereby the convertible bonds bear interest from and including 4 February 2013 but excluding 4 February 2018 at the rate of 7.25% per annum and thereafter at 8.5% per annum, and in the event that the Company does not issue the Optional Redemption Notice, the interest rate shall increase to 11% per annum with effect from and including 4 November 2018; (e) modification to the conversion period so that the conversion right in respect of a convertible bond may only be exercised at the option of the bondholder at any time on or after 5 November 2018; (f) reduction in the conversion price to HK\$0.0618; and (g) removal of Conversion Price Reset provision in the existing terms and conditions of the 2016 Convertible Bonds.

24. 可換股債券(續)

債券(惟須按每份債券362,271.85港元(「部分贖回金額」)進行部分贖回)不得被贖回(作出選擇時所涉及之債券統稱「保留債券」);(iii)於選擇贖回日期，所有保留債券將按部分贖回金額被部分贖回，據此，該等保留債券之未償還本金額將就任何目的而按部分贖回金額予以削減；(iv)於選擇贖回日期，除保留債券以外之所有可換股債券應按其未償還本金額連同截至該日期止應計但未付之利息由本公司悉數贖回；及(v)根據二零一六年可換股債券撤銷於二零一七年二月四日後可行使之本公司現有提早贖回權；(d)修訂利率，據此，可換股債券自二零一三年二月四日(包括該日但不包括二零一八年二月四日)起按年利率7.25厘計息，其後在任何情況下均按年利率8.5厘計息，而倘本公司並無發出選擇贖回通知，則利率將自二零一八年十一月四日(包括該日)起調高至每年11厘；(e)修訂轉換期，以便債券持有人僅可於二零一八年十一月五日或其後隨時選擇行使可換股債券之換股權；(f)將換股價下調至0.0618港元；及(g)刪除二零一六年可換股債券現有條款及條件所載之重訂換股價條文。

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24. CONVERTIBLE BONDS (continued)

The 2018 Convertible Bonds Restructure was approved by a written resolution of the bondholders and by the shareholders at the Company's special general meeting on 5 January 2018 and 31 January 2018 respectively. On 2 February 2018, the Company completed the 2018 Convertible Bonds Restructure and paid the Principal Paydown Amount of approximately HK\$75 million plus 20% of the accrued interest of approximately HK\$3 million in an aggregate amount of approximately HK\$78 million to the bondholders. The total outstanding principal amount of the 2016 Convertible Bonds of approximately HK\$376 million reduced to approximately HK\$312 million at 2 February 2018 and will be repayable on 4 August 2019. Details of the 2018 Convertible Bonds Restructure are set out in the Company's circular on 15 January 2018 and the Company's announcements between 21 December 2017 and 2 February 2018.

24. 可換股債券(續)

二零一八年可換股債券重組分別於二零一八年一月五日及二零一八年一月三十一日獲債券持有人的書面決議案批准及本公司股東特別大會的批准。於二零一八年二月二日，本公司完成二零一八年可換股債券重組以及支付本金首付款約75百萬港元另加20%之應計利息約3百萬港元(總金額約78百萬港元)予債券持有人。二零一六年可換股債券未償還本金總額約376百萬港元削減至二零一八年二月二日的約312百萬港元，並須於二零一九年八月四日償還。二零一八年可換股債券重組之詳情載於本公司日期為二零一八年一月十五日之通函以及本公司日期為二零一七年十二月二十一日及二零一八年二月二日之公告內。

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24. CONVERTIBLE BONDS (continued)

The amendments to the terms and conditions of the 2016 Convertible Bonds under the 2018 Convertible Bonds Restructure are considered to be substantial modification of terms and conditions of the 2016 Convertible Bonds. Accordingly, the 2016 Convertible Bonds have been accounted for as extinguishment and the 2018 Convertible Bonds have been recognised upon the completion of the 2018 Convertible Bonds Restructure on 2 February 2018. The Group recognised a loss of the 2018 Convertible Bonds Restructure of HK\$54,757,000 during the reporting period, which was mainly arisen from the difference between the conversion price of the 2018 Convertible Bonds of HK\$0.0618 and the share price of the Company of HK\$0.071 at the date of completion of the 2018 Convertible Bonds Restructure. The Group recognised the liability component and derivatives of the 2018 Convertible Bonds on 2 February 2018 which were determined based on the valuations performed by an independent firm of professional valuers with recognised qualifications and experiences using average market interest rate for bonds with similar credit rating and industry and Binomial option pricing model, respectively. The effective interest rate of the liability component is 8% per annum. The derivatives of the 2018 Convertible Bonds include the option of the bondholders to convert the 2018 Convertible Bonds into the Company's ordinary shares and the option of the Company to redeem the 2018 Convertible Bonds. Both options are interdependent.

24. 可換股債券(續)

二零一八年可換股債券重組下之二零一六年可換股債券條款及條件之修訂被視為二零一六年可換股債券條款及條件之重大修訂。因此，二零一六年可換股債券已列賬為註銷，而二零一八年可換股債券已於二零一八年二月二日完成二零一八年可換股債券重組後確認。於報告期內，本集團確認二零一八年可換股債券重組虧損54,757,000港元，該虧損主要由二零一八年可換股債券之兌換價0.0618港元及於二零一八年可換股債券重組完成時本公司股價0.071港元之差額所產生。本集團於二零一八年二月二日確認二零一八年可換股債券負債部分及衍生部分，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債券(具類似信貸級別及行業)之平均市場利率及二項式期權定價模式作出之估值釐定。負債部分的實際年利率為8%。二零一八年可換股債券衍生工具包括債券持有人選擇將二零一八年可換股債券轉換為本公司普通股以及本公司選擇贖回二零一八年可換股債券。兩者選擇為相互依賴。

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24. CONVERTIBLE BONDS (continued)

- (c) The conversion price of the 2018 Convertible Bonds was adjusted from HK\$0.0618 to HK\$1.236 for the Share Consolidation with effect from 28 May 2018 (note 26(b)(iii)). The conversion price of the 2018 Convertible Bonds was further adjusted from HK\$1.236 to HK\$0.8144 for the Rights Issue (as defined and further detailed in note 26(b)(iv)) with effect from 27 August 2018, the first date on which the Company's shares in issue were traded on ex-rights. Details of the adjustments of the conversion price of the 2018 Convertible Bonds are set out in the Company's announcements on 28 May 2018 and 27 August 2018.

During the year, none of the 2016 Convertible Bonds and the 2018 Convertible Bonds were exercised. The 2016 Convertible Bonds and 2018 Convertible Bonds were listed on the Singapore Exchange Securities Trading Limited. At 31 December 2018, the outstanding principal amount of the 2018 Convertible Bonds was approximately HK\$312 million.

24. 可換股債券(續)

- (c) 二零一八年可換股債券之兌換價因股份合併由0.0618港元調整至1.236港元，自二零一八年五月二十八日起生效(附註26(b)(iii))。二零一八年可換股債券之兌換價根據供股(定義及進一步詳情見附註26(b)(iv))由1.236港元進一步調整至0.8144港元，自二零一八年八月二十七日起生效(本公司已發行股份按除權基準進行交易之首日)。有關二零一八年可換股債券兌換價調整之詳情，載於本公司日期為二零一八年五月二十八日及二零一八年八月二十七日之公佈內。

年內，概無二零一六年可換股債券及二零一八年可換股債券獲行使。二零一六年可換股債券及二零一八年可換股債券於新加坡證券交易所有限公司上市。於二零一八年十二月三十一日，二零一八年可換股債券之未償還本金額約為312百萬港元。

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24. CONVERTIBLE BONDS (continued)

- (d) At 2 February 2018 and 31 December 2018, the fair values of derivatives of the 2018 Convertible Bonds were determined based on the valuation performed by an independent firm of professional valuers with recognised qualifications and experiences using Binomial option pricing model. The derivatives of the 2018 Convertible Bonds represent the option of the bondholders to convert the 2018 Convertible Bonds into the Company's ordinary shares. Fair value gain on derivative financial instruments of the 2018 Convertible Bonds of HK\$37,638,000 was recognised during the year. The following assumptions are used to calculate the respective fair values of the derivatives:

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(%)

* Adjusted for the Share Consolidation and Rights Issue with effect from 28 May 2018 and 27 August 2018, respectively.

24. 可換股債券(續)

- (d) 於二零一八年二月二日及二零一八年十二月三十一日，二零一八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二項式期權定價模式作出之估值釐定。二零一八年可換股債券衍生工具指債券持有人有權選擇將二零一八年可換股債券轉換為本公司普通股。年內，二零一八年可換股債券之衍生金融工具公平值收益37,638,000港元被確認。下列假設乃用於計算各衍生工具之公平值：

At 31 December 2018 於二零一八年 十二月三十一日	At 2 February 2018 於二零一八年 二月二日
0.185*	0.071
0.8144*	0.0618
0.60	1.52
75	61
1.79	1.09
0	0
10.9	7.9

* 就股份合併及供股作出之調整，分別自二零一八年五月二十八日及二零一八年八月二十七日起生效。

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25. 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	折舊撥備超出有關折舊的金額	Others	Total	
		無形資產	折舊的金額	其他	總額	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	附註	千港元	千港元	千港元	千港元	
At 1 January 2017	於二零一七年一月一日	527,978	18,405	30,737	577,120	
Exchange adjustments	匯兌調整	39,282	1,820	1,822	42,924	
Acquisition of subsidiaries (note 32)	收購附屬公司(附註32)	—	—	38	38	
(Credited)/charged to consolidated income statement	於綜合損益表(計入)/扣除	7(a) (17,019)	11,838	(210)	(5,391)	
At 31 December 2017	於二零一七年十二月三十一日	<u>550,241</u>	<u>32,063</u>	<u>32,387</u>	<u>614,691</u>	
At 1 January 2018	於二零一八年一月一日	550,241	32,063	32,387	614,691	
Exchange adjustments	匯兌調整	(27,503)	(2,233)	(1,323)	(31,059)	
(Credited)/charged to consolidated income statement	於綜合損益表(計入)/扣除	7(a) (12,905)	23,515	(14,015)	(3,405)	
At 31 December 2018	於二零一八年十二月三十一日	<u>509,833</u>	<u>53,345</u>	<u>17,049</u>	<u>580,227</u>	

25. 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分及其變動如下：

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25. DEFERRED TAX (continued)

(b) Deferred tax assets and liabilities not recognised

As at 31 December 2018, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries of approximately to HK\$1,636 million (2017: HK\$1,721 million) and the related deferred tax liabilities of approximately HK\$164 million (2017: HK\$172 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 2018, the Group has not recognised deferred tax assets in respect of cumulative tax losses in Hong Kong of approximately HK\$19 million (2017: 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.

26. CAPITAL AND RESERVES

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:

25. 遞延稅項(續)

(b) 未確認遞延稅項資產及負債

於二零一八年十二月三十一日，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1,636百萬港元(二零一七年：1,721百萬港元)，而相關遞延稅項負債約164百萬港元(二零一七年：172百萬港元)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，於二零一八年十二月三十一日，本集團沒有確認於香港有關累計稅項虧損約19百萬港元(二零一七年：19百萬港元)之遞延稅項資產，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。

26. 股本及儲備

本集團綜合權益各組成部分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分於報告期初至結束之變動詳情如下：

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26. CAPITAL AND RESERVES (continued)

26. 股本及儲備(續)

(a) The Company

(a) 本公司

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
		(note (b)) (附註(b))	(notes (b) & (c) (vi)) (附註(b)及(c)(vi))	(note (a) & (c) (i)) (附註(a)及(c)(i))	(note (c)) (附註(c))		
At 1 January 2018	於二零一八年一月一日	1,737,240	—	5,611,589	95,511	(1,667,000)	5,777,340
Changes in equity for 2018:	二零一八年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(198,678)	(198,678)
Capital reorganisation (note (b)(i))	資本重組(附註(b)(i))	(1,667,750)	—	1,667,750	—	—	—
Issue of new shares under share placing (note (b)(iii))	透過股份配售發行新股份(附註(b)(iii))	13,895	144,508	—	—	—	158,403
Transaction costs for issue of new shares under share placing (note (b)(iii))	透過股份配售發行新股份的交易成本(附註(b)(iii))	—	(3,126)	—	—	—	(3,126)
Issue of new shares under Rights Issue (note (b)(iv))	根據供股發行新股份(附註(b)(iv))	500,307	600,369	—	—	—	1,100,676
Transaction costs for issue of new shares under Rights Issue (note (b)(iv))	根據供股發行新股份的交易成本(附註(b)(iv))	—	(13,088)	—	—	—	(13,088)
Lapse of share options	購股權失效	—	—	—	(65,163)	65,163	—
At 31 December 2018	於二零一八年十二月三十一日	583,692	728,663	7,279,339	30,348	(1,800,515)	6,821,527
At 1 January 2017	於二零一七年一月一日	1,737,240	5,611,589	—	210,429	(1,603,635)	5,955,623
Changes in equity for 2017:	二零一七年之權益變動：						
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(178,283)	(178,283)
Transfer of share premium account to contributed surplus	股份溢價賬轉至實繳盈餘	—	(5,611,589)	5,611,589	—	—	—
Lapse of share options	購股權失效	—	—	—	(114,918)	114,918	—
At 31 December 2017	於二零一七年十二月三十一日	1,737,240	—	5,611,589	95,511	(1,667,000)	5,777,340

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL

		Note 附註	Number of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:	法定股本：			
Ordinary shares of HK\$0.125 each	每股面值0.125港元普通股			
At 1 January 2017	於二零一七年一月一日		20,000,000	2,500,000
Increased during the year	年內增加		10,000,000	1,250,000
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日		30,000,000	3,750,000
Capital Reorganisation	股本重組	(i)	—	(3,600,000)
Share Consolidation	股份合併	(iii)	(28,500,000)	—
Ordinary shares of HK\$0.1 each after Share Consolidation	股份合併後之每股面值 0.1港元普通股		1,500,000	150,000
Increased during the year	年內增加	(iv)	8,500,000	850,000
Ordinary shares of HK\$0.1 each at 31 December 2018	於二零一八年十二月三十一日 之每股面值0.1港元普通股		10,000,000	1,000,000
Ordinary shares issued and fully paid:	已發行及繳足普通股：			
Ordinary shares of HK\$0.125 each at 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年一月一日之 每股面值0.125港元普通股		13,897,919	1,737,240
Capital Reorganisation	股本重組	(i)	—	(1,667,750)
Ordinary shares of HK\$0.005 each after the Capital Reorganisation	股本重組後之每股面值 0.005港元普通股		13,897,919	69,490
Issue of new shares under share placing	根據股份配售發行新股份	(ii)	2,779,000	13,895
			16,676,919	83,385
Share Consolidation	股份合併	(iii)	(15,843,073)	—
Ordinary shares of HK\$0.1 each after the Share Consolidation	股份合併後之每股面值 0.1港元普通股		833,846	83,385
Issue of new shares under Rights Issue	根據供股發行新股份	(iv)	5,003,075	500,307
Ordinary shares of HK\$0.1 each at 31 December 2018	於二零一八年十二月三十一日 之每股面值0.1港元普通股		5,836,921	583,692

26. 股本及儲備(續)

(b). 股本

		Note 附註	Number of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:	法定股本：			
Ordinary shares of HK\$0.125 each	每股面值0.125港元普通股			
At 1 January 2017	於二零一七年一月一日		20,000,000	2,500,000
Increased during the year	年內增加		10,000,000	1,250,000
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日		30,000,000	3,750,000
Capital Reorganisation	股本重組	(i)	—	(3,600,000)
Share Consolidation	股份合併	(iii)	(28,500,000)	—
Ordinary shares of HK\$0.1 each after Share Consolidation	股份合併後之每股面值 0.1港元普通股		1,500,000	150,000
Increased during the year	年內增加	(iv)	8,500,000	850,000
Ordinary shares of HK\$0.1 each at 31 December 2018	於二零一八年十二月三十一日 之每股面值0.1港元普通股		10,000,000	1,000,000
Ordinary shares issued and fully paid:	已發行及繳足普通股：			
Ordinary shares of HK\$0.125 each at 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年一月一日之 每股面值0.125港元普通股		13,897,919	1,737,240
Capital Reorganisation	股本重組	(i)	—	(1,667,750)
Ordinary shares of HK\$0.005 each after the Capital Reorganisation	股本重組後之每股面值 0.005港元普通股		13,897,919	69,490
Issue of new shares under share placing	根據股份配售發行新股份	(ii)	2,779,000	13,895
			16,676,919	83,385
Share Consolidation	股份合併	(iii)	(15,843,073)	—
Ordinary shares of HK\$0.1 each after the Share Consolidation	股份合併後之每股面值 0.1港元普通股		833,846	83,385
Issue of new shares under Rights Issue	根據供股發行新股份	(iv)	5,003,075	500,307
Ordinary shares of HK\$0.1 each at 31 December 2018	於二零一八年十二月三十一日 之每股面值0.1港元普通股		5,836,921	583,692

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL (continued)

- (i) Pursuant to a special resolution passed at the extraordinary meeting by the Company's shareholders on 27 November 2017, the Company has taken the following events:
- cancellation of the entire amount standing to the credit of the share premium account of the Company of approximately HK\$5,611,589,000 and to transfer the credit arising from such cancellation to an account designated as the contributed surplus account of the Company before the change of domicile becoming effective on 12 December 2017;
 - change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda with effect from 12 December 2017; and
 - implemented the capital reorganisation (the "Capital Reorganisation") after the change of domicile becoming effective which comprises the following: (a) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.12 on each of the issued existing shares such that the nominal value of each issued existing share was reduced from HK\$0.125 to HK\$0.005; (b) immediately following the capital reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the capital reduction) was cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company was increased to HK\$150 million by the creation of such number of additional new shares as shall be sufficient to increase the authorised share capital of the Company to HK\$150 million divided into 30,000 million new shares; and (c) the credit arising in the books of the Company from the capital reduction was credited to the contributed surplus account of the Company. The Capital Reorganisation was completed on 2 January 2018, a credit of approximately HK\$1,667,750,000 arisen from the capital reduction was transferred from the share capital account to the contributed surplus account of the Company.

26. 股本及儲備(續)

(b). 股本 (續)

- (i) 根據本公司股東於二零一七年十一月二十七日在股東特別大會上通過之特別決議案，本公司已進行下列事件：
- 於二零一七年十二月十二日遷冊生效前，註銷本公司股份溢價賬之全部進賬金額約5,611,589,000港元，並將有關註銷所產生之進賬額轉撥至指定為本公司實繳盈餘賬之賬戶；
 - 透過撤銷在開曼群島之註冊及根據百慕達法例以一間獲豁免公司的形式存續經營，將本公司由開曼群島遷冊至百慕達，自二零一七年十二月十二日起生效；及
 - 在遷冊生效後進行股本重組(「股本重組」)，此事涉及下列步驟：(a)透過註銷本公司繳足股本(以每股已發行現有股份0.12港元為限)，致使每股已發行現有股份之面值將由0.125港元削減至0.005港元以削減本公司已發行股本；(b)緊隨股本削減生效後，本公司所有法定但未發行股本(包括由股本削減產生之法定但未發行股本)將會全面註銷，及於註銷有關股本後，隨即透過增設額外新股份(足以增加本公司法定股本至150百萬港元，分為30,000百萬股新股份)增加本公司法定股本至150百萬港元；及(c)在本公司賬目中因股本削減而產生之進賬將撥入本公司之實繳盈餘賬。股本重組已於二零一八年一月二日完成，股本削減產生之進賬約1,667,750,000港元已從股本賬目撥入本公司之實繳盈餘賬。

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL (continued)

Details of the above are set out in the Company's circular on 2 November 2017 and the Company's announcements on 12 October 2017, 27 November 2017, 12 December 2017 and 2 January 2018.

- (ii) On 17 January 2018, the Company entered into a placing agreement with an independent placing agent whereby the Company conditionally agreed to place, through the placing agent, on best effort basis, up to 2,779,000,000 new ordinary shares of the Company at the subscription price of HK\$0.057 per share. On 1 February 2018, the Company issued and allotted 2,779,000,000 new ordinary shares of the Company with net proceeds approximately HK\$155,277,000 after deducting issuing expenses HK\$3,126,000. All new ordinary shares issued and allotted rank pari passu in all respects with the then existing ordinary shares of the Company in issue. Details are set out in the Company's announcements on 17 January 2018 and 1 February 2018.

26. 股本及儲備(續)

(b). 股本(續)

上述詳情載於本公司日期為二零一七年十一月二日之通函及本公司日期為二零一七年十月十二日、二零一七年十一月二十七日、二零一七年十二月十二日及二零一八年一月二日之公佈內。

- (ii) 於二零一八年一月十七日，本公司與一名獨立配售代理訂立配售協議，據此，本公司有條件同意透過該名配售代理按盡力基準配售不超過2,779,000,000股本公司新普通股，認購價為每股股份0.057港元。於二零一八年二月一日，本公司發行及配發2,779,000,000股本公司新普通股，經扣除發行開支3,126,000港元後之所得款項淨額約為155,277,000港元。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地位。有關詳情載於本公司於二零一八年一月十七日及二零一八年二月一日之公告內。

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL (continued)

(iii) Pursuant to a resolution passed at the special general meeting by the Company's shareholders on 25 May 2018, every twenty issued and unissued shares of the Company of a par value HK\$0.005 each in the share capital of the Company were consolidated into one share of the Company of a par value HK\$0.1 each (the "Share Consolidation") with effect from 28 May 2018. The number of the authorised ordinary shares of the Company was reduced from 30,000,000,000 to 1,500,000,000 and the number of issued ordinary shares was reduced from 16,676,918,800 to 833,845,940 upon the completion of the Share Consolidation. The consolidated shares rank pari passu in all respects with each other. Details are set out in the Company's announcements on 10 April 2018 and 25 May 2018 and the Company's circular on 4 May 2018.

26. 股本及儲備(續)

(b). 股本(續)

(iii) 根據本公司股東於二零一八年五月二十五日在股東特別大會上通過的一項決議案，本公司股本中每二十股每股面值0.005港元之本公司已發行及未發行股份合併為一股每股面值0.1港元的本公司股份（「股份合併」），自二零一八年五月二十八日起生效。於完成股份合併後，本公司法定普通股數目由30,000,000,000股減少至1,500,000,000股，而已發行普通股數目則由16,676,918,800股減少至833,845,940股。合併股份在所有方面將各自享有同等權益。詳情載於本公司日期為二零一八年四月十日及二零一八年五月二十五日之公佈以及本公司日期為二零一八年五月四日之通函內。

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL (continued)

- (iv) On 21 June 2018, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with certain underwriters for the proposed rights issue of not less than 5,003,075,640 rights shares and not more than 5,045,075,640 rights shares (the “Rights Share(s)”) at the subscription price of HK\$0.22 per each Rights Share on the basis of 6 Rights Shares for 1 existing issued share of the Company (the “Rights Issue”). The aggregate subscription price for the Rights Issue will be not less than approximately HK\$1,101 million and not more than approximately HK\$1,110 million. Pursuant to the Underwriting Agreement, the underwriters have undertaken to the Company to fully underwrite the Rights Shares and certain underwriters will set off the aggregate subscription price payable by the relevant underwriters to the Company for subscription of the Rights Shares which are not taken up by the qualifying shareholders of the Company (the “Untaken Shares”) pursuant to the Underwriting Agreement against part of the underwriters’ loans, including the Loans of the Incoming Lenders (note 35(a)(i)), owed by the Company to the respective underwriter (the “Set-off”).

26. 股本及儲備(續)

(b). 股本(續)

- (iv) 於二零一八年六月二十一日，本公司與若干包銷商訂立包銷協議(「包銷協議」)以建議按每持有1股本公司現有已發行股份獲發6股供股股份之基準按認購價每股供股股份0.22港元供股發行不少於5,003,075,640股供股股份且不少於5,045,075,640股供股股份(「供股股份」)(「供股」)。供股之總認購價將不少於約1,101百萬港元且不少於約1,110百萬港元。根據包銷協議，包銷商已向本公司承諾悉數包銷供股股份及若干包銷商將以相關包銷商因認購包銷協議項下未獲本公司合資格股東接納的供股股份(「未獲接納股份」)而應付予本公司之總認購價部分抵銷本公司結欠各包銷商之包銷商貸款(包括接替放款人之貸款(附註35(a)(i)))(「抵銷」)。

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26. CAPITAL AND RESERVES (continued)

(b). SHARE CAPITAL (continued)

(iv) (continued)

The estimated net cash proceeds from the Rights Issue (taking into account the effect of the Set-Off and deducting the related expenses for the Rights Issue) will be not less than approximately HK\$326 million and not more than approximately HK\$1,096 million. In order for the Company to allot and issue the Rights Shares proposed under the Rights Issue and to provide the flexibility for future development, the Company increased its authorised share capital from HK\$150,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.1 each to HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.1 each by the creation of an additional 8,500,000,000 new ordinary shares (the "Increase Authorised Share Capital"), all of which will rank pari passu with all existing ordinary shares of the Company in all respects. The Rights Issue and the Increase Authorised Share Capital have been approved by the shareholders of the Company at the Company's special general meeting on 23 August 2018 and the Increase Authorised Share Capital was effective from 23 August 2018. At 27 September 2018, the Rights Issue transaction for 5,003,075,640 Rights Shares with net cash proceeds of approximately HK\$326 million (taking into account the effect of the Set-off of approximately HK\$761 million and deducting the related expenses for the Rights Issue of approximately HK\$13 million) has completed. Details are set out in the Company's announcements between 21 June 2018 and 26 September 2018 and its circular and prospectus on 3 August 2018 and 4 September 2018 respectively.

26. 股本及儲備(續)

(b). 股本(續)

(iv) (續)

估計供股所得現金款項淨額(經計及抵銷之影響及扣除供股相關開支)將不少於約326百萬港元及不多於約1,096百萬港元。為使本公司配發及發行供股項目下建議之供股股份及靈活地應對未來發展，本公司藉增設額外8,500,000,000股新普通股(彼等將於所有方面與全部本公司現有普通股股份享有同等權益)，將本公司法定股本由150,000,000港元(分為1,500,000,000股每股0.1港元之普通股)增加至1,000,000,000港元(分為10,000,000,000股每股0.1港元之普通股)(「增加法定股本」)。供股及增加法定股本已於二零一八年八月二十三日之本公司股東特別大會上獲本公司股東批准及增加法定股本自二零一八年八月二十三日起生效。於二零一八年九月二十七日，5,003,075,640股供股股份的供股交易以現金所得款項約326百萬港元完成(計及抵銷之影響約761百萬港元並扣除供股相關開支約13百萬港元)。詳情載於本公司日期為二零一八年六月二十一日及二零一八年九月二十六日的公告以及日期分別為二零一八年八月三日及二零一八年九月四日的通函及售股章程。

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26. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves

(i) Contributed surplus

The contributed surplus represents the transfer of the credit arising from the cancellation of share premium of the Company (note 26(b)(i)). The contributed surplus is distributable to the shareholders of the Company.

(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 31 to the consolidated 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.

26. 股本及儲備(續)

(c) 儲備性質及用途

(i) 實繳盈餘

實繳盈餘指轉讓註銷本公司股份溢價產生的進賬(附註26(b)(i))。實繳盈餘可分派予本公司股東。

(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綜合財務報表附註31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。

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26. 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.

26. 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。

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26. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(v) *Share premium*

Under section 34 of the Companies Law (Revised) of the Cayman Islands, the share premium account is available for distribution to shareholders subject to the provisions of the Articles of Association of the Company which was in effect before the change of domicile becoming effective on 12 December 2017 and no distribution may be paid to shareholders out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Pursuant to a special resolution passed on 27 November 2017, the change of domicile of the Company from the Cayman Islands to Bermuda was approved by the shareholders. The change of domicile of the Company was subsequently completed on 12 December 2017. Under the Companies Act 1981 of Bermuda, the funds in the share premium account of the Company may be distributed in the form of fully paid bonus shares.

(vi) *Fair value reserve*

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and available-for-sale investments held at the end of the reporting period and is dealt with in accordance with the accounting policies in notes 2(n) and 2(h) (ii).

26. 股本及儲備(續)

(c) 儲備性質及用途(續)

(v) *股本溢價*

根據開曼群島公司法(修訂)第34條，本公司於二零一七年十二月十二日遷冊生效前股本溢價賬戶可根據公司章程之規定向股東進行分配，本公司從股份溢價賬戶向股東進行分配之前提條件為在已宣告分配或派發的股息已被提議支付之日後及本公司有能力償付在日常經營過程中產生的債務。根據二零一七年十一月二十七日所通過的一項特別決議，經股東批准，本公司從開曼群島遷冊至百慕大群島，本公司隨後於二零一七年十二月十二日完成遷冊。根據《百慕大群島一九八一年公司法》，本公司的股票溢價賬戶中的資金可通過股票股利的形式進行分配。

(vi) *公平值儲備*

公平值儲備包括報告期間結束時持有之透過其他全面收益按公平值列賬之金融資產及可供出售投資的公平值累計變動淨值，並按照附註2(n)及2(h) (ii)之會計政策處理。

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26. CAPITAL AND RESERVES (continued)

(d) Distributability of reserves (continued)

At 31 December 2018, the aggregate amount of reserves available for distribution to owners of the Company was HK\$6,207,487,000 (2017: HK\$3,944,589,000), which included the balances of contributed surplus, 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.

(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.

26. 股本及儲備(續)

(d) 可供分派儲備(續)

於二零一八年十二月三十一日，可供分派予本公司擁有人之儲備總額為6,207,487,000港元(二零一七年：3,944,589,000港元)，包括實繳盈餘、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。

(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。

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26. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

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 bank balances 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:

Total debts	債項總額
Less: Pledged deposits	減：已抵押存款
Cash and bank balance	現金及銀行結餘
Net debts	淨債項
Total equity	總權益
Total equity and net debts	權益總額及淨債項
Gearing ratio	資產負債比率

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 28, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements during the years ended 31 December 2018 and 2017.

26. 股本及儲備(續)

(e) 資本管理(續)

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銀行結餘及已抵押存款。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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
3,579,137	5,018,945
(102,519)	(612,155)
(80,971)	(142,039)
3,395,647	4,264,751
7,724,828	7,209,880
11,120,475	11,474,631
31%	37%

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28)外，本公司及其任何附屬公司於截至二零一八年及二零一七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。

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27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

27. 本公司之財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	7,544,340	7,229,641
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	7,547,502	7,232,803
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	661,970	282,892
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	16,159	17,504
Cash and bank balance	現金及銀行結餘	484	53,698
Total current assets	流動資產總額	678,613	354,094
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	251,143	298,527
Other payables	其他應付款項	73,197	64,834
Bank and other borrowings	銀行及其他貸款	28,359	54,782
Derivative financial instruments	衍生金融工具	216	—
Convertible bonds	可換股債券	329,946	385,460
Total current liabilities	流動負債總額	682,861	803,603
Net current liabilities	流動負債	(4,248)	(449,509)
Total assets less current liabilities	總資產減流動負債	7,543,254	6,783,294

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27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

27. 本公司之財務狀況表(續)

		Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他貸款		721,727	1,005,954
Total non-current liabilities	非流動負債總額		721,727	1,005,954
NET ASSETS	資產淨值		6,821,527	5,777,340
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	26	583,692	1,737,240
Reserves	儲備		6,237,835	4,040,100
TOTAL EQUITY	本公司擁有人			
ATTRIBUTABLE TO OWNERS OF THE COMPANY	應佔權益總額		6,821,527	5,777,340

Approved and authorised for issue by the board of directors on 29 March 2019.

經董事會於二零一九年三月二十九日核准並許可發出。

Mr. Yi Shuhuo

易淑浩先生

Chairman and Chief Executive Officer

主席及行政總裁

Mr. Zhang Lirui

張利銳先生

Executive Director

執行董事

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28. PLEDGE OF ASSETS

As at 31 December 2018, the Group's assets with the following carrying amounts were pledged to secure bank and other borrowings (note 23(a)) (2017: bank and other borrowings and financial liabilities at fair value through profit or loss (note 19(b))):

Intangible assets — mining rights	無形資產—採礦權
Fixed assets	固定資產
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產
Available-for-sale investments	可供出售投資
Pledged deposits	已抵押存款

Except as disclosed above, as at 31 December 2018, all issued shares of three (2017: six), 49% issued shares of one (2017:nil) and 51% issued shares of two (2017:nil) subsidiaries of the Company were subject to share charge as security pledged for the Group's bank and other borrowings (note 23(a)) (2017: bank and other borrowings and financial liabilities at fair value through profit or loss (note 19)).

28. 資產抵押

於二零一八年十二月三十一日，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23(a))(二零一七年：銀行及其他貸款及透過損益按公平值列賬之金融負債(附註19(b)))：

Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
12(a)	5,592,650	2,174,843
13	761,837	816,326
15	280,166	—
15	—	251,958
20	102,519	612,155
	6,737,172	3,855,282

除上述記載，於二零一八年十二月三十一日，本公司三間(二零一七年：六間)附屬公司之所有已發行股份、一間附屬公司(二零一七年：零)之49%已發行股份及兩間附屬公司(二零一七年：零)之51%已發行股份已用作本集團銀行及其他貸款(附註23(a))(二零一七年：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19))之股份抵押。

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29. SUBSIDIARIES

- (a) The following list contains only the particulars of the principal subsidiaries of the Group at 31 December 2018. The class of shares of those subsidiaries which were incorporated outside the PRC held is ordinary unless otherwise stated.

29. 附屬公司

- (a) 下表僅列載本集團於二零一八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 share capital/ registered capital 已發行及繳足 股本/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 %	
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\$50,000 50,000港元	100	—	100	Investment holding 投資控股

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29. 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	RMB40,820,000 人民幣40,820,000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	RMB122,450,000 人民幣122,450,000元	100	—	100	Mining and processing of gold ores and sale of gold products and purchase and sale of metals and minerals 金礦開採、加工及 黃金產品銷售及 購買和銷售金屬及礦產
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	RMB102,050,000 人民幣102,050,000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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29. 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 %	
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	RMB102,050,000 人民幣 102,050,000 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	RMB102,050,000 人民幣 102,050,000 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
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
Shenzhen Munsun Asset Management Company Limited (note (ii)) 深圳市麥盛資產有限公司 (附註(ii))	The PRC 中國	RMB17,857,140 人民幣 17,857,140 元	100	—	100	Asset management and advisory service 資產管理及諮詢服務
Zhuhai Munsun Asset Management Co., Ltd. (note (ii)) 珠海麥盛資產管理有限公司 (附註(ii))	The PRC 中國	RMB5,000,000 人民幣 5,000,000 元	100	—	100	Investment holding 投資控股

29. 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 %	
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	RMB102,050,000 人民幣 102,050,000 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	RMB102,050,000 人民幣 102,050,000 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
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
Shenzhen Munsun Asset Management Company Limited (note (ii)) 深圳市麥盛資產有限公司 (附註(ii))	The PRC 中國	RMB17,857,140 人民幣 17,857,140 元	100	—	100	Asset management and advisory service 資產管理及諮詢服務
Zhuhai Munsun Asset Management Co., Ltd. (note (ii)) 珠海麥盛資產管理有限公司 (附註(ii))	The PRC 中國	RMB5,000,000 人民幣 5,000,000 元	100	—	100	Investment holding 投資控股

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29. SUBSIDIARIES (continued)

(a) (continued)

Notes:

- (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.

29. 附屬公司(續)

(a) (續)

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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30. 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% (2017: 13% 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\$8,918,000 (2017: HK\$8,211,000) represent contributions payable to these schemes by the Group during the year.

30. 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%（二零一七年：13%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8,918,000港元（二零一七年：8,211,000港元）指本集團於年內應向該等計劃作出之供款。

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31. 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.

31. 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。

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31. 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 was 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% (ie. 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 ended 31 December 2016, 1,385,769,378 options were granted under the 2014 Share Option Scheme.

31. 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。截至二零一六年十二月三十一日止年度，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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31. 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.

31. 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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31. 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		

31. 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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31. 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:

31. 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：

		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Exercise price 行使價 HK\$ 港元	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
Outstanding at 1 January 2017	於二零一七年 一月一日尚未行使	0.2486	0.2486	1,342,544
Lapsed during the year	於年內失效	0.2486	0.2486	(443,275)
Outstanding at 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日 尚未行使	0.2486	0.2486	899,269
Exercised during the year before Share Consolidation (note (c)(i))	股份合併前於年內 行使(附註(c)(i))	—	—	—
Lapsed during the year before Share Consolidation	股份合併前於年內失效	0.2486	0.2486	(106,500)
Effect of Share Consolidation	股份合併影響			(753,131)
Outstanding after Share Consolidation	股份合併後尚未行使	4.972	4.972	39,638
Lapsed during the year after Share Consolidation	股份合併後於年內失效	4.972	4.972	(17,538)
Effect of Rights Issue	供股影響			796
Outstanding after completion of Rights Issue	供股完成後尚未行使	4.799	4.799	22,896
Lapsed during the year after completion of Rights Issue	供股完成後於年內失效	4.799	4.799	(8,340)

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31. 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:

Outstanding and exercisable at 31 December 2018	於二零一八年十二月三十一日尚未行使及可行使
Outstanding and exercisable at 31 December 2017	於二零一七年十二月三十一日尚未行使及可行使

31. 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：

Weighted average exercise price 加權平均行使價 HK\$ 港元	Exercise price 行使價 HK\$ 港元	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
4.799	4.799	14,556
0.2486	0.2486	899,269

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31. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

2014 Share Option Scheme (continued)

(c) (i) The options were exercised to subscribe for 19 ordinary shares of the Company during the year ended 31 December 2018. No options were exercised to subscribe for ordinary shares of the Company during the year ended 31 December 2017.

(ii) The share options outstanding at 31 December 2018 had an exercise price of HK\$4.799 (2017: HK\$0.2486) and a weighted average remaining contractual life of 0.78 years (2017: 1.78 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.

31. 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) 截至二零一八年十二月三十一日止年度，購股權已獲行使以認購本公司19股普通股。截至二零一七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) 於二零一八年十二月三十一日尚未行使之購股權的行使價為4.799港元(二零一七年：0.2486港元)，而加權平均剩餘合約年期為0.78年(二零一七年：1.78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。

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31. 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 granted on 12 October 2016 and assumptions are as follows:

Fair value at measurement date (HK\$)	於計量日期之公平值(港元)
Share price (HK\$)	股價(港元)
Exercise price (HK\$)	行使價(港元)
Expected volatility (%)	預期波動(%)
Option life (expressed as weight average life) (years)	購股權年期(按加權平均年期)(年)
Expected dividends yield (%)	預期股息率(%)
Risk-free interest rate (based on Exchange Fund Notes) (%)	無風險利率(按外匯基金票據)(%)

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 fair value of the share options granted under the 2014 Share Option Scheme of HK\$144,833,000 was fully recognised in equity-settled share-based payment expenses and the capital reserve of the Group in 2016.

31. 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)

於二零一六年十月十二日授出的購股權之公平值及假設如下：

Directors 董事	Employees 僱員	Consultants 顧問
0.106	0.092	0.110
0.245	0.245	0.245
0.2486	0.2486	0.2486
72	72	72
3	3	3
0	0	0
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) 於二零一六年，根據二零一四年購股權計劃授出購股權之公平值144,833,000港元已悉數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。

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31. 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 自授出日期起計二十四個月	6 years 6年
— 董事			
— Employees	46,830	24 months from date of grant 自授出日期起計二十四個月	6 years 6年
— 僱員			
— Consultants	19,500	24 months from date of grant 自授出日期起計二十四個月	6 years 6年
— 顧問			
	99,930		
Tranche 2			
第二批			
— Directors	44,800	36 months from date of grant 自授出日期起計三十六個月	6 years 6年
— 董事			
— Employees	62,440	36 months from date of grant 自授出日期起計三十六個月	6 years 6年
— 僱員			
— Consultants	26,000	36 months from date of grant 自授出日期起計三十六個月	6 years 6年
— 顧問			
	133,240		
Tranche 3			
第三批			
— Directors	33,600	48 months from date of grant 自授出日期起計四十八個月	6 years 6年
— 董事			
— Employees	46,830	48 months from date of grant 自授出日期起計四十八個月	6 years 6年
— 僱員			
— Consultants	19,500	48 months from date of grant 自授出日期起計四十八個月	6 years 6年
— 顧問			
	99,930		
Total number of shares issuable 可予發行股份之總數	333,100		

31. 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：

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31. 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:

		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	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
Outstanding at 1 January	一月一日尚未行使		
Tranche 1	第一批	1.15	32,730
Tranche 2	第二批	1.15	43,640
Tranche 3	第三批	1.15	32,730
Total	總計	1.15	109,100
Exercised during the year	於年內行使		—
Lapsed during the year	於年內失效		
Tranche 1	第一批	1.15	(32,730)
Tranche 2	第二批	1.15	(43,640)
Tranche 3	第三批	1.15	(32,730)
Total	總計	1.15	(109,100)
Outstanding at 31 December	十二月三十一日 尚未行使		
Tranche 1	第一批	1.15	—
Tranche 2	第二批	1.15	—
Tranche 3	第三批	1.15	—
Total	總計	1.15	—

31. 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：

		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	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

Outstanding at 1 January	一月一日尚未行使		
Tranche 1	第一批	1.15	32,730
Tranche 2	第二批	1.15	43,640
Tranche 3	第三批	1.15	32,730
Total	總計	1.15	109,100
Exercised during the year	於年內行使		—
Lapsed during the year	於年內失效		
Tranche 1	第一批	1.15	(32,730)
Tranche 2	第二批	1.15	(43,640)
Tranche 3	第三批	1.15	(32,730)
Total	總計	1.15	(109,100)
Outstanding at 31 December	十二月三十一日 尚未行使		
Tranche 1	第一批	1.15	—
Tranche 2	第二批	1.15	—
Tranche 3	第三批	1.15	—
Total	總計	1.15	—

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31. 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)

Exercisable at 31 December	十二月三十一日 可行使	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Exercise price 行使價 HK\$ 港元	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
Tranche 1	第一批		1.15	—
Tranche 2	第二批		1.15	—
Tranche 3	第三批		1.15	—
Total	總計		<u>1.15</u>	<u>—</u>

- (c) No options were exercised to subscribe for ordinary shares of the Company during the year ended 31 December 2017.

- (d) The exercisable period of the share options under 2004 Share Option Scheme expired during the year ended 31 December 2017. The 109,100,000 outstanding share options were lapsed accordingly.

31. 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)

2017
二零一七年

Weighted average exercise price 加權平均 行使價 HK\$ 港元	Exercise price 行使價 HK\$ 港元	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
	1.15	—
	1.15	—
	1.15	—
	<u>1.15</u>	<u>—</u>

- (c) 於截至二零一七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。

- (d) 二零零四年購股權計劃項下的購股權可行使期間已於截至二零一七年十二月三十一日止年度屆滿。109,100,000份尚未行使之購股權已因此失效。

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32. BUSINESS COMBINATION

On 22 April 2016, the Company and a wholly-owned subsidiary of the Company (the "Purchaser") entered into an agreement (the "Shenzhen Munsun Agreement") with all shareholders (the "Shenzhen Munsun Sellers") of Shenzhen Munsun, a company incorporated in the PRC. Pursuant to the Shenzhen Munsun Agreement, the Shenzhen Munsun Sellers agreed to sell and the Purchaser agreed to purchase the entire equity interest in Shenzhen Munsun at a consideration of RMB25,000,000 (equivalent to approximately HK\$27,830,000). On 3 January 2017, the Group completed the acquisition of the entire equity interest in Shenzhen Munsun. Shenzhen Munsun is engaged in asset management and advisory services in the PRC. The acquisition was made to expansion on the Group's existing businesses into asset management and advisory service industry in the PRC and to broaden its source of revenue.

The fair values of identifiable assets and liabilities of Shenzhen Munsun as at the date of completion on the acquisition are as follows:

32. 業務合併

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」)與深圳麥盛，一間於中國註冊成立的公司之全體股東(「深圳麥盛賣方」)訂立協議(「深圳麥盛協議」)。根據深圳麥盛協議，深圳麥盛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25,000,000元(相當於約27,830,000港元)。於二零一七年一月三日，本集團完成收購深圳麥盛全部股權。深圳麥盛在中國從事資產管理及諮詢服務之業務。進行收購是為了擴大本集團於中國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。

於收購完成當日，深圳麥盛可識別資產及負債之公平值為：

		<i>Note</i>	<i>HK\$' 000</i>
		<i>附註</i>	<i>千港元</i>
Net assets acquired:	已收購資產淨值：		
Fixed assets	固定資產	13	4,386
Available-for-sale investments	可供出售投資		11,284
Investment in associate	於聯營公司之投資		6,424
Other receivables, deposits and prepayments	其他應收款項、按金及預付款		13,460
Cash and bank balances	現金及銀行結餘		1,566
Trade and other payables	應付賬款及其他應付款項		(16,477)
Deferred tax liabilities	遞延稅項負債	25(a)	(38)
Total identifiable net assets at fair value	按公平值列賬之可識別資產淨值總額		20,605
Goodwill	商譽	12	7,225
			<u>27,830</u>
Satisfied by cash	以現金支付代價		<u>27,830</u>

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32. BUSINESS COMBINATION (continued)

32. 業務合併(續)

	<i>Note</i>	<i>HK\$' 000</i>
	<i>附註</i>	<i>千港元</i>
An analysis of the consolidated cash flows in respect of the acquisition of a subsidiary is as follows:	有關收購附屬公司事項之綜合現金流量分析如下：	
Cash consideration paid	已付現金代價	(27,830)
Cash and cash equivalents acquired	已收購現金及現金等價物	<u>1,566</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量所得現金及現金等價物淨流出	<u>(26,264)</u>

(i) Shenzhen Munsun contributed revenue and net profit after tax of HK\$18,707,000 and HK\$4,525,000 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 Shenzhen Munsun taken place at 1 January 2017, the revenue and the net loss after tax of the Group for the year ended 31 December 2017 would have been HK\$838,305,000 and HK\$390,332,000.

(ii) The fair value of the other receivables were HK\$11,563,000 as at the date of completion of the acquisition. The gross contractual amounts of the other receivables were HK\$11,563,000. None of the receivables was expected to be uncollectible at the date of completion on the acquisition.

(i) 深圳麥盛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溢利分別為18,707,000港元及4,525,000港元。

假如收購深圳麥盛於二零一七年一月一日已進行，則本集團於二零一七年十二月三十一日止年度之收入及稅後淨虧損應分別為838,305,000港元及390,332,000港元。

(ii) 其他應收款項於收購完成日期的公平值為11,563,000港元。其他應收款項的總合約金額為11,563,000港元。於收購完成日期，概無應收款項預期乃無法收回。

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32. BUSINESS COMBINATION (continued)

- (iii) The Group incurred transaction costs of HK\$92,000 for this acquisition. The transaction costs have been expensed and are included in consolidated income statement.
- (iv) The goodwill arising from the acquisition of Shenzhen Munsun is attributable to the expansion on the Group's businesses into asset management and advisory service industry in the PRC and revenue sources from the anticipated profitability and revenue growth of Shenzhen Munsun. None of the goodwill recognised is expected to be deductible for income tax purpose.

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include pledged deposits, client trust bank balances, cash and bank balances, trade, loans and other receivables, investments, 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.

32. 業務合併(續)

- (iii) 本集團就是項收購產生交易成本92,000港元。交易成本已支銷，並於綜合損益表入賬。
- (iv) 收購深圳麥盛產生的商譽乃由於擴大本集團於中國資產管理及諮詢服務行業及深圳麥盛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。

33. 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、客戶信託銀行結餘、現金及銀行結餘、應收賬款、貸款及其他應收款項、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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33. 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, pledged deposits, client trust bank balances 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 2018, there is certain concentration of credit risk as 36% (2017: 8%) of the total trade debtors was due from the Group's five largest customers. The Group did not hold any collateral over these balances.

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.

33. 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、已抵押存款、客戶信託銀行結餘以及銀行結餘。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。於二零一八年十二月三十一日，本集團應收五大客戶賬款佔應收賬款總額之36% (二零一七年：8%)，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。

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。

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33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. For listed debt investments, the Group also monitors them by using external credit ratings. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

		12-month ECLs		Lifetime ECLs		HK\$'000 千港元
		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	Simplified approach 簡化方法	
		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
Trade receivables*	應收款項*	119,381	—	—	107,319	226,700
Financial assets included in trade, loans and other receivables, deposits and prepayments	在應收賬款、貸款及其他應收款項、按金及預付款項之金融資產					
- Normal**	- 正常**	80,537	—	—	—	80,537
Pledged deposits	已抵押存款					
- Not yet past due	- 尚未逾期	102,519	—	—	—	102,519
Client trust bank balances	客戶信託銀行結餘					
- Not yet past due	- 尚未逾期	2,947	—	—	—	2,947
Cash and bank balances	現金及銀行結餘					
- Not yet past due	- 尚未逾期	80,971	—	—	—	80,971
		<u>386,355</u>	<u>—</u>	<u>—</u>	<u>107,319</u>	<u>493,674</u>

33. 金融風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

於二零一八年十二月三十一日之最高風險及年末階段

下表載列於二零一八年十二月三十一日按照本集團信貸政策(主要基於逾期資料(除非其他資料毋須花費不必要成本或精力即可獲取)劃分之信貸質素及最高信貸風險，以及年末階段分類。就上市債務投資而言，本集團亦透過採用外部信貸評級進行監察。所呈列金額為金融資產之賬面總值及金融資產之信貸風險

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33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018 (continued)

- * For trade receivables to which the Group applies the simplified approach for impairment, further quantitative disclosures in note 18 to the consolidated financial statements.
- ** The credit quality of the financial assets included in trade, loans and other receivables, deposits and prepayments is considered to be “normal” when they are not past due and there is no information indicating that the financial assets have a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

(b) Liquidity risk

At 31 December 2018, the Group had net current liabilities of approximately HK\$2,702,234,000. 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 consolidated financial statements.

33. 金融風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

於二零一八年十二月三十一日之最高風險及年末階段 (續)

- * 就本集團應用簡化方法釐定減值之貿易應收款項而言，進一步量化披露於綜合財務報表附註18。
- ** 倘計入預付款項、其他應收款項及其他資產之金融資產並無逾期且並無資料顯示金融資產之信貸風險自初始確認以來顯著上升，則其信貸質素被視為「正常」。否則，金融資產之信貸質素被視為「可疑」。

(b) 流動資金風險

於二零一八年十二月三十一日，本集團錄得流動負債淨額約2,702,234,000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，本集團將能夠按照綜合財務報表附註2(b)所述撥付其未來營運資金及財務需要。

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33. 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.

33. 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(即倘放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。

	2018 二零一八年						2017 二零一七年					
	Total contractual undiscounted cash outflow amount	Within 1 year		More than 1 year but less than 2 years		More than 2 years	Total contractual undiscounted cash outflow amount	Within 1 year		More than 1 year but less than 2 years		More than 2 years
		demand	or on demand	less than 2 years	but less than 5 years	less than 5 years		demand	or on demand	less than 2 years	but less than 5 years	less than 5 years
		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	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		
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	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	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Non-derivative financial liabilities	非衍生金融負債											
Trade and other payables	714,582	714,582	714,582	—	—	—	674,574	674,574	674,574	—	—	—
Bank and other borrowings	3,249,191	3,517,235	2,303,677	306,281	907,277	—	3,645,041	4,051,063	2,185,601	849,289	916,608	99,565
Convertible bonds	329,946	344,711	344,711	—	—	—	389,895	389,895	—	—	—	—
	<u>4,293,719</u>	<u>4,576,528</u>	<u>3,362,970</u>	<u>306,281</u>	<u>907,277</u>	<u>—</u>	<u>4,709,510</u>	<u>5,115,532</u>	<u>3,250,070</u>	<u>849,289</u>	<u>916,608</u>	<u>99,565</u>
Derivative financial liabilities	衍生金融負債											
Derivative financial instruments	216	—	—	—	—	—	—	—	—	—	—	—
Financial liabilities at fair value through profit or loss	—	—	—	—	—	—	988,444	1,039,170	1,039,170	—	—	—
	<u>216</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>988,444</u>	<u>1,039,170</u>	<u>1,039,170</u>	<u>—</u>	<u>—</u>	<u>—</u>

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33. 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:

33. 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：

		2018 二零一八年		2017 二零一七年	
		Effective interest rates 實際利率 %	HK\$'000 千港元	Effective interest rates 實際利率 %	HK\$'000 千港元
Variable rate bank and other borrowings	浮動利率銀行及其他貸款	8-12	527,910	6-9	1,066,482
Fixed rate bank and other borrowings	固定利率銀行及其他貸款	5-24	2,721,281	4-15	2,578,559
Total borrowings	貸款總額		3,249,191		3,645,041
Fixed rate borrowings as a percentage of total borrowings	固定利率貸款佔貸款總額之百分比		84%		71%
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	—	—	4-7	988,444
Variable rate bank balances	浮動利率銀行結餘	0.1-0.4	80,362	0.1-0.4	141,721
Fixed rate pledged deposits	固定利率已抵押存款	0.1-3.8	102,519	0.1-3.8	612,155

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33. 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 2018, 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\$4,475,000 (2017: HK\$9,248,000). 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 2017.

33. 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。

於二零一八年十二月三十一日，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4,475,000港元(二零一七年：9,248,000港元)。利率普遍上升/下跌不會對綜合權益之其他組成部分造成變動。

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。該分析按二零一七年之同一基準進行。

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33. 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 management closely monitors gold product price exposure and will consider to use derivative contracts should the need arises.

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 consolidated statement of financial position as financial assets at fair value through other comprehensive income and available-for-sale investments. 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. The management considers the Group's equity price risk is low as the Group has only financial assets at fair value through other comprehensive income in relation to investment in an unlisted company in the PRC of HK\$268,619,000 (2017: under available-for-sale investment of HK\$251,958,000) and investment in a private equity fund of HK\$11,547,000 (2017: under available-for-sale investment of HK\$12,162,000) at 31 December 2018 (note 15).

33. 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，管理層會密切監察黃金產品價格風險，並在有需要時考慮利用衍生工具合約。

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（於綜合財務狀況表分類為透過其他全面收益按公平值列賬之金融資產及可供出售投資）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以降低價格風險，並指派專業人士監督及監控投資表現。管理層考慮本集團股價風險為低，因為本集團於二零一八年十二月三十一日僅有透過其他全面收益按公平值列賬之一間中國非上市公司的投資268,619,000港元（二零一七年：計入可供出售投資251,958,000港元）及一項金融資產之私募股權基金的投資11,547,000港元（二零一七年：計入可供出售投資12,162,000港元）（附註15）。

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33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(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.

33. 金融風險管理及金融工具之公平值(續)

(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。於年內，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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33. 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 bank balances	現金及銀行結餘
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 2017.

33. 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)

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	11
Pledged deposits	—
Bank and other borrowings	—
Total assets	11
Total liabilities	—

(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。該分析按二零一七年之同一基準進行。

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33. 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.

33. 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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33. 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)*

Recurring fair value measurements	經常性公平值計量
Assets/(Liabilities):	資產／(負債)：
Financial liabilities at fair value through profit or loss	透過損益按公平值列賬之金融負債
Derivative financial instruments	衍生金融工具
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平值列賬之金融資產
Available-for-sale investments	可供出售投資

There were no transfers between instruments in all levels during the years ended 31 December 2018 and 2017.

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 19 and 24.

33. 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)*

2018 二零一八年 Level 2 第2級 HK\$'000 千港元	2017 二零一七年 Level 2 第2級 HK\$'000 千港元
—	(988,444)
(216)	—
280,166	—
—	264,120

截至二零一八年及二零一七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19及24披露。

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33. 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 2018 and 2017 except for the convertible bonds. As at 31 December 2018, the fair value of the convertible bonds amounted to approximately HK\$287,041,000 (2017: HK\$346,392,000) which is categorised into Level 1 fair value measurements (i.e. unadjusted quoted prices).

34. COMMITMENTS

- (a) As at 31 December 2018, the Group had contracted but not provided for capital commitments in respect of the acquisitions of gold mining and exploration rights of HK\$14,239,000 (2017: HK\$14,998,000) and fixed assets of HK\$88,566,000 (2017: HK\$119,726,000). Investment in unlisted equity investment funds of HK\$44,436,000 (31 December 2017: HK\$46,804,000) and capital contribution in associate of HK\$nil (31 December 2017: HK\$4,799,000).

33. 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二零一八年及二零一七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。於二零一八年十二月三十一日，可換股債券之公平值約為287,041,000港元(二零一七年：346,392,000港元)，乃分類為第一階層公平值計量(即未經調整報價)。

34. 承擔

- (a) 於二零一八年十二月三十一日，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14,239,000港元(二零一七年：14,998,000港元)及88,566,000港元(二零一七年：119,726,000港元)。非上市股權投資基金的投資承擔44,436,000港元(二零一七年十二月三十一日：46,804,000港元)以及聯營公司的資本承擔零港元(二零一七年十二月三十一日：4,799,000港元)。

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34. COMMITMENTS (continued)

- (b) At 31 December 2018, 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

The Group is the lessee in respect of a number of properties for an initial period of three to ten years (2017: three to ten years). None of the leases includes contingent rentals.

34. 承擔(續)

- (b) 於二零一八年十二月三十一日，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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
9,805	13,729
23,566	4,290
33,371	18,019

本集團為多項物業之承租人，初步為期三至十年(二零一七年：三至十年)。該等租賃並不包括或然租金。

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35. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had the following related party transactions:
- (i) Munsun Assets Management Ltd (“Munsun Assets”) and Tai Ning Investment Holdings Limited (“Tai Ning”) (collectively the “Joint Lenders”) jointly granted a loan of HK\$300 million (the “Joint Loan”) to the Group in 2016. The Joint Loan was charged at an interest rate of 9% per annum, unsecured and repayable in January 2019. Tai Ning is wholly-owned by Mr. Liu Liyang (Mr. Liu) who was appointed as the executive director and the chairman of the Company on 13 October 2015 and 6 September 2017 respectively and resigned as the chairman and the executive director on 5 September 2018 and 24 October 2018 respectively. The Company’s executive director Mr. Zhang Lirui (“Mr. Zhang”) and an ex-executive director of the Company Mr. Li Xianghong (“Mr. Li”) (who was appointed as the executive director of the Company on 10 July 2015 and the chairman and the chief executive director on 7 August 2015 and resigned all above posts on 31 August 2017) holds approximately 18.3% and 31.6% respectively shareholding interest in Munsun Assets. During the year, the Company entered into a loan novation agreement and a supplemental loan novation agreement (collectively the “Loan Novation Agreements”) with the Joint Lenders and incoming lenders (the “Incoming Lenders”). Pursuant to the Loan Novation Agreements, the Joint Loan together with accrued interest in an aggregate amount of approximately HK\$325 million owed by the Company to the Joint Lenders was novated to each of the Incoming Lenders which included an amount of HK\$11,274,000 to Tai Ning (“Tai Ning Loan”), an amount of HK\$53,018,000 to Mr. Zhang (“Mr. Zhang Loan”) and an amount of HK\$10,840,000 to Mr. Li (“Mr. Li Loan”) and an aggregate amount of HK\$250,069,000 to other independent Incoming Lenders (collectively, the “Loans”). The Loans were charged at an interest rate of 9% per annum, unsecured and repayable in January 2019 which were kept unchanged with these terms of the Joint Loan. The Group recognised interest on the Joint Loan of HK\$11,984,000 (2017: 27,000,000), Tai Ning Loan of HK\$274,000 (2017: HK\$nil), Mr. Zhang Loan of HK\$1,290,000 (2017: HK\$nil) and Mr. Li Loan of HK\$264,000 (2017: HK\$nil) respectively in the consolidated income statement during the year. On 21 June 2018, the Company and certain underwriters, including all Incoming Lenders, entered into the Underwriter Agreements to set-off the subscription price payable by the Incoming Lenders against the Loans. The Rights Issue and the Set-off has completed on 27 September 2018 (further details are set out in note 26(b)(iv)).

35. 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，麥盛資產管理有限公司(「麥盛資產」)及泰寧投資控股有限公司(「泰寧」)(統稱「聯席放款人」)聯席向本集團授出一筆300百萬港元的貸款(「聯席貸款」)。聯席貸款按年利率9%計息，屬無抵押，並須於二零一九年一月償還。泰寧由劉力揚先生(劉先生)(分別於二零一五年十月十三日及二零一七年九月六日獲委任為本公司執行董事及主席以及分別於二零一八年九月五日及二零一八年十月二十四日辭任主席及執行董事)全資擁有。本公司執行董事張利銳先生(「張先生」)及本公司前執行董事李向鴻先生(「李先生」)(於二零一五年七月十日獲委任為本公司執行董事，於二零一五年八月七日獲委任為主席兼總執行董事，並於二零一七年八月三十一日辭任上述所有職銜)分別持有麥盛資產約18.3%及31.6%股權。於年內，本公司與聯席放款人及接替放款人(「接替放款人」)訂立貸款更替協議及補充貸款更替協議(統稱「貸款更替協議」)。根據貸款更替協議，本公司欠付聯席放款人之聯席貸款連同應計利息合共約325百萬港元更替至各接替放款人，當中包括向泰寧支付的11,274,000港元(「泰寧貸款」)、向張先生支付的53,018,000港元(「張先生貸款」)、向李先生支付的10,840,000港元(「李先生貸款」)及向其他獨立接替放款人合共支付的250,069,000港元(統稱「貸款」)。貸款按年利率9%計息，屬無抵押，並須於二零一九年一月償還(與聯席貸款條款相同)。於年內，本集團於綜合損益表內確認聯席貸款利息、泰寧貸款利息、張先生貸款利息及李先生貸款利息分別為11,984,000港元(二零一七年：27,000,000港元)、274,000港元(二零一七年：零港元)、1,290,000港元(二零一七年：零港元)及264,000港元(二零一七年：零港元)。於二零一八年六月二十一日，本公司與若干包銷商(包括全部接替放款人)就抵銷接替放款人為貸款應付認購價格訂立包銷協議。供股及抵銷已於二零一八年九月二十七日完成(進一步詳情載於附註26(b)(iv))。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (ii) During the year, Mr. Liu, Mr. Zhang, Mr. Li and Mr. Zhang Shuguang (who was appointed as the executive director of the Company on 6 September 2011 and resigned on 31 August 2017) and their spouses, Mr. Yi Shuhao (the chairman and the executive director of the Company) and certain senior management staff of the subsidiaries of the Group have provided certain joint personal guarantees for bank and other borrowings facilities granted to the Group with an aggregate amount of approximately HK\$869 million (2017: HK\$765 million) (note 23(a) & (b)).
- (iii) During the year, Mr. Zhang and Mr. Li have provided personal guarantee for bank and other borrowings facilities granted to the Group of HK\$72 million (2017: HK\$126 million) and HK\$344 million (2017: HK\$404 million), respectively.

35. 關連人士交易(續)

(a) (續)

- (ii) 於年內，劉先生、張先生、李先生及張曙光先生(於二零一一年九月六日獲委任為本公司執行董事並於二零一七年八月三十一日辭任)及彼等的配偶、易淑浩先生(本公司主席兼執行董事)及本集團附屬公司之若干名高級管理層員工就本集團獲授之銀行及其他貸款融資總額約869百萬港元(二零一七年：765百萬港元)提供若干聯席個人擔保(附註23(a)及(b))。
- (iii) 於年內，張先生及李先生分別就本集團獲授之銀行及其他貸款融資72百萬港元(二零一七年：126百萬港元)及344百萬港元(二零一七年：404百萬港元)提供個人擔保。

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

35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (iv) On 21 June 2018, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with certain underwriters for the proposed rights issue of not less than 5,003,075,640 rights shares and not more than 5,045,075,640 rights shares (the “Rights Shares”) at the subscription price of HK\$0.22 per rights share on the basis of 6 rights shares for every 1 existing issued share of the Company (the “Rights Issue”). The aggregate subscription price for the Rights Issue will be not less than approximately HK\$1,101 million and not more than approximately HK\$1,110 million. Details of the Rights Issue are set out in the Company’s announcements between 21 June 2018 and 26 September 2018 and the Company’s circular dated 3 August 2018 and the prospectus dated 4 September 2018.

Mr. Liu Liyang (“Mr. Liu”), the former executive Director and the chairman of the Board, through Tai Ning Investment Holdings Limited and his personal interest, was interested in 21,482,343 Shares (representing approximately 2.58% of the issued share capital of the Company as at 23 August 2018); Mr. Zhang Lirui (“Mr. Zhang”), an executive Director, was interested in 2,584,169 Shares (representing approximately 0.31% of the issued share capital of the Company as at 23 August 2018). Under the listing rules, Mr. Liu and Mr. Zhang are the connected persons of the Company and they are required to abstain in favour of from voting on the resolution in relation to the approval of the Rights Issue and the Underwriting Agreement. The Rights Issue and the Increase Authorised Share Capital have been approved by the shareholders of the Company at the Company’s special general meeting on 23 August 2018. The Rights Issue transaction was completed on 26 September 2018.

35. 關連人士交易 (續)

(a) (續)

- (iv) 於二零一八年六月二十一日，本公司與若干包銷商訂立包銷協議（「包銷協議」）以建議按每持有1股本公司現有已發行股份獲發6股供股股份（「供股股份」）之基準按認購價每股供股股份0.22港元供股發行不少於5,003,075,640股供股股份且不超過5,045,075,640股供股股份（「供股」）。供股之總認購價將不少於約1,101百萬港元且不超過約1,110百萬港元。供股之詳情載於本公司日期由二零一八年六月二十一日至二零一八年九月二十六日之公告及本公司日期為二零一八年八月三日之通函以及日期為二零一八年九月四日之售股章程內。

劉力揚先生（「劉先生」），前執行董事及董事會主席，透過泰寧投資控股有限公司及其個人權益於21,482,343股股份（約佔本公司於二零一八年八月二十三日已發行股本之2.58%）中擁有權益；張利銳先生（「張先生」），為執行董事，於2,584,169股股份（約佔本公司於二零一八年八月二十三日已發行股本之0.31%）中擁有權益。根據上市規則，劉先生及張先生為本公司的關連人士及彼等須就批准供股及包銷協議的決議案放棄贊成票。供股及增加法定股本已於二零一八年八月二十三日之本公司股東特別大會上獲本公司股東批准。供股交易已於二零一八年九月二十六日完成。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (v) In addition to the transactions detailed above, the Group had the following transactions and balances with related parties during the year ended 31 December 2018:

Related parties transactions:

1. Liu Shiwei 柳士威	Interest expenses of providing financial assistance 提供財務資助之利息費用
2. Grace Silver Limited 瑞盈有限公司	Interest expenses of providing financial assistance 提供財務資助之利息費用
3. Shengzhen Fang Di Hua Technology Service Co., Ltd. * 深圳房地華科技服務有限公司	Revenue from financing and advisory services 獲得投資諮詢服務收入
4. Easyhome Financial Holding Co., Ltd. * 居然之家金融控股有限公司	Interest expenses of providing financial assistance 提供財務資助之利息費用

35. 關連人士交易 (續)

(a) (續)

- (v) 除以上詳述的交易外，本集團於截止二零一八年十二月三十一日年度期間內還與關聯方發生了以下交易及餘額：

關聯交易：

Note 附註	2018 二零一八年 HK\$'000 千港元	2017年 二零一七年 HK'000 千港元
(1)	271	—
(1)	221	—
(2)	2,794	—
(3)	2,275	—

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Outstanding balances with related parties:

1. Liu Shiwei 柳士威	Other Borrowing 其他貸款
	Interest Payable 應付利息
2. Grace Silver Limited 瑞盈有限公司	Other Borrowing 其他貸款
	Interest Payable 應付利息
3. Shengzhen Rui Ying Equity Investment Fund Management Co., Ltd.* 深圳睿盈股權投資基金管理 有限公司	Interest Payable 應付利息
4. Easyhome Financial Holding Co., Ltd.* 居然之家金融控股有限公司	Other Borrowing 其他貸款
	Interest Payable 應付利息
5. Koo Yuen Kim 古潤金	Interest Payable 應付利息

* The English name is for identification purpose only.

35. 關連人士交易 (續)

(a) (續)

(v) (續)

關聯方往來餘額：

Note 附註	2018 二零一八年 HK\$'000 千港元
(1)	14,000
(1)	3,565
(1)	3,927
(1)	1,553
(4)	190
(3)	83,606
(3)	2,216
(5)	1,516

* 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)

35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes:

- (1) As at 31 December 2018, Mr. Liu Shiwei ("Mr. Liu SW") holds 365,477,181 Shares by virtue of his personal interest. Ms. Guan Yuyan, being Mr. Liu's spouse, has interest of 1,305,038,799 Shares in the Company via her wholly-owned controlled corporation namely Grace Silver Limited. Accordingly, Mr. Liu is also taken to be interested in 1,305,038,799 Shares via his spouse. Accordingly, as at 31 December 2018, Mr. Liu SW holds approximately 28.62% of the issued share capital of the Company.

Mr. Liu SW and Grace Silver Limited was one of underwriters of the Rights Issue (as defined in note 26) of the Company completed on 26 September 2018. Upon the completion of Rights Issue, Mr. Liu SW and Grace Silver Limited became substantial shareholders of the Company.

35. 關連人士交易 (續)

(a) (續)

(v) (續)

附註：

- (1) 於二零一八年十二月三十一日，柳士威先生(「柳先生」)藉由其個人權益持有365,477,181股股份。官玉燕女士為柳先生之配偶，通過其全資擁有之受控法團瑞盈有限公司於本公司1,305,038,799股股份中擁有權益。因此，柳先生亦被視為通過其配偶於1,305,038,799股股份中擁有權益。因此，於二零一八年十二月三十一日柳先生約佔本公司已發行股本之28.62%。

柳先生和瑞盈有限公司在二零一八年九月二十六日本公司完成的供股(定義見附註26)中分別作為包銷商之一。在供股完成後，柳先生、官玉燕女士及瑞盈有限公司成為主要股東。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes: (continued)

(1) (continued)

On 1 March 2018, 7 December 2018 and 19 December 2018, Mr. Liu SW granted loans of HK\$84 million to the Group, respectively. On 24 May 2018, Grace Silver Limited granted loans of HK\$329 million to the Group. The loan from Mr. Liu SW ("Mr. Liu SW Loans") was charged at interest rate of 7.5% per annum. The loans from Grace Silver Limited ("Grace Silver Loans") were charged at interest rates 12% and 15% per annum. These loans were unsecured and have repayment terms ranged from 3 months to 1 year.

The Mr. Liu SW Loans of HK\$40 million and Grace Silver Loans of HK\$287 million were set off with the subscription price payable by Mr. Liu SW and Grace Silver Limited in Rights Issue (Further details of the Rights Issue are set out in note 26(b) (iv) to the consolidated financial statements) respectively. Further details of the Set-off are set out in note 35(a) (i) to the consolidated financial statements.

35. 關連人士交易(續)

(a) (續)

(v) (續)

附註：(續)

(1) (續)

分別於二零一八年三月一日、二零一八年十二月七日及二零一八年十二月十九日，柳先生向本集團授出84百萬港元之貸款。於二零一八年五月二十四日，瑞盈有限公司分別向本集團授出329百萬港元之貸款。柳先生所授出之貸款（「柳先生貸款」）實際利率為每年7.5%。瑞盈有限公司所授出之貸款（「瑞盈貸款」）實際利率為每年12%和15%。上述貸款均無抵押及還款期為3個月至1年。

柳先生貸款及瑞盈貸款於供股（進一步詳情見綜合財務報表附註26(b) (iv)）中分別與柳先生及瑞盈有限公司之應付認購價抵銷40百萬港元和287百萬港元。抵銷進一步詳情載於綜合財務報表附註35(a) (i)。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes: (continued)

(1) (continued)

In addition, the Mr. Liu SW Loans of HK\$30 million and the Grace Silver loans of HK\$38 million were settled during the year ended 31 December 2018 respectively.

The above loans are fully exempted connected transactions under Chapter 14A of the Listing Rules.

(2) Shengzhen Fang Di Hua Technology Service Co., Ltd. is wholly and beneficially owned by Grace Silver Limited up to 13 December 2018. The revenue from financing and advisory services was charged pursuant to the terms in the agreement signed between the Group and Shengzhen Fang Di Hua Technology Service Co., Ltd. on 1 August 2018.

35. 關連人士交易(續)

(a) (續)

(v) (續)

附註：(續)

(1) (續)

此外，於截止二零一八年十二月三十一日年度期間內，柳先生貸款及瑞盈貸款及已分別償還30百萬港元及38百萬港元。

根據上市規則第14A章，上述貸款為全面獲豁免關聯交易。

(2) 瑞盈有限公司於二零一八年十二月十三日以前全資及實際擁有深圳房地華科技服務有限公司。投資諮詢服務收入的條款依照本集團與深圳房地華科技服務有限公司於二零一八年八月一日所簽訂之合約。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes: (continued)

- (3) Easyhome Financial Holding Co., Ltd and China Home Hong Kong Limited is wholly-owned by Beijing Easyhome Investment Holding Group Co., Ltd. China Home Hong Kong Limited directly holds 643,061,087 Shares of the issued share capital of the Company as 31 December 2018. Beijing Easyhome Investment Holding Group Co., Ltd. is deemed to hold 643,061,087 Shares, representing 11.02% of the issued share capital of the Company as at 31 December 2018.

China Home Hong Kong Limited became substantial shareholder by subscription of the Rights Issue which completed on 27 September 2018.

On 15 June 2018, Easyhome Financial Holding Co., Ltd granted a loan of HK\$ 228 million to the Group. The loan was charged at an interest rate of 10% per annum, unsecured and has a repayment term of 1 year or payable on demand. The loan was settled HK\$144 million during the year ended 31 December 2018.

The above loan is a fully exempted connected transaction under Chapter 14A of the Listing Rules.

35. 關連人士交易(續)

(a) (續)

(v) (續)

附註：(續)

- (3) 居然之家金融控股有限公司及華居(香港)有限公司由北京居然之家投資控股集團有限公司全資擁有。於二零一八年十二月三十一日，華居(香港)有限公司直接持有本公司643,061,087股股份。北京居然之家投資控股集團有限公司被視為通過其於華居(香港)有限公司的權益持有643,061,087股股份。於二零一八年十二月三十一日，北京居然之家投資控股集團間接持有本公司已發行股本之11.02%。

華居(香港)有限公司於二零一八年九月二十七日通過認購供股而成為主要股東。

於二零一八年六月十五日，居然之家金融控股有限公司向本集團授出一筆228百萬港元之貸款。該筆貸款實際利率為每年10%，無抵押及還款期為1年或按要求還款。於截止二零一八年十二月三十一日年度期間內該筆貸款已償還144百萬港元。

根據上市規則第14A章上述貸款為全面獲豁免關聯交易。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes: (continued)

- (4) Shengzhen Rui Ying Equity Investment Fund Management Co., Ltd. is wholly and beneficially owned by Grace Sliver Limited, a substantial shareholder of the Company.

On 13 March 2018, Shengzhen Rui Ying Equity Investment Fund Management Co., Ltd. granted a loan of HK\$11 million to the Group. The loan was charged at an interest rate of 15% per annum, unsecured and has a repayment term of 2 months. The loan was fully settled during the year ended 31 December 2018.

- (5) Mr. Koo Yuen Kim holds 595,258,945 Shares by virtue of his personal interest and 16,086,782 Shares through his wholly owned corporation namely Golden Eagle (Asia) Investment Limited. Mr. Koo Yuen Kim holds 10.47% of the issued share capital of the Company as at 31 December 2018.

Mr. Koo Yuen Kim was one of underwriters of the Rights Issue of the Company completed on 26 September 2018. Upon the completion of Rights Issue, Mr. Koo Yuen Kim became a substantial shareholder of the Company.

35. 關連人士交易(續)

(a) (續)

(v) (續)

附註：(續)

- (4) 深圳睿盈股權投資基金管理有限公司由本公司之主要股東瑞盈有限公司全資及實際擁有。

於二零一八年三月十三日，深圳睿盈股權投資基金管理有限公司向本集團授出一筆11百萬港元之貸款。該筆貸款實際利率為每年15%，無抵押及還款期為2個月。於截止二零一八年十二月三十一日年度期間內該筆貸款已全數償還。

- (5) 古潤金先生藉由其個人權益持有595,258,945股股份，並通過其全資擁有之受控法團金鷹(亞洲)投資有限公司於16,086,782股股份中擁有權益。於二零一八年十二月三十一日，古潤金先持有本公司已發行股本之10.47%。

古潤金先生在二零一八年九月二十六日本公司完成的供股中作為包銷商之一。在供股完成後，古潤金先生成為本公司之主要股東。

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35. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(v) (continued)

Notes: (continued)

(5) (continued)

On 14 March 2018, Mr. Koo Yuen Kim granted a loan of HK\$50 million to the Group. The loan was charged at an interest rate of 7.5% per annum, unsecured and has a repayment term of 7 months.

On 14 June 2018, Mr. Koo Yuen Kim as one of incoming lenders (as defined in note 35(a) (i)) with the Company and the Joint Lenders (as defined in note 35(a) (i)) entered into a loan novation agreement and a supplemental loan novation agreement (collectively the "Loan Novation Agreements"). Pursuant to the Loan Novation Agreements, the Joint Loan together with accrued interest in an aggregate amount of approximately HK\$325 million owed by the Company to the Joint Lenders was novated to each of the Incoming Lenders which included an amount of HK\$71,780,000 to Mr. Koo Yuen Kim. Further details of the Loan Novation Agreements are set out in note 35(a) (i) to the consolidated financial statements. The above loan was fully set off by the subscription price payable by Mr. Koo Yuen Kim in Rights Issue.

35. 關連人士交易(續)

(a) (續)

(v) (續)

附註：(續)

(5) (續)

於二零一八年三月十四日，古潤金先生向本集團授出一筆50百萬港元之貸款，該筆貸款實際利率為每年7.5%，無抵押及還款期為7個月。

於二零一八年六月十四日，古潤金先生作為接替放款人(定義見附註35(a)(i))之一與本公司及聯席放款人(定義見附註35(a)(i))訂立貸款更替協議及補充貸款更替協議(統稱「貸款更替協議」)。根據貸款更替協議，本公司欠付聯席放款人之聯席貸款連同應計利息合共約325百萬港元更替至各接替放款人，當中包括向古潤金先生支付的71,780,000港元。貸款更替協議的進一步詳情載於綜合財務報表附註35(a)(i)。上述貸款於供股中與古潤金先生之應付認購價相抵銷。

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35. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in notes 8 and 9 is as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職福利

35. 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及9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:

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
8,216	15,301
151	142
8,367	15,443

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying 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 31 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.

36. 會計估計及判斷

編製符合香港財務報告準則之綜合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。部分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31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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36. 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 consolidated 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.

36. 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分；概略儲量包括控制資源量中在經濟上可開採的部分。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

本集團之採礦權將於該等綜合財務報表批准日直至二零二六年期間屆滿，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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36. 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.

36. 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，董事於每個年結日進行存貨審閱，並評估存貨是否有撇減之需要。

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36. 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.

36. 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。

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36. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Impairments (continued)

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was HK\$281,118,000 (2017: HK\$281,118,000). Further details are given in note 12(c).

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.

(f) Loss allowance for trade receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the previous estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

36. 會計估計及判斷(續)

(e) 減值(續)

本集團至少每年釐定商譽是否出現減值。此舉需要估計商譽獲分配之現金產生單位之使用價值。估計使用價值時需要本集團估計現金產生單位之預期未來現金流量，亦需要選擇合適折現率計算該等現金流量之現值。商譽於二零一八年十二月三十一日之賬面值為281,118,000港元(二零一七年：281,118,000港元)。進一步詳情載於附註12(c)。

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。

(f) 應收賬款的虧損撥備

本集團評估預期信貸虧損以對應收賬款的虧損撥備進行估計。此舉需要使用估計及判斷。預期信貸虧損是基於本集團過往的信貸虧損經驗(但對債務人特定因素進行調整)及於報告期末對目前及未來整體經濟情況的評估。倘若估計數額與之前估計有所不同，則有關差額將影響應收賬款的賬面值以及因此有關估計變動發生之期間的減值虧損。本集團於應收賬款預計的存續期內對其預期信貸虧損進行持續評估。

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36. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(g) Fair value of derivative financial instruments and financial assets at fair value through other comprehensive income and liabilities at fair value through profit or loss

The fair value of derivative financial instruments and financial assets at fair value through other comprehensive income and financial 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 assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss.

(h) 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.

36. 會計估計及判斷(續)

(g) 衍生金融工具及透過其他全面收益按公平值列賬之金融資產及透過損益按公平值列賬之金融負債之公平值

並非在活躍市場買賣的衍生金融工具及透過其他全面收益按公平值列賬之金融資產及透過損益按公平值列賬之金融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其他全面收益按公平值列賬之金融資產及透過損益按公平值列賬之金融負債之公平值。

(h) 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。

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36. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(i) 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.

(j) Environmental contingencies

During the year and up to the date of approval of these consolidated financial statements, the Group has not involved in any significant 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. 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.

(k) 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.

36. 會計估計及判斷(續)

(i) 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，其功能貨幣為港幣。

(j) 環境或有費用

於年內及直至該等綜合財務報表批准日，本集團在金礦開採活動開始階段並未涉及任何重大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。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。

(k) 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，以及成本是否可以可靠計量。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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37. EVENTS AFTER THE REPORTING PERIOD

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 been granted new bank and other borrowings of HK\$111 million.
- (b) Pursuant to a special resolution passed at the extraordinary meeting by the Company's shareholders on 27 February 2019, the Company has implemented the capital reorganisation (the "Capital Reorganisation") which comprises the following:
 - (a) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.099 on each of the issued existing shares such that the nominal value of each issued existing share was reduced from HK\$0.1 to HK\$0.001; (b) immediately following the capital reduction taking effect, all the authorized but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the capital reduction) was cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company was increased to HK\$10,000,000 by the creation of such number of additional new shares as shall be sufficient to increase the authorised share capital of the Company to HK\$10,000,000 divided into 10,000 million new shares; and (c) the credit arising in the books of the Company from the capital reduction was credited to the contributed surplus account of the Company. The Capital Reorganisation was completed on 28 February 2019 and a credit of approximately HK\$577,855,236 arisen from the capital reduction was transferred from the share capital account to the contributed surplus account of the Company. Details of the above are set out in the Company's circular on 4 February 2019 and the Company's announcements on 18 January 2019, 27 February 2019 and 28 February 2019.

37. 報告期後事項

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) 本集團已獲授新增銀行及其他貸款111百萬港元。
- (b) 根據本公司股東於二零一九年二月二十七日在股東特別大會上通過之特別決議案，本公司已進行股本重組（「股本重組」），此事涉及下列步驟：(a) 透過註銷本公司繳足股本（以每股已發行現有股份0.099港元為限），致使每股已發行現有股份之面值由0.1港元削減至0.001港元以削減本公司已發行股本；(b) 緊隨股本削減生效後，本公司所有法定但未發行股本（包括由股本削減產生之法定但未發行股本）獲全面註銷，及於註銷有關股本後，隨即透過增設額外新股份（足以增加本公司法定股本至10,000,000港元，分為10,000百萬股新股份）增加本公司法定股本至10,000,000港元；及(c) 在本公司賬目中因股本削減而產生之進賬撥入本公司之實繳盈餘賬。股本重組已於二零一九年二月二十八日完成及股本削減產生之進賬約577,855,236港元已從本公司之股本賬目撥入實繳盈餘賬。上述詳情載於本公司日期為二零一九年二月四日之通函及本公司日期為二零一九年一月十八日、二零一九年二月二十七日及二零一九年二月二十八日之公告內。

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38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

The major non-cash transaction is other borrowing set off by the aggregate subscription price payable by the relevant underwriters with an amount of approximately HK\$761 million.

(b) Changes in liabilities/(assets) arising from financing activities

38. 綜合現金流量表附註

(a) 主要非現金交易

主要非現金交易為相關包銷商之應付總認購價與其他貸款抵消，金額約761百萬港元。

(b) 來自融資活動之負債／(資產) 變動

		Bank and other borrowings 銀行及其他貸款 HK\$'000 千港元	Convertible Bonds 可換股債券 HK\$'000 千港元	Financial liabilities at fair value through profit or loss 透過損益按公平值列賬之金融負債 HK\$'000 千港元	Pledged deposits 已抵押存款 HK\$'000 千港元	Accrued interest 應付利息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	4,009,202	368,308	727,748	(1,018,472)	22,649	4,109,435
Changes from financing cash flows	融資現金流量變動						
Net proceeds from new bank and other borrowings	新增銀行及其他貸款之所得款項淨額	1,167,506	—	—	—	—	1,167,506
Repayment of bank and other borrowings	償還銀行及其他貸款	(1,789,544)	—	—	—	—	(1,789,544)
Net proceeds from financial liabilities at fair value through profit or loss	透過損益按公平值列賬之金融負債之所得款項淨額	—	—	780,450	—	—	780,450
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	—	—	(574,919)	—	—	(574,919)
Decrease in pledged deposits	已抵押存款減少	—	—	—	466,202	—	466,202
Interest paid	已付利息	—	(27,279)	—	—	(367,791)	(395,070)
		(622,038)	(27,279)	205,531	466,202	(367,791)	(345,375)
Effect of foreign exchange rate changes	匯率變動之影響	236,400	—	53,777	(59,885)	1,604	231,896
Interest expenses	利息支出	21,477*	44,431	—	—	397,078	462,986
Fair value loss	公平值虧損	—	—	1,388	—	—	1,388
At 31 December 2017	於二零一七年十二月三十一日	3,645,041	385,460	988,444	(612,155)	53,540	4,460,330

* Representing amortisation of financing transaction costs.

* 代表融資活動的交易成本攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities/(assets) arising from financing activities (continued)

		Bank and other borrowings	Convertible Bonds	Financial liabilities at fair value through profit or loss	Accrued interest	Other financing activities**	Total
		銀行及其他貸款	可換股債券	透過損益按公平值列賬之金融負債	應付利息	其他融資活動**	合計
		HK\$'000	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	千港元
At 1 January 2018	於二零一八年一月一日	3,645,041	385,460	988,444	53,540	(612,155)	4,460,330
Changes from financing cash flows	融資現金流量變動						
Net proceeds from new bank and other borrowings	新增銀行及其他貸款之所得款項淨額	2,234,903	—	—	—	—	2,234,903
Repayment of bank and other borrowings	償還銀行及其他貸款	(1,756,388)	—	—	—	—	(1,756,388)
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	—	—	(962,295)	—	—	(962,295)
Decrease in pledged deposits	已抵押存款減少	—	—	—	—	491,441	491,441
Payment for the 2018 Convertible Bonds Restructure	二零一八年可換股債券重組付款	—	(83,421)	—	—	—	(83,421)
Net proceeds from issue of new shares under share placing and Rights Issue	根據股份配售及供股發行新股份之所得款項淨額	—	—	—	—	482,188	482,188
Finance costs paid	已付財務成本	—	(15,984)	—	(443,186)	(61,238)	(520,408)
		478,515	(99,405)	(962,295)	(443,186)	912,391	(113,980)

38. 綜合現金流量表附註(續)

(b) 來自融資活動之負債／(資產) 變動 (續)

	Financial liabilities at fair value through profit or loss	Accrued interest	Other financing activities**	Total
	透過損益按公平值列賬之金融負債	應付利息	其他融資活動**	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
At 1 January 2018	988,444	53,540	(612,155)	4,460,330
Changes from financing cash flows				
Net proceeds from new bank and other borrowings	—	—	—	2,234,903
Repayment of bank and other borrowings	—	—	—	(1,756,388)
Repayment of financial liabilities at fair value through profit or loss	(962,295)	—	—	(962,295)
Decrease in pledged deposits	—	—	491,441	491,441
Payment for the 2018 Convertible Bonds Restructure	—	—	—	(83,421)
Net proceeds from issue of new shares under share placing and Rights Issue	—	—	482,188	482,188
Finance costs paid	—	(443,186)	(61,238)	(520,408)
	(962,295)	(443,186)	912,391	(113,980)

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綜合財務報表附註

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

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

38. 綜合現金流量表附註(續)

(b) Changes in liabilities/(assets) arising from financing activities (continued)

(b) 來自融資活動之負債／(資產) 變動 (續)

		Bank and other borrowings		Convertible Bonds	Financial liabilities at fair value through profit or loss	Accrued interest	Other financing activities*	Total
		銀行及 其他貸款	可換股 債券	透過損益 按公平值 列賬之 金融負債	應付 利息	其他 融資活動*	合計	
		HK\$'000	HK\$'000	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	千港元	千港元
Effect of foreign exchange rate changes	匯率變動之影響	(131,219)	—	(24,962)	(4,100)	18,195	(142,086)	
Interest expenses	利息支出	17,531*	26,988	—	481,612	—	526,131	
Other borrowings set off by the aggregate subscription price payable by the relevant underwriters	相關包銷商之 應付總認購價與 其他貸款抵銷	(760,677)	—	—	—	—	(760,677)	
Loss on the 2018 Convertible Bonds Restructure	二零一八年可換 股債券重組之虧損	—	54,757	—	—	—	54,757	
Fair value gain on derivative financial instruments	衍生金融工具 公平值收益	—	(37,638)	—	—	—	(37,638)	
Fair value gain 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 公平值收益	—	—	(1,187)	—	—	(1,187)	
At 31 December 2018	於二零一八年 十二月三十一日	<u>3,249,191</u>	<u>330,162</u>	<u>—</u>	<u>87,866</u>	<u>318,431</u>	<u>3,985,650</u>	

* Representing amortisation of financing transaction costs.

* 代表融資活動的交易成本攤銷。

** Other financing activities are financing assets arising from financing activities, including cash flows and non-cash changes in pledged deposits, Rights Issue and finance cost, which is for illustration purpose only.

** 其他融資活動代表來自融資活動之資產，包括已抵押存款、供股及財務成本之現金及非現金之變動，其列示為參考之用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018:

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 HKFRS 10 and HKAS 28	Sale or contribution of Assets between an investor and its Associate or joint Venture ³
Amendments to HKFRS 9	Prepayment features with negative compensation ¹
HKFRS 16	Leases ¹
HKFRS 17	Insurance contracts ²
HKFRIC 23	Uncertainty over income tax treatments ¹
Annual Improvements to HKFRS 2015-2017 Cycle	Amendments to HKAS 12, Income taxes ¹

39. 截至二零一八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截至二零一八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 ³
香港財務報告準則第9號(修訂本)	提早還款特性及負補償 ¹
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港財務報告詮釋委員會第23號	所得稅處理的不確定性 ¹
香港財務報告準則二零一五年至二零一七年期之年度改進	香港會計準則第12號所得稅之修訂 ¹

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

39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Annual Improvements to HKFRS 2015-2017 Cycle

Amendments to HKAS 23, Borrowing Costs¹

Amendments to HKFRS 3

Definition of a Business²

Amendments to HKAS 1 and HKAS 8

Definition of Material²

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after 1 January 2021.

³ Mandatory effective date is not 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 except the adoption of HKFRS 16.

39. 截至二零一八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)

香港財務報告準則二零一五年至二零一七年期之年度改進

香港會計準則第23號借貸成本之修訂¹

香港財務報告準則第3號(修訂本)

業務的定義²

香港會計準則第1號及香港會計準則第8號(修訂本)

重大的定義²

¹ 於二零一九年一月一日或之後開始之年度期間生效。

² 於二零二一年一月一日或之後開始之年度期間生效。

³ 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。迄今結論是除了採納香港財務報告準則第16號以外採納該等修訂本應不會對綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

HKFRS 16

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases.

39. 截至二零一八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)

香港財務報告準則第16號

香港財務報告準則第16號替代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)－詮釋第15號經營租賃－優惠及香港(準則詮釋委員會)－詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產之權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業之定義，或有使用權資產屬於應用重估模型之物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債之利息開支及有使用權資產之折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款之一項指數或比率變更而引致未來租賃付款變更。承租人一般將確認之重新計量租賃負債數額作為有使用權資產之調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人之會計處理方式。出租人將繼續使用與香港會計準則第17號相同之分類原則，對所有租賃進行分類，並將之分為經營租賃及融資租賃。

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39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

HKFRS 16 (continued)

HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. As disclosed in note 34(b) to the consolidated financial statements, at 31 December 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$33,371,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. The Group is currently assessing the impact of HKFRS 16. Further analysis will be need to determine the amount of new right-of-use assets and lease liabilities to be recognised, including, but not limited to, incremental borrowing rate to be applied for different leases.

39. 截至二零一八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)

香港財務報告準則第16號(續)

香港財務報告準則第16號要求承租人及出租人作出比香港會計準則第17號更廣泛之披露。承租人可選擇採用全面追溯法或經修整之追溯法來應用該準則。本集團將自2019年1月1日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號之過渡性條文，於2019年1月1日之保留溢利期初結餘確認初始採納之累計影響調整，而並不重列比較資料。此外，本集團計劃將新規定應用於過往根據香港會計準則第17號確認之租賃合約，並按剩餘租賃付款之現值計量租賃負債，並使用本集團於首次應用日之增量借貸利率貼現。使用權資產將按租賃負債金額計量，並與緊接初始應用日之前於財務狀況表中確認與租賃相關之任何預付或應計租賃付款金額進行調整。本集團計劃採用該準則所允許之豁免，豁免該等租賃合約其租賃期限自初始應用日起計12個月內終止。誠如本綜合財務報表附註34(b)披露，於2018年12月31日，本集團根據不可撤銷經營租約而須於未來支付之最低租金付款總數約為33,371,000港元。採納香港財務報告準則第16號後，其中若干款項或需確認為新使用權資產及租賃負債。本集團現正評估香港財務報告準則第16號之影響，然而，需要進行進一步分析，包括但不限於各租約所應用之增量借貸利率，以確定新使用權資產和租賃負債之金額。

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40. COMPARATIVE FIGURES

The comparative loss per share for the year ended 31 December 2017 has been restated to reflect the impact of the Share Consolidation and Rights Issue which was effective on 28 May 2018 and 26 September 2018, respectively (note 11). In addition, the Group has initially applied HKFRS 9 and HKFRS 15 as at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3 to the consolidated financial statements.

40. 可比較數據

截至二零一七年十二月三十一日止年度之每股可比較虧損已經重列，旨在反映分別於二零一八年五月二十八日及二零一八年九月二十六日生效之股份合併及供股的影響（附註11）。此外，本集團於二零一八年一月一日首次應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選擇的過渡方法，比較資料不予重列。有關會計政策變動的進一步詳情於綜合財務報表附註3披露。

FIVE YEARS SUMMARY

五年概要

(Expressed in Hong Kong dollars 以港元列示)

		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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	12,768,249	12,777,902	13,493,195	13,591,807	12,683,081
Total liabilities	總負債	(6,885,708)	(7,012,120)	(6,252,106)	(6,381,927)	(4,958,253)
Net assets	資產淨值	5,882,541	5,765,782	7,241,089	7,209,880	7,724,828
Equity attributable to the owners of the Company	本公司擁有人應佔權益	5,882,541	5,765,782	7,241,089	7,209,880	7,724,828
		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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	1,286,873	746,605	766,654	838,305	813,901
Loss before taxation	除稅前虧損	(82,205)	(117,589)	(407,139)	(371,678)	(456,005)
Income tax expense	所得稅開支	(101,820)	(20,071)	(12,012)	(18,512)	(10,330)
Loss for the year	本年度虧損	(184,025)	(137,660)	(419,151)	(390,190)	(466,335)

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

YI Shuhao (appointed as Chairman on 5 September 2018 and as Chief Executive Officer on 13 December 2018)

LIU Liyang (resigned as Chairman on 5 September 2018 and resigned as Executive Director on 24 October 2018)

CHEN Sheng (resigned as Chief Executive Officer on 13 December 2018 and re-designated as Vice-Chairman on 13 December 2018)

ZHANG Lirui (re-designated as Vice-Chairman on 13 December 2018)

YU Yong (Deputy Chief Executive Officer)

WANG Baozhi

ZANG Dongling (resigned on 5 September 2018)

Independent Non-Executive Directors

WU Tai Cheung (resigned on 1 March 2019)

XIAO Rong Ge

ZHANG Tianyu

WONG Chi Yan (appointed on 1 March 2019)

COMPANY SECRETARY

LEUNG Lai Seung

AUTHORISED REPRESENTATIVES

YI Shuhao

(appointed on 24 October 2018)

LEUNG Lai Seung

LIU Liyang

(resigned on 24 October 2018)

EXECUTIVE COMMITTEE

YI Shuhao (appointed as Chairman on 5 September 2018)

CHEN Sheng

ZHANG Lirui

WANG Baozhi

YU Yong

LIU Liyang (resigned on 5 September 2018)

ZANG Dongling (resigned on 5 September 2018)

董事會

執行董事

易淑浩(於二零一八年九月五日獲委任為主席及於二零一八年十二月十三日獲委任為行政總裁)

劉力揚(於二零一八年九月五日辭任主席及於二零一八年十月二十四日辭任執行董事)

陳勝(於二零一八年十二月十三日辭任行政總裁及於二零一八年十二月十三日獲調任為副主席)

張利銳(於二零一八年十二月十三日獲調任為副主席)

余勇(副總裁)

王保志

臧東玲(於二零一八年九月五日辭任)

獨立非執行董事

胡大祥(於二零一九年三月一日辭任)

肖榮閣

張田余

黃志恩(於二零一九年三月一日獲委任)

公司秘書

梁麗嫦

法定代表

易淑浩

(於二零一八年十月二十四日獲委任)

梁麗嫦

劉力揚

(於二零一八年十月二十四日辭任)

執行委員會

易淑浩(於二零一八年九月五日獲委任為主席)

陳勝

張利銳

王保志

余勇

劉力揚(於二零一八年九月五日辭任)

臧東玲(於二零一八年九月五日辭任)

AUDIT COMMITTEE

WU Tai Cheung (*resigned as the Chairman of the Audit Committee on 1 March 2019*)
 XIAO Rong Ge
 ZHANG Tianyu
 WONG Chi Yan (*Chairman*) (*appointed as the Chairman of the Audit Committee on 1 March 2019*)

REMUNERATION COMMITTEE

ZHANG Tianyu (*Chairman*)
 WU Tai Cheung (*resigned on 1 March 2019*)
 YI Shuhao
(appointed on 24 October 2018)
 WONG Chi Yan (*appointed on 1 March 2019*)

NOMINATION COMMITTEE

YI Shuhao (*appointed as Chairman on 24 October 2018*)
 WU Tai Cheung (*resigned on 1 March 2019*)
 ZHANG Tianyu
 WONG Chi Yan (*appointed on 1 March 2019*)

CORPORATE GOVERNANCE COMMITTEE

YI Shuhao (*appointed as Chairman on 24 October 2018*)
 WANG Baozhi
 ZANG Dongling (*resigned on 5 September 2018*)

REGISTERED OFFICE

Clarendon House
 2 Church Street
 Hamilton HM11
 Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 5&6, 17/F,
 Convention Plaza Office Tower,
 1 Harbour Road,
 Wan Chai,
 Hong Kong

審核委員會

胡大祥(於二零一九年三月一日
 辭任審核委員會主席)
 肖榮閣
 張田余
 黃志恩(主席)(於二零一九年三月一日
 獲委任為審核委員會主席)

薪酬委員會

張田余(主席)
 胡大祥(於二零一九年三月一日辭任)
 易淑浩
(於二零一八年十月二十四日獲委任)
 黃志恩(於二零一九年三月一日獲委任)

提名委員會

易淑浩(於二零一八年十月二十四日
 獲委任為主席)
 胡大祥(於二零一九年三月一日辭任)
 張田余
 黃志恩(於二零一九年三月一日獲委任)

企業管治委員會

易淑浩(於二零一八年十月二十四日
 獲委任為主席)
 王保志
 臧東玲(於二零一八年九月五日辭任)

註冊辦事處

Clarendon House
 2 Church Street
 Hamilton HM11
 Bermuda

香港主要營業地點

香港
 灣仔
 港灣道1號
 會展廣場辦公大樓
 17樓5至6室

CORPORATE INFORMATION

公司資料

AUDITORS

Ascenda Cachet CPA Limited
Certified Public Accountants

LEGAL ADVISERS

As to PRC law:
Bastion Law Firm

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04
33/F., Two Chinachem Exchange Square
338 King's Road,
North Point, Hong Kong

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>

核數師

天健德揚會計師事務所有限公司
執業會計師

法律顧問

中國法律：
邦盛律師事務所

股份過戶登記總處

Conyers Corporate Services
(Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港股份過戶登記分處

聯合證券登記有限公司
香港北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

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