



GRAND T G GOLD HOLDINGS LIMITED

大唐潼金控股有限公司*

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

(Stock Code 股份代號 : 8299)

ANNUAL REPORT 年報

2018/19

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This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at <http://www.grandtg.com/>.

The English text of this report shall prevail over the Chinese text in case of inconsistencies.

香港聯合交易所有限公司(「聯交所」) GEM之特色

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大唐滄金控股有限公司(「本公司」)各董事共同及個別對本報告承擔全部責任，當中包括遵照聯交所GEM證券上市規則(「GEM上市規則」)規定提供有關本公司及其附屬公司(統稱「本集團」)之資料。本公司董事(「董事」)在作出一切合理查詢後確認，就彼等所深知及確信本報告所載資料在各主要方面均屬準確及完整，並無誤導或欺詐成份且並無遺漏任何其他事宜，致使其任何陳述或本報告有所誤導。

本報告將於刊發日期起至少七日持續刊登於GEM網頁www.hkgem.com「最新公司公告」一頁及本公司網頁<http://www.grandtg.com/>。

本報告中英版如有歧異，概以英文版為準。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. Li Dahong (*Chairman*)

Ms. Ma Xiaona

Ms. Wang Hongyin

Independent non-executive Directors

Mr. Guo Wei

Mr. Lam Albert Man Sum

Mr. Cheung Wai Hung

AUDIT COMMITTEE

Mr. Lam Albert Man Sum (*Chairman*)

Mr. Guo Wei

Mr. Cheung Wai Hung

REMUNERATION COMMITTEE

Mr. Guo Wei (*Chairman*)

Ms. Ma Xiaona

Mr. Lam Albert Man Sum

NOMINATION COMMITTEE

Mr. Guo Wei (*Chairman*)

Ms. Ma Xiaona

Mr. Lam Albert Man Sum

AUTHORISED REPRESENTATIVES

Dr. Li Dahong

Mr. Lau Chun Pong

COMPLIANCE OFFICER

Ms. Ma Xiaona

COMPANY SECRETARY

Mr. Lau Chun Pong

AUDITOR

GI CPA Limited

Room 158, 8/F, Elton Tower,

8 Hysan Avenue,

Causeway Bay, Hong Kong

董事會

執行董事

李大宏博士(*主席*)

馬曉娜女士

汪宏音女士

獨立非執行董事

郭瑋先生

林聞深先生

張偉雄先生

審核委員會

林聞深先生(*主席*)

郭瑋先生

張偉雄先生

薪酬委員會

郭瑋先生(*主席*)

馬曉娜女士

林聞深先生

提名委員會

郭瑋先生(*主席*)

馬曉娜女士

林聞深先生

授權代表

李大宏博士

劉振邦先生

監察主任

馬曉娜女士

公司秘書

劉振邦先生

核數師

智盈會計師事務所有限公司

香港銅鑼灣

希慎道8號

裕景商業中心8樓158室

Note: Information in this section is as at the date of this report.

附註：本節資料乃截至本報告日期。

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

Cricket Square, Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Roon A-B, 8th Floor,
Centre Mark II,
305-313 Queen's Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong
(New Address:
Level 54, Hopewell Centre,
183 Queen's Road East, Hong Kong,
with effect from 11 July 2019)

PRINCIPAL BANKERS

Shanghai Commercial Bank Limited
OCBC Wing Hang Bank Limited

STOCK CODE

8299

COMPANY WEBSITE

<http://www.grandtg.com>

註冊辦事處

Cricket Square, Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

香港總辦事處及主要營業地點

香港上環
皇后大道中 305-313 號
永業中心
8樓A-B室

股份過戶登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 22 樓
(新地址：
香港皇后大道東 183 號
合和中心 54 樓，
生效日期為二零一九年七月十一日)

主要往來銀行

上海商業銀行有限公司
華僑永亨銀行有限公司

股份代號

8299

公司網址

<http://www.grandtg.com>

CHAIRMAN'S STATEMENT

主席報告

The board of directors (the "Board") of the Company, together with its subsidiaries, hereby presents the Company's annual report for the year ended 31 March 2019.

2018 was a challenging year, affected by the China-US trade dispute, the instability in international politics, the slowed world economy growth, downward pressure to the capital market and uncertainties experienced in China's economy development. Furthermore, the Company also met with serious challenges of unexpected litigations. In response, the Group had to revise its development plan and the execution. The company however is committed to its corporate strategic business objective of becoming high standard mining company with high efficiency and improving its competitiveness and financial performance over time, through both organic growth at the Company's operating subsidiary and through acquisitions and new business ventures. With the support of our shareholders and other stakeholders, the Board will continue to work toward achieving the Company's growth and development objective.

Looking forward to 2019, in the backdrop of the economy uncertainties by the China-US trade dispute, the Group is expected to face a number of challenges ahead in 2019. The Group will continue with utmost effort in fending off legal challenges, minimizing disturbances caused to the Company and moving into execution of the business development plan and growth of business. We will work hard towards improving the Company's asset scale and quality as well as financial performance over time. Meanwhile, the Group will look for new potential growth opportunities in a very diligent manner through merger and acquisition, business integration and expansion in order to improve the profitability of the Group and the returns to the shareholders.

On behalf of the Board

Li Dahong

Chairman

Hong Kong, 27 June 2019

本公司連同其附屬公司的董事會(「董事會」)謹此提呈本公司截至二零一九年三月三十一日止年度的年報。

受中美貿易糾紛、國際政治不穩定、世界經濟增長放緩、資本市場下行壓力及中國經濟發展經歷的不確定性的影響，二零一八年是極具挑戰的一年。此外，本公司亦遭遇突發訴訟的嚴峻挑戰。作為應對措施，本集團須修訂其計劃及其執行。但是，本公司仍致力於不斷實現其企業策略業務目標，成為高效的高標準礦業公司及提高其競爭力及財務表現。目前，該計劃包括達成此目標的路線圖，一是透過本公司營運附屬公司的有機增長，二是透過收購及新業務拓展。在股東及其他持份者的支持下，董事會將繼續朝著實現本公司的增長及發展這一目標努力。

展望二零一九年，在中美貿易糾紛產生的經濟不確定性的背景下，本集團預期在二零一九年面臨眾多挑戰。本集團將繼續不遺餘力的抗辯法律質詢、盡量減少對本集團造成的干擾及推進執行業務發展該計劃及業務增長。我們將努力會改善本公司的資產規模及質量以及財務表現。同時，本集團將極為審慎地透過併購、業務整合及擴張探索新潛在增長機遇，以提高本集團的盈利能力及股東回報。

代表董事會

主席

李大宏

香港，二零一九年六月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in gold exploration, mining and mineral processing with gold concentrate as its product.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2019 (the “Year”), the Group’s revenue was approximately HK\$163.8 million, representing a decrease of approximately 24.0% from approximately HK\$215.4 million as compared with that of the last year. The decrease in revenue was mainly due to the temporary interruption of the gold mining operations at the government request, in particular the environmental inspections by the local authorities.

During the Reporting Period, except for the above mentioned temporary interruption, the Group had been operating its ore processing plants at 400 tonnes (year ended 31 March 2018: 400 tonnes) of ore per day. The Company has been exploring various business opportunities to improve the ore production and process capacity.

Gross profit and gross profit margin

During the Year, the Group’s gross profit was approximately HK\$77.5 million, representing a decrease of approximately 20.7% from approximately HK\$97.7 million as compared with that of the last year. During the Year, the Group’s overall gross profit margin was approximately 47.3% (year ended 31 March 2018: 45.3%).

Selling and distribution expenses

During the Year, the Group’s selling and distribution expenses were approximately HK\$4.9 million, representing an increase of approximately 41.4% from approximately HK\$3.4 million as compared with that of the last year.

業務回顧

本公司之主要活動為投資控股。其附屬公司主要從事黃金勘探、開採以及以黃金精礦為其產品的礦物加工。

財務回顧

收益

截至二零一九年三月三十一日止年度（「本年度」），本集團之收益約為163,800,000港元，較去年之約215,400,000港元減少約24.0%。收益減少乃主要由於政府要求黃金開採作業臨時中斷所致，尤其是地方機構進行環保檢查。

於報告期間，除前述臨時中斷事項外，本集團以每日400噸（截至二零一八年三月三十一日止年度：400噸）礦石營運其礦石加工廠。本公司一直探索各種業務機會以提升礦石產量及加工能力。

毛利及毛利率

於本年度，本集團之毛利約為77,500,000港元，較去年之約97,700,000港元減少約20.7%。於本年度，本集團之整體毛利率約為47.3%（截至二零一八年三月三十一日止年度：45.3%）。

銷售及分銷開支

於本年度，本集團之銷售及分銷開支約為4,900,000港元，較去年之約3,400,000港元增加約41.4%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Administrative expenses

During the Year, the Group's administrative expenses were approximately HK\$32.7 million, representing a decrease of approximately 20.0% from approximately HK\$40.8 million as compared to the last year.

Profit for the year

Consolidated profit of the Company amounted to approximately HK\$7.8 million for the Year (2018: approximately HK\$34.2 million) which was arrived despite of no further resumption expenses of incurred by the Company (2018: approximately HK\$11.2 million). This was mainly because among others, defending vigorously litigations against the Company, decrease in gross profit and increase in financial costs.

For the Year, the Group has recorded a net profit attributable to equity holders of the Company of approximately HK\$0.03 million, as compared to profits of approximately HK\$15.3 million recorded at the last year. This was mainly due to the decrease of the revenue and gross profit for the Year and increase in financial cost.

Earning per share

Basic earning per share was approximately HK cents 0.00 for the Year (2018: earning of approximately HK cents 1.10).

Dividend

The Board does not recommend the payment of any dividend for the Year (2018: nil).

Liquidity, financial resources and funding

As at 31 March 2019, the Group had cash and cash equivalents amounted to approximately HK\$2.2 million (2018: approximately HK\$22.4 million) and net current liabilities amounted to approximately HK\$103.7 million (2018: net current liabilities of approximately HK\$135.7 million) whereas inventories of the Group amounted to approximately HK\$8.2 million (2018: approximately HK\$19.6 million).

行政開支

於本年度，本集團的行政開支約為32,700,000港元，較去年的約40,800,000港元減少約20.0%。

年內溢利

本公司於本年度的綜合溢利約為7,800,000港元（二零一八年：約34,200,000港元），乃於本公司並無產生進一步復牌開支（二零一八年：約11,200,000港元）的情況下招致該溢利，主要原因是（其中包括）極力抗辯針對本公司的訴訟以及毛利減少但財務成本增加。

於本年度，本集團錄得本公司權益持有人應佔溢利淨額約30,000港元，而去年則錄得溢利約15,300,000港元。這主要乃由於本年度的收益及毛利減少以及財務成本增加。

每股盈利

本年度每股基本溢利約為0.00港仙（二零一八年：盈利約1.10港仙）。

股息

董事會並不建議派付本年度的任何股息（二零一八年：無）。

流動資金、財務資源及資金

於二零一九年三月三十一日，本集團持有現金及現金等值項目約2,200,000港元（二零一八年：約22,400,000港元）及流動負債淨額約103,700,000港元（二零一八年：流動負債淨額約135,700,000港元），而本集團之存貨約為8,200,000港元（二零一八年：約19,600,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 March 2019, the current ratio is approximately 0.23 (2018: approximately 0.33).

As at 31 March 2019, the Group's gearing ratio was approximately 49.3% (2018: approximately 42.2%), calculated based on total borrowings over total assets.

Borrowings

Borrowings information of the Group is set out in note 22 to the consolidated financial statements.

Capital structure

On 17 July 2017, the Company issued convertible bonds with an aggregate principal amount of HK\$30,095,357 to J. Thomson Asset Investment Limited (the "Third Subscriber") under the convertible bonds subscription agreement dated 10 April 2017. The subscription monies payable by the Third Subscriber for the convertible bonds was settled by way of set off against the debt due by the Company to the Third Subscriber.

On 4 February 2019, the Board proposed to implement a share consolidation on the basis that every fifteen issued and unissued existing shares of HK\$0.004 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.06 each. The Board further proposed to change the board lot size of the consolidated shares of the Company from 12,000 existing shares to 24,000 consolidated shares upon the share consolidation became unconditional. Details of the share consolidation and change in board lot size were set out in the Company's announcements dated 4 February 2019 and the Company's circular dated 15 February 2019. The share consolidation was approved in the extraordinary meeting on 5 March 2019. The share consolidation and change in board lot size took effect on 6 March 2019.

As at 31 March 2019, the Company's issued share capital was HK\$89,807,000 which were divided into 1,496,782,160 Shares of HK\$0.06 each.

於二零一九年三月三十一日，流動比率約為0.23（二零一八年：約0.33）。

於二零一九年三月三十一日，本集團之資本負債比率約為49.3%（二零一八年：約42.2%），乃按借貸總額除以資產總值計算。

借貸

本集團之借貸資料載於綜合財務報表附註22。

資本結構

於二零一七年七月十七日，本公司根據日期為二零一七年四月十日之可換股債券認購協議向J. Thomson Asset Investment Limited（「第三認購人」）發行本金總額為30,095,357港元之可換股債券。第三認購人就可換股債券應付之認購金額已透過抵銷本公司結欠第三認購人之債務的方式結清。

於二零一九年二月四日，董事會建議進行一項股份合併，即按本公司股本中每十五股每股0.004港元之已發行及未發行現有股份合併為一股每股0.06港元之合併股份。董事會進一步建議待股份合併成為無條件後，將本公司合併股份的每手買賣單位由12,000股現有股份更改為24,000股合併股份。股份合併及更改每手買賣單位的詳情載於本公司日期為二零一九年二月四日的公告及本公司日期為二零一九年二月十五日的通函。股份合併已於二零一九年三月五日的股東特別大會上獲批准。股份合併及更改每手買賣單位於二零一九年三月六日生效。

於二零一九年三月三十一日，本公司已發行股本為89,807,000港元，分為1,496,782,160股每股面值0.06港元的股份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital commitment

As at 31 March 2019, the Group did not have any significant capital commitments (2018: nil).

Charge on the Group's assets

As at 31 March 2019, the Group's long term loans were secured by the inventories of the Group's operating subsidiary, 潼關縣太洲礦業有限公司 Tongguan Taizhou Mining Company Limited* ("Taizhou Mining").

As at 31 March 2019, the inventories of the Group amounted to approximately HK\$8.2 million (2018: approximately HK\$19.6 million).

Treasury policies

The Group's monetary assets and transactions are principally denominated in HK\$, Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group adopted a conservative treasury policy with most of the bank deposits being kept in HK\$ or RMB, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. The Group monitors and maintains a sufficient level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

Segment information

The Group's segmental information is set out in note 5 to the consolidated financial statements.

資本承擔

於二零一九年三月三十一日，本集團並無任何重大資本承擔(二零一八年：無)。

本集團之資產押記

於二零一九年三月三十一日，本集團之長期貸款由本集團之經營附屬公司潼關縣太洲礦業有限公司(「太洲礦業」)之存貨作抵押。

於二零一九年三月三十一日，本集團之存貨約為8,200,000港元(二零一八年：約19,600,000港元)。

庫務政策

本集團之貨幣資產及交易主要是以港元、人民幣(「人民幣」)為單位。將來的商業交易和已確認之資產及負債亦會引致外匯風險。

本集團採取保守之庫務政策，大部份銀行存款屬於港元或人民幣存款，又或屬於營運附屬公司所在地區貨幣之存款，以盡量減低外匯風險。本集團監察及維持充足水平之現金及現金等值項目，以撥付本集團之業務所需及減低現金流量波動之影響。管理層定期檢討及監察本集團之營運資金需求。

分部資料

本集團的分部資料載於綜合財務報表附註5。

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Exposure to exchange risks

Since the Group's borrowings and its source of income are primarily denominated in the respective group companies functional currency which are mainly in Hong Kong dollars or Renminbi, the exposure to foreign exchange rate fluctuations is minimal.

Significant investment, material acquisition and disposal of subsidiaries and affiliated companies, and future plans for material investments or capital assets

The Group did not have any significant investment, material acquisition and disposal of subsidiaries and affiliated companies throughout the Year.

In addition, the Company is now focusing on developing and strengthening its existing business and will explore investment opportunities in order to broaden the income stream of the Group, enrich its reserves and resources, enhance the profitability of the Group and eventually bring a fruitful return to the shareholders of the Group.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 March 2019 and 31 March 2018.

Employees and remuneration policies

As at 31 March 2019, the Group had 59 employees (2018: 61) situated mainly in the People's Republic of China (the "PRC") and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the Year, the total staff costs (including directors' emoluments) amounted to approximately HK\$12.8 million (2018: approximately HK\$18.1 million). Details of employees' remuneration are set out in note 9 of the consolidated financial statements.

外匯風險

由於本集團之借貸及其收入來源主要以相關集團實體的功能貨幣(主要為港元或人民幣)計值，因此外匯匯率波動風險甚微。

主要投資、重大收購及出售附屬公司及聯屬公司以及重大投資或資本資產之未來計劃

於本年度，本集團並無任何主要投資、重大收購及出售附屬公司及聯屬公司。

此外，本公司現正專注於發展及提升其現有業務並將探索投資機會以拓展本集團的收入來源、豐富其儲備及資源、提升本集團的盈利能力並最終為本集團股東帶來豐碩的回報。

或然負債

於二零一九年三月三十一日及二零一八年三月三十一日，本集團並無任何重大或然負債。

僱員及薪酬政策

於二零一九年三月三十一日，本集團有59名僱員(二零一八年：62名)，主要位於中華人民共和國(「中國」)及香港。本集團之薪酬政策乃根據行業常規及個別僱員之表現制定。於本年度，總員工成本(包括董事薪酬)約為12,800,000港元(二零一八年：約18,100,000港元)。有關僱員薪酬之詳情載於綜合財務報表附註9。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Relationships with employees, customers and suppliers

Employees

The Directors are of the view that its employees are the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees and endeavors to maintain and improve the quality of its products.

Customers and Suppliers

The Group aims to provide comprehensive solutions that meet customers' needs and establish a comprehensive vertical supply chain management system through resource integration and supplier screening and management.

The objectives of the Group are to deepen the collaborative relationship with the strategic suppliers and to create competitive advantages in the value chain, thereby aiming to enhance the impact on the society and environment and to ensure that their suppliers uphold similar stance in sustainability. The Group maintains long-term relationship with its suppliers for ensuring stable supply.

USE OF PROCEEDS

On 8 May 2017, the Company has allotted and issued 6,724,244,135 Shares at the issued price of HK\$0.02 per Share pursuant to the open offer. The actual net proceeds from the open offer were approximately HK\$131.6 million. As at 31 March 2019, approximately HK\$63.9 million for repayment of the Company's debts and approximately HK\$67.7 million as general working capital of the Group (including approximately HK\$18.2 million paid for staff costs, approximately HK\$29.7 million paid for Legal & Professional Fee and approximately HK\$19.8 million for the others operations costs of the Company), the remaining balance of approximately HK\$Nil million.

Details of the Open Offer were disclosed in the prospectus of the Company dated 31 March 2017 and the next day disclosure return of the Company dated 8 May 2017.

與僱員、客戶及供應商之關係

僱員

董事認為其僱員乃本集團可持續發展的關鍵。董事認為本集團與其僱員維繫良好的工作關係並致力於維繫及提升其產品質量。

客戶及供應商

本集團旨在提供全面的解決方案以滿足客戶的需要，並透過資源整合及供應商遴選及管理建立一套全面的垂直供應鏈管理系統。

本集團的目標為深化與策略供應商的合作關係並建立於價值鏈中的競爭優勢，進而提升社會及環境影響力及保證供應商於可持續發展方面秉持相似立場。本集團與其供應商保持長期關係以保證穩定供應。

所得款項用途

於二零一七年五月八日，本公司已根據公開發售按每股股份0.02港元的發行價配發及發行6,724,244,135股股份。公開發售的實際所得款項淨額約為131,600,000港元。於二零一九年三月三十一日，約63,900,000港元用於償還本公司的債務及約67,700,000港元作為本集團之一般營運資金(包括約18,200,000港元用作支付員工成本、約29,700,000港元用作支付法律及專業費用以及約19,800,000港元用於支付本公司的其他經營成本)，剩餘金額約為0港元。

公開發售之詳情乃披露於本公司日期為二零一七年三月三十一日之招股書及本公司日期為二零一七年五月八日的翌日披露報表。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECT

Looking forward to 2019, in the backdrop of the economy uncertainties by the China-US trade dispute and other macro-economic and policy factors, the Group is expected to face a number of challenges ahead in 2019. The Group will continue with utmost effort in fending off legal challenges, minimizing disturbances caused to the Company and moving into execution of the business development plan and growth of business. The Company will continue working hard to improve the Company's asset scale and quality as well as financial performance over time. In addition to organic growth from the company existing business, the Group will look for new potential growth opportunities in a very diligent manner through merger and acquisition, business integration and expansion in order to improve the profitability of the Group and the returns to the shareholders.

MINERAL EXPLORATION, MINE DEVELOPMENT AND ORE MINING ACTIVITIES

Mineral Exploration and Mine Development

During the Year, Taizhou Mining mainly completed certain mining development projects, including the excavation of approximately 16,114 meters of various tunnels, excavation of approximately 1,289 meters of slope supporting, excavation of approximately 1,934 meters of ore chute as well as excavation of approximately 4,834 meters for track laying and ditches.

During the Year, the Group's total expenditure for the mine development and mineral exploration amounted to approximately HK\$113.2 million and approximately HK\$0 respectively.

Ore Mining

During the Year, the aggregate expenditure on the ore mining operation of the Group was approximately HK\$34.0 million.

前景

展望二零一九年，在中美貿易糾紛及其他宏觀經濟和政策因素產生的經濟不確定性的背景下，本集團預期在二零一九年面臨眾多挑戰。本集團將繼續不遺餘力的抗辯法律質詢、盡量減少對本集團造成的干擾及推進執行業務發展該計劃及業務增長。本公司將努力會改善本公司的資產規模及質量以及財務表現。除本公司現有業務的有機增長外，本集團將極為審慎地透過併購、業務整合及擴張探索新潛在增長機遇，以提高本集團的盈利能力及股東回報。

礦產勘探、礦業開發及礦石開採活動

礦產勘探及礦業開發

於本年度，太洲礦業主要完成各類巷道掘進約16,114米、斜坡道掘進約1,289米、溜礦井掘進約1,934米及鋪設軌道和水溝開挖約4,834米等礦業開發工程。

於本年度，本集團礦區開發及礦產勘探的總開支分別為約113,200,000港元及約0港元。

礦石開採

於本年度，本集團礦石開採業務的總開支約為34,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESOURCES AND RESERVES

Based on the findings of the report prepared by Ravia Global Appraisal Advisory Limited pursuant to JORC Code 2012:

- As of 31 March 2019, using a gold cut-off grade of 1.0 gram per tonne, the indicated resource and inferred resource of the Group were:

		Inventory	Grade	Contained metal
		存貨	品位	所含金屬
		(kilotonne)	(gram per tonne, gold)	(kilogram, gold)
		(千噸)	(克每噸, 黃金)	(千克, 黃金)
Indicated resource	控制資源量	1,806	7.82	14,122
Inferred resource	推斷資源量	1,555	6.6	10,262

- As at 31 March 2019, under a cut-off grade of 1.9 gram per tonne, the estimated probable reserves of the Group were:

		Inventory	Grade	Contained metal
		存貨	品位	所含金屬
		(kilotonne)	(gram per tonne, gold)	(kilogram, gold)
		(千噸)	(克每噸, 黃金)	(千克, 黃金)
Probable reserves inventory	預可採儲量存量	1,590	5.74	9,134.3

資源及儲量

根據瑞豐環球評估諮詢有限公司遵照JORC準則(二零一二年版)編製之報告之結論：

- 截至二零一九年三月三十一日，採用1.0克黃金／噸邊界品位計算，本集團的控制資源量及推斷資源量為：

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Dr. Li Dahong (“Dr. Li”)

Dr. Li, aged 61, joined the Company as an executive Director on 24 February 2016 and is also the chairman and the authorized representative of the Company. Dr. Li also serves as a director of SSC Mandarin Mining Investment Limited and T G Mining Asia Limited, all being subsidiaries of the Company. He has over 20 years of experience in investment banking, mergers and acquisitions and other financial activities. Dr. Li was graduated from Tsinghua University in civil and environmental engineering and received a degree in Doctor of Philosophy in Civil Engineering from the University of Toronto, Canada.

Ms. Ma Xiaona (“Ms. Ma”)

Ms. Ma, aged 44, was appointed as a non-executive Director of the Company on 24 March 2016 and is a member of the remuneration committee and nomination committee of the Company. Ms. Ma was re-designated as an executive Director and the compliance officer of the Company on 13 September 2017, and was also appointed as a director of SSC Mandarin Mining Investment Limited and T G Mining Asia Limited, both of which are wholly-owned subsidiaries of the Company. Ms. Ma graduated from East China University of Science and Technology in Shanghai with a Bachelor’s degree in International Trade. She has more than 20 years of experience in project financing, joint ventures and mergers and acquisitions in China and Hong Kong, involving in industries such as gold mining, other resources mining, traditional manufacturing, and high-tech industry.

執行董事

李大宏博士 (「李博士」)

李博士，61歲，於二零一六年二月二十四日加入本公司，擔任執行董事，彼亦為本公司之主席及授權代表。李博士亦分別擔任文華新城礦業投資有限公司及潼金礦業亞洲有限公司(均為本公司之附屬公司)之董事。彼擁有逾20年投資銀行、併購及其他金融業務方面的經驗。李博士畢業於清華大學土木與環境工程系並獲得加拿大多倫多大學土木工程博士學位。

馬曉娜女士 (「馬女士」)

馬女士，44歲，於二零一六年三月二十四日獲委任為本公司之非執行董事，並為本公司之薪酬委員會及提名委員會成員。馬女士於二零一七年九月十三日調任為本公司執行董事及監察主任，以及被委任為本公司之全資子公司文華新城礦業投資有限公司及潼金礦業亞洲有限公司之董事。馬女士畢業於上海華東理工大學，獲得其主修國際貿易專業之學士學位。她擁有逾20年中港兩地的項目融資、成立合營企業、收購併購豐富經驗，涉及行業包括金礦、其他資源礦業、傳統製造業、高科技產業。

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Ms. Wang Hongyin (“Ms. Wang”)

Ms. Wang, aged 44, joined the Company as an executive Director on 18 December 2017, majored in Certified Public Accountant in Finance and Economic Institute of Tianjin (currently known as Tianjin University of Finance and Economics) and obtained a Bachelor Degree in economics in 1997 and a Master of Science Degree in Financial Analysis from Hong Kong University of Science and Technology in 2010. Ms. Wang is currently attending the EMBA Joint Degree jointly set up by Guanghai School of Management of Peking University and Kellogg School of Management of Northwestern University, the United States. Ms. Wang has rich experience in audit, investment, business development and assets management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Guo Wei (“Mr. Guo”)

Mr. Guo, aged 64, was appointed as an independent non- executive director of the Company on 28 April 2016. He is also the chairman of the nomination committee and remuneration committee and a member of the audit committee of the Company. Mr. Guo graduated from Beijing Institute of Economic Research, majoring in Chinese Language and Literature (undergraduate) in 1999. Since 2004, he has been served as the chairman of the board of 浙江瑞豐投資有限公司 (Zhejiang Ruifeng Investment Company Limited*). He worked in the 浙江省郵電勘察設計院 (Survey and Design Institute of Post and Telecommunications in Zhejiang Province*) from 1977 to 1987. He worked in the Zhejiang Provincial Government Office in Guangzhou and 大東南集團公司 (Grand Southeast Group Corporation*) from 1988 to 1994. He worked as the general manager of 杭州南王國際大酒店 (Hangzhou Nanwang International Hotel*) and the chairman of the board of 杭州五雲投資公司 (Hangzhou Wuyun Investment Company*) from 1995 to 2004. Mr. Guo has been engaged in management for more than 30 years, including 20 years as the head of enterprises, during which he gains extensive management experience and strong coordination ability.

汪宏音女士 (「汪女士」)

汪女士，44歲，於二零一七年十二月十八日加入本公司，擔任執行董事，於天津財經學院（現為天津財經大學）主修註冊會計師專業並於一九九七年取得經濟學學士學位，於二零一零年獲頒香港科技大學理學碩士（財務分析學）學位。汪女士現就讀由北京大學光華管理學院及美國西北大學Kellogg商學院共同設立的EMBA聯合學位。汪女士擁有豐富的審計、投資、業務發展及資產管理經驗。

獨立非執行董事

郭瑋先生 (「郭先生」)

郭先生，64歲，於二零一六年四月二十八日獲委任為本公司之獨立非執行董事，並為本公司之提名委員會及薪酬委員會主席及審核委員會成員。郭先生於一九九九年畢業於北京經濟研修學院漢語言文學專業（本科）。二零零四年至今擔任浙江瑞豐投資有限公司董事長，於一九七七年至一九八七年期間於浙江省郵電勘察設計院工作，於一九八八年至一九九四年期間於浙江省政府駐廣州辦事處及大東南集團公司工作，於一九九五年至二零零四年期間擔任杭州南王國際大酒店總經理、杭州五雲投資公司董事長。郭先生從事管理工作三十餘年，其中有二十年擔任企業一把手，有豐富的管理經驗和較強的協調能力。

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Lam Albert Man Sum (“Mr. Lam”)

Mr. Lam, aged 63, joined the Company as an independent non-executive Director on 8 December 2017. He is also the chairman of the audit committee of the Company, a member of the nomination committee and remuneration committee of the Company. He is a member of the Institute of Chartered Accountants in England & Wales, Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, the Hong Kong Securities Institute, Society of Chinese Accountants & Auditors, Australia • New Zealand Institute of Chartered Accountants, Taxation Institute of Hong Kong and Certified Tax Adviser. Mr. Lam holds a Bachelor Degree in Arts (Economics) from the University of Manchester, the United Kingdom. Mr. Lam is currently an independent non-executive director of Macrolink Capital Holdings Limited (formerly known as Junefield Department Store Group Limited) (Stock Exchange Stock Code: 758). He was an independent non-executive director of OCI International Holdings Limited (Stock Exchange Stock Code: 329) from 28 April 2010 to 7 May 2018. Mr. Lam currently is a partner of Grand Thornton Hong Kong Limited. Mr. Lam was head of department in Southwest Securities International Securities Limited (Stock Exchange Stock Code: 812). Mr. Lam was the former director and Chief Executive Officer and is the shareholder of Jonten Hopkins CPA Limited (the merger of former Aoba CPA Limited* (青葉會計師事務所) and Albert Lam & Co. CPA). Mr. Lam was also the Managing Partner and Founder of Albert Lam & Co. CPA.

林聞深先生 (「林先生」)

林先生，63歲，於二零一七年十二月八日加入本公司，擔任獨立非執行董事。彼亦為本公司審核委員會主席、本公司提名委員會及薪酬委員會各自之成員。彼為英格蘭及威爾斯特許會計師公會、英國特許公認會計師公會、香港會計師公會、香港證券學會、香港華人會計師公會、澳洲•紐西蘭特許會計師公會、香港稅務學會會員及註冊稅務師。林先生持有英國曼徹斯特大學經濟系文學士學位。林先生現為新華聯資本有限公司(前稱莊勝百貨集團有限公司)之獨立非執行董事(聯交所上市股份代號：758)。自二零一零年四月二十八日至二零一八年五月七日，彼為東建國際控股有限公司之獨立非執行董事(聯交所上市股份代號：329)。林先生現時為致同(香港)會計師事務所有限公司之合伙人。林先生曾任西證國際證券股份有限公司之部門總監(聯交所上市股份代號：812)。林先生為中天運浩勤會計師事務所有限公司(前青葉會計師事務所及林聞深會計師事務所合併)之前任董事及行政總裁及現任股東。林先生亦曾為林聞深會計師事務所之管理合夥人兼公司創辦人。

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Cheung Wai Hung (“Mr. Cheung”)

Mr. Cheung, aged 37, joined the Company as an independent non-executive Director on 27 August 2018. He is also a member of the audit committee of the Company. He is a certified tax adviser of the Taxation Institute of Hong Kong, a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Cheung graduated from The Hong Kong Polytechnic University with an honors degree in bachelor of arts in accountancy. He is currently appointed as the chief financial officer of Wai Chi Holdings Company Limited (Stock Exchange Stock Code: 1305). He worked in Jonten Hopkins CPA Limited from July 2004 to March 2014 and his last position was audit manager.

SENIOR MANAGEMENT

Mr. Ma Qianzhou (“Mr. Ma”)

Mr. Ma, aged 61, has more than 30 years of senior management experience in gold mining, exploration, ore processing, refining and merger and acquisitions of mining companies in China. Mr. Ma is currently a member of People’s Congress of Tongguan County, Shaanxi Province, the PRC. Mr. Ma is the general manager and director of Taizhou Mining. He had served as director of China Gold Association and executive director of Gold Association of Shaanxi Province. He had held senior management positions as the director of the Small and Medium Entrepreneurs Association, Shaanxi Province, PRC, and the President of the Small and Medium Entrepreneurs Association of Weinan City, Shaanxi Province, the PRC.

張偉雄先生 (「張先生」)

張先生，37歲，於二零一八年八月二十七日加入本公司出任獨立非執行董事。彼亦為本公司審核委員會成員。彼為香港稅務學會註冊稅務師、香港會計師公會註冊會計師及英國特許公認會計師公會資深會員。張先生持有香港理工大學會計學文學士(榮譽)學位。彼現為偉志控股有限公司(聯交所股份代號：1305)之財務總監。彼曾於二零零四年七月至二零一四年三月期間於中天運浩勤會計師事務所有限公司任職，最後的職位為審計經理。

高級管理層

馬乾洲先生 (「馬先生」)

馬先生，61歲，於中國的黃金開採、勘探、礦石加工、精煉及開採公司併購方面擁有逾30年的高級管理層經驗。馬先生現為中國陝西省潼關縣人大代表。馬先生為太洲礦業總經理兼董事。彼曾任中國黃金協會理事及陝西省黃金協會常務理事，亦曾擔任高級管理人員職務，擔任中國陝西省中小企業協會理事及中國陝西省渭南市中小企業協會副會長。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Lau Chun Pong (“Mr. Lau”)

Mr. Lau, aged 46, joined the Company as a company secretary on 1 January 2019. Mr. Lau is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lau graduated from the University of California, Los Angeles with a Bachelor of Arts degree in Business Economics. He has been appointed as an independent non-executive director of China Longevity Group Limited (stock code: 1863) since June 2016, an independent non-executive director of China CBM Group Company Limited (stock code: 8270) since November 2017, the company secretary of Superb Summit International Group Limited (stock code: 1228) since May 2018, and the company secretary of AV Promotions Holdings Limited (stock code: 8419) since June 2018. Mr. Lau was a qualified accountant and company secretary of Shenzhen Mingwah Aohan High Technology Corporation Limited (深圳市明華澳漢科技股份有限公司) (stock code: 8301), since April 2005 till May 2006. He was the financial controller and company secretary of O Luxe Holdings Limited (stock code: 860), since June 2008 and resigned on 13 November 2017. The shares of those companies are listed on the Stock Exchange.

劉振邦先生 (「劉先生」)

劉先生，46歲，於二零一九年一月一日獲委任為本公司之公司秘書。彼為香港會計師公會註冊會計師及美國註冊會計師協會會員。劉先生畢業於加州大學洛杉磯分校，獲得商業經濟學文學學士學位。彼分別自二零一六年六月起及自二零一七年十一月起為擔任中國龍天集團有限公司（聯交所股份代號：1863）及中國煤層氣集團有限公司（聯交所股份代號：8270）之獨立非執行董事；及分別自二零一八年五月及自二零一八年六月起擔任奇峰國際集團有限公司（聯交所股份代號：1228）及AV策劃推廣（控股）有限公司（聯交所股份代號：8419）之公司秘書。劉先生自二零零五年四月至二零零六年五月為深圳市明華澳漢科技股份有限公司（聯交所股份代號：8301）之合資格會計師及公司秘書。彼自二零零八年六月起為奧立仕控股有限公司（聯交所股份代號：860）之財務總監及公司秘書，並於二零一七年十一月十三日辭任。該等公司之股份均於聯交所上市。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present their report and the audited consolidated financial statements of the Company and its subsidiaries for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's principal subsidiaries are set out in note 17 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group's future business development are provided in the Chairman's Statement and Management Discussion and Analysis on pages 5 to 13 of this report. Possible risks and uncertainties that the Group may be facing are set out in the Report of the Directors on pages 19 to 36 of this report and the Corporate Governance Report on pages 37 to 54 of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Fluctuation in the price of gold

The Directors consider that the price of gold in the PRC is highly influenced by the price of gold in the international market (which is denominated in the USD) and the exchange rate of the USD to RMB. The Directors consider that there are many factors influencing the price of gold in the international market, including global economic situation, fiscal, monetary and trade policies of world major economies which would eventually influence the exchange rates of the USD, fluctuation in major stock markets, geo-political instability in the international arena, all of which are beyond the control of the Group. The fluctuation in gold price would affect significantly revenue levels, cash flow and profitability of the Group. To mitigate and control the risk, the Group would continue to make its constant effort in controlling cash cost for production and overall cost for the Group operation, monitoring closely the commodity market and aligning its production planning, growth strategy and capital expenditure with projected market development to the extent possible.

董事欣然提呈本公司及其附屬公司本年度之董事會報告及經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司主要附屬公司之主要業務詳情載於綜合財務報表附註17。

業務回顧

本集團業務於本年度之回顧及有關本集團未來業務發展之討論乃載於本報告第5頁至第13頁主席報告及管理層討論及分析。本集團可能面臨之潛在風險及不確定性載於本報告第19頁至第36頁之董事會報告及本報告第37頁及第54頁之企業管治報告。

主要風險及不確定性

黃金價格波動

董事認為，中國黃金價格受國際市場黃金價格（以美元計價）及美元兌人民幣匯率高度影響。董事認為，影響國際市場黃金價格的因素很多，包括全球經濟形勢、世界主要經濟體的財政、貨幣及貿易政策，這些因素最終將影響美元匯率、主要股票市場波動、國際地緣政治的不穩定，且均超出本集團的控制範圍。黃金價格波動將對本集團的收入水平、現金流量及盈利能力產生重大影響。為減輕及控制風險，本集團將繼續不懈努力控制生產的現金成本及本集團營運的現金成本，密切監察商品市場及調整其生產計劃、增長策略及資本開支，以盡可能應對預期的市場發展。

REPORT OF THE DIRECTORS

董事會報告

Investment risks

Investments in mineral exploration and mining have its inherent risks. Significant capital expenditures are usually required in new exploration and sustained mine development while the results particularly those for exploration may not always be as expected or achieve the desired levels of reliability for newly found mineral reserves and resources in the timely fashion. The Group would mitigate and control such risks by conducting proper risk assessment, using third party professionals and experts and adopting the best practices in the industry, in investment evaluation and decision-making process, including carefully planned drilling and other exploration activities, mine development and acquisition of quality mining assets.

Government regulations

The mining activities of the Group are subject to various government policies, standards, permitting and regulations, all of which could affect the Group's operation. From time to time, there are government initiatives for the mining industry such as mining right consolidation which aims at creating larger mining areas from fragmented ones. Furthermore, the process for review and extension of the existing mining and exploration right permits, and review and approval of any new mining and production facilities have become lengthy and costly and with uncertainty. Even projects approved years ago and are already under construction can be subject to review and approval under a new set regulations and standards. The Group would mitigate and control the risks by working closely with the government agencies to negotiate the best deals in the consolidation program to protect and maximize the Group's interests. At the same time, the Group monitors and follows the policy development closely and works on the best effort basis ahead of the anticipated changes to be prepared and to comply.

投資風險

對礦產勘探及採礦的投資具有固有的風險。新的礦產勘探及持續礦山開發通常須產生重大的資本開支，而新發現的礦產處理及資源的結果可用性（尤其是勘探的結果）未必會一直會及時如期所望或會達到所期望的水平。本集團於投資評估及決策過程中將通過恰當的風險評估、委聘第三方專業人士及專家並採用業內的最佳常規（包括審慎規劃鑽探及其他勘探活動、採礦開發及收購優質礦產資源），從而降低及控制有關風險。

政府法規

本集團的採礦活動須準守多項政府政策、標準、許可及規定，其均會對本集團的營運產生影響。政府不時出台有關採礦行業的政策（如採礦權整合），旨在將分散採礦區合併為較大的採礦區。除此之外，現有採礦及勘探權許可的更新及延續，新採礦及生產設施的審批變得冗長及昂貴且具有不確定性。儘管是多年前批准並現已在建設中的項目，亦可能須根據新的規定及標準進行審查及批准。本集團將通過與政府機構緊密合作，在合併計劃中協商最佳交易以保護及最大化本集團利益，從而減輕及控制風險。與此同時，本集團密切關注政策發展，並盡力提前做好充分準備應對及遵守預期的變化。

REPORT OF THE DIRECTORS

董事會報告

Environmental Protection

The nationwide campaign for environmental protection has been enhanced in the mining sector and promotion of green mines, under the PRC national strategy for environmental protection. Virtually all major mining regions in the country including the county where the Group operates are part of this campaign. This involves permitting of mining only at certain elevations, clear of any protective or natural reserve areas and strict enforcement of pollution control standards, minimizing adverse impacts of mining and processing activities to their surrounding natural and social environments and to geology stability, mitigating any adverse impacts from historical mining activities and landscaping of the mine sites and surroundings. Enforcement of environmental protection has been beefed up in the PRC. A series of new provincial and local notices, guidelines and other directors have been issued over the reporting period, some of which targeted specifically to the mining sector. Furthermore, a dedicated environmental inspection for mining was carried out by a group dispatched by the Central Government to the area where Taizhou Mine operates. During the inspection period, the mine production was shut down per government request. A series of requirements for improvement in environmental protection in the region as well as all the mines were raised as a result of the inspection. Enforcement of these environmental policies and standards may cause an increase in operating costs and any violation could result in interruption of the Group's normal production activities. The Group has a policy to protect the natural and social environments and to be in full compliance with all applicable policies and standards. The Group has and will continue to take pre-active measures to ensure compliance.

環境保護

中國根據其國家環境保護戰略，在全國範圍內開展礦業環保及推廣綠色礦山運動。包括本集團運營所在的縣區在內的幾乎所有礦區均涉及此項運動。這包括僅允許在某些海拔進行採礦，遠離任何保護或自然保護區及嚴格執行污染控制標準，儘量減少採礦及加工活動對其周圍自然及社會環境的不利影響，並保持地質穩定性，減輕歷史採礦活動的不利影響及對礦區及周圍環境進行綠化。中國已加強環保執法力度。報告期內發佈了一系列新的專門針對採礦業的省級和地方通知、指引及其他指示，當中部分專門針對採礦業。此外，由中央政府派遣的小組對太洲礦業經營所在區域進行了專門的採礦環境檢查。在檢查期間，根據政府要求關閉了礦山生產。通過檢查，提出了該地區以及所有礦山改善環境保護的一系列要求。執行這些環境政策及標準可能會導致運營成本的增加，任何違規行為都可能導致本集團正常生產活動的中斷。本集團制定了保護自然及社會環境的政策，並完全遵守所有適用的政策及標準。本集團已經並將繼續採取預先措施確保合規。

REPORT OF THE DIRECTORS

董事會報告

Financial Risks

The Group requires sufficient funding for its working capital, debt repayment, further development and planned acquisitions. The Group currently faces limited financial resources and for the time being its net current liabilities are in the red, although there are no immediate concerns for solvency due to the nature of its current liabilities. Failure to obtain additional funding in a timely fashion however, may adversely affect the Group's operation and its development plan. The Group is now actively engaged in fund raising, talking to several interested investors/financiers, negotiating and comparing terms and conditions, and trying to close its first round of fund raising soon to significantly alleviate the current liability risks. At the same time, the Group is finalizing and has started implementing the Plan aiming at boosting its mineral products throughput and thus revenue and net profits by completing a new processing plant. The Plan also includes investment opportunities for acquisitions for quality mining assets. The successful implementation of the Plan would fundamentally improve the Group's financial position and address the current liabilities concerns.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year and up to the date of this report, the Group has complied with all the relevant laws and regulations in Hong Kong in all material respects for the business operations of the Group.

財務風險

本集團需要足夠資金用於其營運資金、償還債務、進一步發展及計劃收購。本集團目前財務資源有限，目前其淨流動負債處於負值狀態，惟由於其流動負債的性質，償付能力方面並無即時憂慮。然而，若無法及時獲得額外資金，可能會對本集團的運營及其發展計劃造成不利影響。本集團現積極開展集資活動，與多名感興趣的投資者／金融家進行協商，就條款及條件進行談判及比較，以盡快完成首輪集資，大幅緩解當前的負債風險。同時，本集團現正制定並開始實施該計劃，旨在透過完工一座選礦廠以提升礦產產能，進而提升收益及淨溢利。該計劃亦包括把握收購優質礦業資產的投資機會。成功實施該計劃將從根本上改善本集團的財務狀況並解決當前的流動負債問題。

遵守相關法律及法規

於本年度及直至本報告日期，本集團已就本集團之業務經營在所有重大方面遵守全部香港相關法律及法規。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's environmental policies are to protect the natural and social environment where the Group operates, to ensure full compliance with all applicable regulatory requirements and standards, and to be sustainable in the Group's operations. The Group strives to minimize potential adverse environmental impacts from its mining, ore processing, tailing disposal and other production and operation activities. This objective for protecting the environment during the Group's operations will be achieved by adopting effective and proactive, where appropriate, measures, including but not limited to, upfront impact assessment for any and all new projects, careful planning and execution of production activities with considerations for environmental protection, collection and treatment of waste from all streams and sources, recycling and reuse of treated waste where possible, minimization of environmental discharge, and endorsing community participation and feedback, etc.

During the Year, the Group has not been the subject of any environmental claims, lawsuits, penalties or disciplinary actions.

The environmental, social and governance report of the Company will be announced on The Stock Exchange of Hong Kong Limited and the Company's website within three months after the publication of the annual report of the Company.

環境政策及表現

本集團的環境政策是為保護本集團經營所在地的天然及社會環境、確保全面遵守所有適用監管規定及準則及讓本集團在營運中實現可持續發展。本集團致力於將其採礦、選礦、尾礦處理及其他生產及經營活動的潛在負面環境影響降至最低。在本集團營運過程中保護環境的目標將透過採納積極有效的適當措施實現，該等措施包括但不限於，對任何或全部新項目進行前期影響評估、在考量環境保護的前提下謹慎規劃和執行生產活動、收集及處理所有源頭的廢物、盡可能回收及重用經過處理的廢物、盡量減少向環境排污及支持社區參與和反饋等。

於本年度，本集團並無面臨任何環境索償、訴訟、罰款或紀律處分。

本公司環境、社會及管治報告將於本公司年報刊發後三個月內在**香港聯合交易所有限公司**及本公司網站上公佈。

REPORT OF THE DIRECTORS

董事會報告

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 67.

SEGMENT INFORMATION

Segment information of the Group is set out in note 5 to the consolidated financial statements.

DIVIDEND

The Board does not recommend the payment of any dividend for the Year (2018: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 176. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 27 to the consolidated financial statements.

業績

本集團於本年度之業績載於第67頁之綜合損益及其他全面收益表。

分部資料

本集團的分部資料載於綜合財務報表附註5。

股息

董事會不建議就本年度派付任何股息(二零一八年：無)。

五年財務概要

本集團摘錄自本公司經審核綜合財務報表之上五個財年之經刊發業績以及資產及負債之概要載於第176頁。該概要並不構成經審核綜合財務報表之一部分。

物業、廠房及設備

本集團之物業、廠房及設備於本年度之變動詳情載於綜合財務報表附註14。

股本

本公司之股本於本年度之變動詳情載於綜合財務報表附註27。

REPORT OF THE DIRECTORS

董事會報告

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed “Share Option Scheme” and “Convertible Bonds” of this report and note 26 and note 28(ii) to the consolidated financial statements, no equity-linked agreement was entered into by the Company during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s articles of association and laws of the Cayman Islands.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2019 had been reviewed by the audit committee of the Company (the “**Audit Committee**”) before they were duly approved by the Board under the recommendation of the Audit Committee.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2019, there were no Company’s reserves available for distribution to shareholders.

股份掛鈎協議

除本報告「購股權計劃」及「可換股債券」一節所披露者及綜合財務報表附註26及附註28(ii)所披露者外，本公司於本年度並無訂立股份掛鈎協議。

優先購買權

本公司之組織章程細則以及開曼群島法例並無優先購買權條文。

審核委員會

於董事會根據審核委員會推薦正式批准前，本公司審核委員會（「**審核委員會**」）已審閱本公司截至二零一九年三月三十一日止年度之經審核綜合財務報表。

董事於競爭業務之權益

概無董事或彼等各自之緊密聯繫人（定義見GEM上市規則）於本年度於與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

購買、出售或贖回上市證券

於本年度，本公司及任何其附屬公司概無購買、出售或贖回任何本公司上市證券。

儲備

於本年度，本公司及本集團儲備變動之詳情分別載於綜合財務報表附註29以及綜合權益變動表。

可供分派儲備

於二零一九年三月三十一日，本公司概無可供分派予股東的儲備。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for approximately 100% of the total sales for the Year and sales to the largest customer accounted for approximately 100%. Purchases from the Group's five largest suppliers accounted for approximately 100% of the total purchases for the Year and purchases from the largest supplier accounted for approximately 53%.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's total number of issued Shares) had any beneficial interest in the Group's five largest customers or suppliers during the Year.

DIRECTORS AND SERVICE CONTRACTS

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

Executive Directors

Dr. Li Dahong

Ms. Ma Xiaona

Ms. Wang Hongyin

Independent Non-Executive Directors

Mr. Guo Wei

Mr. Lam Albert Man Sum

Mr. Jiang Quanming (resigned on 28 May 2018)

Mr. Cheung Wai Hung (appointed on 27 August 2018)

Each of Dr. Li Dahong, Ms. Ma Xiaona and Mr. Guo Wei, has entered into a service contract with the Company for a term of 3 years commencing from 13 September 2017.

主要客戶及供應商

於本年度，本集團五大客戶之銷售額佔本年度總銷售額之約100%，而最大客戶之銷售額佔約100%。本集團五大供應商之採購額佔本年度總採購額之約100%，而最大供應商之採購額佔約53%。

於本年度，董事、任何彼等之緊密聯繫人(定義見GEM上市規則)或據董事所知擁有本公司已發行股份總數目5%以上之任何股東概無擁有本集團五大客戶或供應商之任何實益權益。

董事及服務合約

以下為於本年度及直至本報告日期之董事名單：

執行董事

李大宏博士

馬曉娜女士

汪宏音女士

獨立非執行董事

郭瑋先生

林聞深先生

姜全明先生(於二零一八年五月二十八日辭任)

張偉雄先生(於二零一八年八月二十七日獲委任)

李大宏博士、馬曉娜女士及郭瑋先生已各自與本公司訂立服務合約，任期由二零一七年九月十三日起計為期三年。

REPORT OF THE DIRECTORS

董事會報告

Mr. Lam Albert Man Sum, has entered into a service contract with the Company for a term commencing from 8 December 2017.

林聞深先生已與本公司訂立服務合約，任期由二零一七年十二月八日起。

Ms. Wang Hongyin has entered into a service contract with the Company for a term commencing from 18 December 2017.

汪宏音女士已與本公司訂立服務合約，任期由二零一七年十二月十八日起。

Mr. Cheung Wai Hung, has entered into a service contract with the Company for a term commencing from 27 September 2018.

張偉雄先生已與本公司訂立服務合約，任期由二零一八年九月二十七日起。

The term of service of a Director is subject to the provisions on retirement by rotation of Directors as set out in the articles of association of the Company.

董事的服務年期受本公司組織章程細則所載的董事輪值退任條文所規限。

None of the Directors who are proposed for re-election at the annual general meeting has an unexpired service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

於股東週年大會上膺選連任的董事，概無與本公司訂立本公司不可於一年內免付賠償(法定補償除外)終止的服務協議。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out on pages 14 to 18.

董事及高級管理層履歷詳情

董事及高級管理層履歷詳情載於第14至18頁。

MANAGEMENT CONTRACTS

No contract for the management and administration of the whole or any substantial part of the business of the Company had been entered into or existed during the Year.

管理合約

於本年度，本公司並無訂立或存在與有關本公司的全部或任何重大部分業務有關的管理及行政合約。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

During the Year and up to the date of this report, the Company has in force the permitted indemnity provisions which are provided for in the articles of association of the Company and in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors and the directors of the Group respectively.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 11 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No Director nor entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party during the Year.

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

As at 31 March 2019, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were recorded in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings").

獲准許的彌償條文

於本年度及截至本報告日期，就董事及本集團董事分別可能面對的法律訴訟而產生的潛在責任及費用，本公司備有獲准許的彌償條文，該等條文均載於本公司之公司細則以及本集團投保之董事及高級管理人員責任保險內。

董事薪酬

有關董事薪酬之詳情載於綜合財務報表附註11。

董事於重大交易、安排及合約之權益

於本年度並無董事或與董事有關連的實體直接或間接於本公司或其任何附屬公司訂立之任何重大交易、安排或合約中擁有重大權益。

董事及主要行政人員於股份、相關股份及債權證之權益及淡倉

於二零一九年三月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有記入根據證券及期貨條例第352條須存置之登記冊內，或根據GEM上市規則第5.48條至第5.67條所定之買賣必守標準(「買賣必守標準」)須另行知會本公司及聯交所之權益及淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and Chief Executives' interests and short positions in Shares, underlying Shares and debentures" above and in the "Share Option Scheme" disclosure in note 28(ii) to the consolidated financial statements, at no time during the Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executives of the Company, as at 31 March 2019, the following persons (other than the Directors and chief executives of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in Shares, underlying shares and debentures" above) had an interest or short position in the Shares or underlying shares which were recorded in the register required to be kept under Section 336 of the SFO:

董事購買股份或債權證之權利

除上文「董事及主要行政人員於股份、相關股份及債權證之權益及淡倉」一節及於綜合財務報表附註28(ii)之「購股權計劃」所披露外，於本年度任何時間，概無任何董事或彼等各自配偶或未成年子女獲授予透過購買本公司股份或債權證的方式獲得權益的權利，彼等亦無行使任何該等權利；或本公司或其任何控股公司或其任何附屬公司及同系附屬公司亦無訂立任何安排，而令董事有權購買任何其他實體的該等權利。

主要股東於股份及相關股份之權益及淡倉

就各董事或本公司主要行政人員所知，於二零一九年三月三十一日，以下人士（董事及本公司主要行政人員除外，彼等之權益已載於上文「董事及主要行政人員於股份、相關股份及債權證之權益及淡倉」一節）於股份或相關股份中，擁有記入根據證券及期貨條例第336條須存置之登記冊之權益或淡倉：

REPORT OF THE DIRECTORS

董事會報告

Long Positions in Shares and Underlying Shares of the Company 於本公司股份及相關股份之好倉

Name	Capacity	Number and class of securities		Approximate % of the issued Shares
		Shares	Underlying Shares	
姓名／名稱	身份	股份	相關股份	佔已發行股份之 概約百分比
Ma Qianzhou ("Mr. Ma")	Beneficial owner	200,730,224	–	13.41%
馬乾洲(「馬先生」)	實益擁有人	–	2,369,340 (Note 1) (附註1)	0.16%
	Interest of spouse	22,508,800	–	1.50%
	配偶權益	(Note 2) (附註2)	–	–
		–	438,766 (Notes 1 and 2) (附註1及2)	0.03%
Zhao Yuebing	Beneficial Owner	22,508,800	–	1.50%
趙悅冰	實益擁有人	–	438,766 (Note 1) (附註1)	0.03%
	Interest of spouse	200,730,224	–	13.41%
	配偶權益	(Note 2) (附註2)	–	–
		–	2,369,340 (Notes 1 and 2) (附註1及2)	0.16%
Lee Shing	Interest in a controlled corporation	106,893,333 (Note 3)	–	7.14%
李誠	受控制公司之權益	(附註3)	–	–

REPORT OF THE DIRECTORS

董事會報告

Name	Capacity	Number and class of securities		Approximate % of the issued Shares
		證券數目及類別	Underlying	
姓名／名稱	身份	Shares	Shares	佔已發行股份之 概約百分比
Yong Li Investments Limited 永利投資有限公司	Beneficial owner 實益擁有人	106,893,333	–	7.14%
Wang Dong 王棟	Interest in a controlled corporation 受控制公司之權益	86,244,800 (Note 4) (附註4)	–	5.76%
Midway International Holdings Limited 中天國際股份有限公司	Beneficial owner 實益擁有人	86,244,800	–	5.76%
Zhou Yong 周勇	Beneficial owner 實益擁有人	116,666,666 (Note 5) (附註5)	–	7.79%
Leung Heung Ying 梁享英	Interest in a controlled corporation 受控制公司之權益	13,333,333 (Note 6) (附註6)	–	0.89%
		–	100,317,856 (Note 7) (附註7)	6.70%
J. Thomson Asset Investment Limited	Beneficial owner 實益擁有人	13,333,333 (Note 6) (附註6)	–	0.89%
		–	100,317,856 (Note 7) (附註7)	6.70%

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. These underlying Shares represent the Shares to be issued and allotted upon the exercise in full of the share options granted by the Company pursuant to the share option scheme adopted by the Company on 4 March 2009 (the “Share Option Scheme”).
2. Mr. Ma is the spouse of Ms. Zhao Yuebing. Mr. Ma and Ms. Zhao Yuebing is accordingly deemed to be interested in the Shares beneficially owned by each other under the SFO.
3. These Shares were held by Yong Li Investments Limited, a company wholly and beneficially owned by Mr. Lee Shing.
4. These Shares were held by Midway International Holdings Limited, a company wholly and beneficially owned by Ms. Wang Dong.
5. This represents the subscription obligation of Mr. Zhou Yong pursuant to the shares subscription agreement dated 10 April 2017 entered into by the Company as the issuer and Mr. Zhou Yong as the subscriber.
6. This represents the subscription obligation of J. Thomson Asset Investment Limited pursuant to the shares subscription agreement dated 8 June 2017 entered into by the Company as the issuer and the J. Thomson Asset Investment Limited as the subscriber.
7. This represents the subscription obligation of J. Thomson Asset Investment Limited pursuant to the convertible bonds agreement dated 10 April 2017 entered into by the Company as the issuer and J. Thomson Asset Investment Limited as the subscriber.

Save as disclosed above, as at 31 March 2019, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying shares which were required to be kept under Section 336 of the SFO.

附註：

1. 該等相關股份指根據本公司於二零零九年三月四日採納之購股權計劃，本公司授出之購股權獲全面行使時將發行及配發的股份（「購股權計劃」）。
2. 馬先生為趙悅冰女士之配偶。因此，馬先生及趙悅冰女士根據證券及期貨條例被視為於彼此實益擁有之股份中擁有權益。
3. 該等股份由永利投資有限公司持有，而該公司由李誠先生全資實益擁有。
4. 該等股份由中天國際股份有限公司持有，而該公司由王棟女士全資實益擁有。
5. 其指周勇先生根據本公司（作為發行人）與周勇先生（作為認購人）訂立日期為二零一七年四月十日之股份認購協議之認購義務。
6. 其指J. Thomson Asset Investment Limited根據本公司（作為發行人）與J. Thomson Asset Investment Limited（作為認購人）所訂立日期為二零一七年六月八日之股份認購協議之認購義務。
7. 其指J. Thomson Asset Investment Limited根據本公司（作為發行人）與J. Thomson Asset Investment Limited（作為認購人）所訂立日期為二零一七年四月十日之可換股債券協議之認購義務。

除上文所披露者外，於二零一九年三月三十一日，本公司並無獲知會有任何其他人士（董事或本公司主要行政人員除外）於股份或相關股份中擁有權益或淡倉而須記入根據證券及期貨條例第336條存置之登記冊內。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

Pursuant to the Share Option Scheme, the Directors may, at their discretion, offer to employees, directors of the Company or its subsidiaries and other eligible participants options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant.

An offer for the grant of options must be accepted within 28 days from the offer date. The amount payable by the grantee to the Company for each acceptance of grant of option(s) is HK\$1.

購股權計劃

根據購股權計劃，董事可酌情授出購股權予本公司或其附屬公司的僱員及董事及其他合資格人士，藉以根據該計劃規定的條款及條件認購本公司的股份。購股權之行使價為股份面值、股份於授出日期在聯交所所報之收市價，及股份於緊接授出日期前五個營業日在聯交所所報之平均收市價三者中之最高者。

購股權須於自要約日期起計二十八日內獲接納，承授人於接納授出購股權的要約時應向本公司支付1港元。

Name or category of grantees	Date of grant of share options	Adjusted Exercise Price		Number of share options				
		Price (HK\$)	Exercise Period	Balance as at 01.04.2018	Granted during the Year	Exercised during the Year	Share consolidation during the year	Balance as at 31.03.2019
承授人的姓名或類別	授出購股權的日期	經調整行使價(港元)	行使期間	於二零一八年四月一日之結餘	於本年度獲授出	於本年度獲行使	於本年度股份合併	於二零一九年三月三十一日之結餘
Substantial Shareholder								
主要股東								
Mr. Ma Qianzhou 馬乾洲先生	19/11/2009	1.71	19/11/2009-18/11/2019	35,540,100	-	-	(33,170,760)	2,369,340
Spouse of Substantial Shareholder								
主要股東配偶								
Ms. Zhao Yuebing 趙悅冰女士	19/11/2009	1.71	19/11/2009-18/11/2019	6,581,500	-	-	(6,142,734)	438,766
Employees In aggregate 僱員合計	19/11/2009	1.71	19/11/2009-18/11/2019	25,667,850	-	-	(23,956,658)	1,711,190
Total 總計				67,789,450	-	-	(63,270,152)	4,519,296

REPORT OF THE DIRECTORS

董事會報告

Note:

1. The share options granted are vested upon granted.
2. As a result of the Open Offer of the Company, adjustments are required to be made to the exercise prices and the number of the Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance dated 5 September 2005 regarding the adjustments to share options issued by the Stock Exchange. Details were set out in the Company's announcement dated 5 May 2017.
3. As a result of the share consolidation of the Company, adjustments are required to be made to the exercise prices and the number of the Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance dated 5 September 2005 regarding the adjustments to share options issued by the Stock Exchange. Details were set out in the Company's announcement dated 5 March 2019.

Details of the share option scheme of the Company are set out in note 28(ii) to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in note 32 to the consolidated financial statements.

The loans from Mr. Ma and Ms. Zhao Yuebing, directors of Taizhou Mining and thus connected persons of the Group, to Taizhou Mining were fully exempt connected transactions pursuant to Chapter 20 of the GEM Listing Rules as these were conducted on normal commercial terms or better and these were not secured by the assets of the Group.

附註：

1. 獲授之購股權乃於授出後歸屬。
2. 由於本公司的公開發售，須根據購股權計劃條款及條件、GEM上市規則第23.03(13)條及聯交所頒佈之有關調整購股權之日期為二零零五年九月五日之補充指引對行使價及因行使尚未行使購股權而須予發行之股份數目作出調整。有關詳情載於本公司日期為二零一七年五月五日之公佈。
3. 由於本公司的股份合併，須根據購股權計劃條款及條件、GEM上市規則第23.03(13)條及聯交所頒佈之有關調整購股權之日期為二零零五年九月五日之補充指引對行使價及因行使尚未行使購股權而須予發行之股份數目作出調整。有關詳情載於本公司日期為二零一九年三月五日之公佈。

本公司購股權計劃之詳情載於綜合財務報表附註28(ii)。

關連人士交易

日常業務過程中進行之關連人士交易之詳情載於綜合財務報表附註32。

根據GEM上市規則第20章，馬先生及趙悅冰女士（太洲礦業之董事，因此為本集團之關連人士）授予太洲礦業之貸款為完全獲豁免關連交易，原因為該等貸款按一般或更佳的商業條款進行且該等貸款並無由本集團資產作抵押。

REPORT OF THE DIRECTORS

董事會報告

The Directors consider that those material related party transactions disclosed in note 32 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders’ approval requirements under the GEM Listing Rules. The Directors confirmed that the Company has complied with the requirements in accordance with Chapter 20 of the GEM Listing Rules.

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits included provident fund scheme, share option scheme as well as discretionary bonuses. The determination of emoluments of the directors of the Company had taken into consideration of their respective experience, responsibilities in the Company and the prevailing market conditions.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total number of issued Shares was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 37(iii) to the consolidated financial statements and this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2019 end up to the date of approval of this report.

董事認為於綜合財務報表附註32披露之該等重大關聯交易並不符合GEM上市規則第20章「關連交易」或「持續關連交易」（視情況而定）之定義，而須遵守GEM上市規則項下的任何申報、公佈或獨立股東批准規定。董事確認本公司已遵守根據GEM上市規則第20章之規定。

薪酬政策

本集團根據僱員之表現、經驗及當前市場比率釐定僱員之薪酬。其他僱員福利包括公積金計劃、購股權計劃以及酌情花紅。釐定本公司董事薪酬時考慮彼等各自之經驗、於本公司之職責及當前市況。

充足的公眾持股量

根據本公司於公開渠道所得的資料及據董事所知，本公司於本報告日期的已發行股份總數的至少25%乃由公眾持有。

報告期後事項

除綜合財務報表附註37(iii)及本報告所披露者外，於二零一九年三月三十一日後直至本公告批准日期，董事並不知悉有任何須予以披露的重大事項。

REPORT OF THE DIRECTORS

董事會報告

AUDITOR

The consolidated financial statements for the Year were audited by GI CPA Limited.

GI CPA Limited was appointed as auditor to the Group on 11 January 2019 to fill the casual vacancy occasioned by the resignation of McMillan Woods SG CPA Limited with effect from 11 January 2019. The reason for the change of auditor was McMillan Woods SG CPA Limited did not have sufficient human resources to conduct the audit works of the Company.

GI CPA Limited term of office as auditor of the Company will expire at end of the forthcoming annual general meeting of the Company.

On behalf of the Board

Li Dahong

Chairman

Hong Kong, 27 June 2019

核數師

本年度之綜合財務報表已經智盈會計師事務所有限公司審核。

智盈會計師事務所有限公司於二零一九年一月十一日獲委任為本集團之核數師，以填補長青暉勝會計師事務所有限公司於二零一九年一月十一日起辭任造成之臨時空缺。變更核數師之原因為長青暉勝會計師事務所有限公司缺少充足人力資源以執行本公司之審核工作。

智盈會計師事務所有限公司擔任本公司核數師的任期將於應屆本公司股東週年大會結束時屆滿。

代表董事會

主席

李大宏

香港，二零一九年六月二十七日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain the highest standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding shareholder interests.

The principles of corporate governance adopted by the Group emphasize a quality board, sound internal control, and transparency and accountability to all its shareholders.

The Company has adopted the code provisions (the “**Code Provision(s)**”) set out in the Corporate Governance Code and Corporate Governance Report (the “Code”) set out in Appendix 15 to the GEM Listing Rules and the Company had complied with all Code Provisions as set out in the Code in the Year, except for the following deviation:

Code Provision A.2.1

Code Provision A.2.1 of the Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the Year, the role of the chairman of the Company is performed by Dr. Li, while the office of the chief executive is vacated following the retirement of Mr. Feng Jun on 11 September 2017. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the chief executive as appropriate.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the securities transactions by Directors on terms no less exacting than the Required Standard of Dealings. Having made specific enquiries of all Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Year.

企業管治常規

本公司致力於達致及維持最高標準的企業管治，由於其認為有效的企業管治常規對於提升股東價值及保障股東權益屬至關重要。

本集團採納的企業管治原則專注於優質的董事會、良好的內部控制及對其全體股東的透明性及問責性。

本公司已採納GEM上市規則附錄15所載企業管治守則及企業管治報告(「守則」)的守則條文(「守則條文」)及本公司於本年度已遵守守則所載的全部守則條文，惟以下偏離除外：

守則條文第A.2.1條

守則的守則條文第A.2.1條規定主席及行政總裁之角色應有所區分及不應由同一人士擔任。於本年度，本公司之主席角色由李博士擔任，而行政總裁職位於馮軍先生在二零一七年九月十一日退任後空缺。董事會將持續不時審閱董事會的現有架構，而倘覓得具備合適知識、技能及經驗之人選，本公司將適時進行委任以填補行政總裁之職位空缺。

董事進行證券交易

本公司已採納有關董事進行證券交易之行為守則，其條款不遜於交易規定準則。經向所有董事作出特定查詢後，全體董事已確認於本年度，彼等已遵守本公司所採納之交易規定準則及有關董事進行證券交易之行為守則。

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COMPANY SECRETARY

Mr. Lau Chun Pong, the Company Secretary, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the Company Secretary is responsible for facilitating communications among Directors as well as with senior management.

During the year ended 31 March 2019, the Company Secretary has undertaken more than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

BOARD OF DIRECTOR

The Board is responsible for the leadership and control of the Group, overseeing the Group's businesses, strategic decisions and performance, evaluating the performance of the Group and supervising the management. In addition, the Board reserves the authority to make final decisions for all major matters of the Company, including approving and monitoring of budgets, dividend payout, material transaction, preparation and release of financial information, appointment of Directors. The Board is also responsible for performing the corporate governance duties set out in Code Provision D.3.1 of the Code.

The Board had reviewed the compliance of Rules 5.46 to 5.67 of the GEM Listing Rules and disclosure in this Corporate Governance Report including the board diversity policy and effectiveness of the internal control systems. In order to enhance efficiency, the Board has delegated the day-to-day responsibilities and operations to the executive Directors and senior management who perform their duties under the leadership of the chairman of the Company.

公司秘書

公司秘書劉振邦先生負責就企業管治事宜向董事會提供意見並確保遵守董事會政策及程序、適用法例、規則及規例。所有董事均可獲得公司秘書的建議及服務以確保董事會進行議事程序及所有適用法律獲得遵守。此外，公司秘書負責促進董事之間以及高級管理層之間的溝通。

截至二零一九年三月三十一日止年度，公司秘書已根據GEM上市規則第5.15條進行了超過15小時的相關專業培訓。

董事會

董事會負責領導及管理本集團，監督本集團之業務、戰略決策及表現，評估本集團之表現及監督管理層。此外，董事會保留其在本公司所有重大事宜之最終決策權，包括批准及監察預算、股息分派、重大交易、編製及刊發財務資料以及委任董事。董事會亦負責履行守則中之守則條文第D.3.1條所載之企業管治職能。

董事會已檢討GEM上市規則第5.46條至第5.67條之遵守情況以及本企業管治報告之披露資料，包括董事會成員多元化政策以及內部監控系統之成效。為提高效率，董事會已將日常責任及營運授權予執行董事及高級管理層，而彼等於本公司主席領導下履行職責。

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BOARD COMPOSITION

The Board comprises six Directors, including three executive Directors and three independent non-executive Directors.

Details of their composition by category are as follows:

Executive Directors

Dr. Li Dahong (*Chairman*)

Ms. Ma Xiaona

Ms. Wang Hongyin

Independent Non-Executive Directors

Mr. Guo Wei

Mr. Lam Albert Man Sum

Mr. Jiang Quanming (resigned on 28 May 2018)

Mr. Cheung Wai Hung (appointed on 27 August 2018)

With the various experience of the executive Directors and independent non-executive Directors (the “INEDs”) and having regard to the nature of the Group’s business, the Company recognises the benefits of having a Board with well-balanced experience and qualifications to maintain a sustainable business development of the Group in the long run. In recognition of the Company’s commitment to a well-balanced Board, the nomination committee is entrusted to review the Company’s human resources policy and recruitment process to ensure the effectiveness of such policy.

The details of Directors and relationship between the board members are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 14 to 18 of this report.

董事會組成

董事會由六名董事組成，其中包括三名執行董事及三名獨立非執行董事。

其組成按類別劃分之詳情如下：

執行董事

李大宏博士(主席)

馬曉娜女士

汪宏音女士

獨立非執行董事

郭璋先生

林聞深先生

姜全明先生(於二零一八年五月二十八日辭任)

張偉雄先生(於二零一八年八月二十七日獲委任)

憑藉執行董事及獨立非執行董事(「獨立非執行董事」)的不同經驗以及考慮到本集團業務的性質，本公司深明董事會成員的經驗及資歷達致完善均衡對本集團維持業務長遠可持續發展的裨益。為協助本公司堅守對達致完善均衡的董事會的承諾，提名委員會獲委託負責審查本公司的人力資源政策及招聘程序，確保有關政策行之有效。

董事及董事會成員之間的關係之詳情載於本報告第14至18頁「董事及高級管理層履歷」一節。

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BOARD DIVERSITY POLICY

Pursuant to the Code, the Board has adopted a board diversity policy. The Company believes that board diversity is a key element for the Company to maintain sound corporate governance, realize sustainable development and achieve strategic objectives. The Company believes that board diversity enhances decision-making capability and a diverse board is more effective in dealing with organizational changes. The Company considers that the concept of diversity incorporates a number of different aspects, such as professional experience, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service. For the purpose of implementation of the board diversity policy, the following objectives were adopted:

Independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient caliber and stature for their views to carry weight.

Gender: The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, race, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

Nationality and ethnicity: To cope with the diversified portfolio of the Company's businesses, the Company aspires to having a board of directors of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the environment in which the Company operates its business.

董事會多元化政策

根據守則，董事會已採納董事會多元化政策。本公司認為董事會多元化乃本公司維持良好企業管治、實現可持續發展及達致策略目標的重要部分。本公司認為董事會多元化會提升決策能力及多元化的董事會能夠更有效地應對組織變動。本公司認為多元化的概念包括多個維度，例如專業經驗、業務眼光、技能、知識、性別、年齡、文化及教育背景、民族及服務年期。就執行董事會多元化政策而言，已採納以下目標：

獨立性：董事會應包括均衡的執行及非執行董事（包括獨立非執行董事）構成，以使董事會具備較強的獨立性。獨立非執行董事應具備相當的才幹及地位以使彼等的觀點具有影響力。

性別：本公司致力於在所有業務經營中營造一個無關性別的人本環境及在性別、身體或精神狀態、人種、國籍、宗教、年齡或家庭狀況方面實現一個零騷擾及歧視的工作環境。同樣的原則亦適用於為董事會就委任甄選潛在候選人。

國籍及民族：為應對本公司業務不同的組合，本公司致力於建立具備不同國籍或民族背景的董事會，其能夠對本公司經營其業務所在環境貢獻其知識及了解。

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Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities.

技能及經驗：董事會擁有適用於本公司業務要求的均衡技能。董事具備財務、學術及管理背景的組合，其在一系列業務中共同為本公司提供豐富的經驗。

Apart from the above objectives, the board diversity policy has the following measurable objectives to comply with the GEM Listing Rules:

除上述目標外，董事會多元化政策具有以下符合GEM上市規則的可計量目標：

1. at least one third of the members of the Board shall be independent non-executive Directors;
2. at least three of the members of the Board shall be independent non-executive Directors; and
3. at least one of the members of the Board shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

1. 至少三分之一的董事會成員應為獨立非執行董事；
2. 至少三名董事會成員應為獨立非執行董事；及
3. 至少一名董事會成員應具備適當的專業資格或會計或相關財務管理專業技能。

The Board has achieved the measurable objectives under board diversity policy as at 31 March 2019.

董事會於二零一九年三月三十一日已實現董事會多元化政策項下的可計量目標。

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DIRECTORS' ATTENDANCE AT MEETINGS

During the Year, 15 Board meetings and 2 general meetings were held. Set out below are the attendance records of all the Directors at the Company's board meetings, board committee meetings and general meetings held during the Year:

董事出席會議

本年度已舉行15次董事會會議及2次股東大會。全體董事於本年度舉行之本公司董事會會議、董事委員會會議及股東大會之出席記錄載列如下：

		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	General Meeting 股東大會
		Number of meetings attended/Number of meetings entitled to attend 出席會議次數/有權出席會議次數				
Executive Directors:	執行董事：					
Dr. Li Dahong	李大宏博士	15/15	-	-	-	2/2
Ms. Ma Xiaona	馬曉娜女士	15/15	-	4/4	4/4	2/2
Ms. Wang Hongyin	汪宏音女士	15/15	-	-	-	2/2
Independent Non-executive Directors:	獨立非執行董事：					
Mr. Guo Wei	郭瑋先生	15/15	5/5	4/4	4/4	2/2
Mr. Lam Albert Man Sum	林闡深先生	15/15	5/5	3/4	4/4	2/2
Mr. Jiang Quanming (resigned on 28 May 2018)	姜全明先生(於二零一八年五月二十八日辭任)	0/15	0/5	-	-	0/2
Mr. Cheung Wai Hung (appointed on 27 August 2018)	張偉雄先生(於二零一八年八月二十七日獲委任)	9/15	3/5	-	-	1/2

CORPORATE GOVERNANCE FUNCTION

According to Code Provision D.3 of the Code, the Board is responsible for performing the corporate governance duties of the Company. The Board has the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the Group's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and senior management of the Group;

企業管治職能

根據守則的守則條文第D.3條，董事會負責履行本公司的企業管治職責。董事會應具有以下有關履行本公司企業管治職責的職責及責任：

- 制定及審閱本集團有關企業管治的政策及常規；
- 審閱及監察本集團董事及高級管理層的培訓及持續專業發展；

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3. to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
 4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
 5. to review the Group's compliance with the Code and disclosure in the corporate governance report and in annual report of the Company.
3. 審閱及監察本集團有關遵守法定及監管規定的政策及常規；
 4. 制定、審閱及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
 5. 審閱本集團遵守守則的情況及本公司企業管治報告及年報的披露。

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the Code Provision A.6.5 under Appendix 15 to the GEM Listing Rules, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Each Director received induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is sufficiently aware of his responsibilities and obligations under the GEM Listing Rules and other relevant legal and regulatory requirements.

During the Year, all Directors participated in continuous professional development regarding their duties and responsibilities under the relevant legal and regulatory requirement which included reading materials in relation to legal or regulatory update and/or attending training courses.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

董事之培訓及專業發展

根據GEM上市規則附錄15項下的守則條文第A.6.5條，全體董事應參與持續專業發展以發展及更新彼等之知識及技能。此舉旨在保證彼等對董事會的貢獻屬知情及相關。各名董事於首次獲委任時將接受入職培訓，以保證彼對本集團的業務及經營具有適當了解及彼充分知悉彼於GEM上市規則及其他相關法律及監管規定項下之職責及義務。

於本年度，全體董事參與有關彼等於相關法律及監管規定項下之職責及責任的持續專業發展，其中包括閱讀有關法律或監管的最新資料及／或參加培訓課程。

獨立性之確認

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條作出的獨立性確認函，並認為全體獨立非執行董事屬獨立。

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CONFLICT OF INTEREST

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, such Director is required to declare his interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

BOARD COMMITTEES

During the Year, the Company had three committees, namely the Audit Committee, the remuneration committee of the Company (the “**Remuneration Committee**”), and the nomination committee of the Company (the “**Nomination Committee**”) to assist the Board in discharging its duties and responsibilities. The committees are provided with sufficient resources to discharge their duties and are able to obtain outside independent professional advice in connection with their duties at the Company’s expenses.

Audit Committee

The primary duties of the Audit Committee are to review the financial information of the Company, oversee the financial reporting process and risk management and internal control systems of the Group, maintain an appropriate relationship with the Company’s auditors and provide advice and comments to the Board.

The Audit Committee has written terms of reference that sets out its authorities and duties, which has been published on the websites of the Stock Exchange and the Company.

The Audit Committee comprises all independent non-executive Directors. Members of the Audit Committee during the Year and up to the date of this report is as follows:

Mr. Lam Albert Man Sum (*Chairman*)
Mr. Guo Wei
M. Jiang Quanming (resigned on 28 May 2018)
Mr. Cheung Wai Hung (appointed on 27 August 2018)

5 meetings had been held by the Audit Committee during the Year.

利益衝突

若有董事在董事會將予考慮的交易或建議中存有利益衝突，有關董事須申報利益及放棄投票。有關事項須經董事會會議考慮，由在交易中不存在重大利益的董事出席此會議。

董事委員會

於本年度，本公司設有三個委員會，分別為審核委員會、本公司薪酬委員會（「**薪酬委員會**」）及本公司提名委員會（「**提名委員會**」），以協助董事會履行其職務及職責。該等委員會獲提供充分資源履行其職務，並可取得有關其職務之外部獨立專業意見，費用由本公司承擔。

審核委員會

審核委員會之主要職責為審閱本公司財務資料及監察本集團的財務報告流程以及風險管理及內部監控系統，與本公司之核數師保持適當關係及向董事會提供建議及意見。

審核委員會之書面職權範圍列明其職權與職責，並已刊登於聯交所及本公司網站。

審核委員會由全體獨立非執行董事組成。於本年度及直至本報告日期，審核委員會成員如下：

林聞深先生(主席)
郭瑋先生
姜全明先生(於二零一八年五月二十八日辭任)
張偉雄先生(於二零一八年八月二十七日獲委任)

於本年度內，審核委員會曾舉行5次會議。

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The Audit Committee has reviewed and discussed with the management the audited consolidated financial statements for the year ended 31 March 2019, the unaudited condensed consolidated financial statements for the three months ended 30 June 2018, for the six months ended 30 September 2018 and for the nine months ended 31 December 2018, the accounting principles and practices adopted by the Group and auditing, risk management and internal control systems and financial reporting matters. The audited financial statements of the Group for the year ended 31 March 2019 have been reviewed by the Audit Committee.

Nomination Committee

The primary duties of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

The Board has adopted a board diversity policy setting out the approach to diversity of members of the Board. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

審核委員會審閱並與管理層討論截至二零一九年三月三十一日止年度之經審核綜合財務報表、截至二零一八年六月三十日止三個月、截至二零一八年九月三十日止六個月及截至二零一八年十二月三十一日止九個月之未經審核簡明綜合財務報表、本集團採納之會計原則及常規以及審核、風險管理及內部監控系統以及財務呈報事宜。本集團截至二零一九年三月三十一日止年度之經審核財務報表已經審核委員會審閱。

提名委員會

提名委員會之主要職責為審閱及監察董事會之架構、規模及成員構成，識別合資格人士擔任董事會成員，評估獨立非執行董事之獨立性及就委任或重新委任董事向董事會作出推薦建議。

董事會已採納一項董事會成員多元化政策，當中列明使董事會成員多元化之途徑。本公司肯定及深信董事會成員多元化的好處。其致力確保董事會維持適合本公司業務需要之均衡技能、經驗及多元化觀點。所有董事會任命將繼續於仔細考慮董事會成員多元化的好處後量才任命。甄選人選時將考慮多項多元化因素，包括(但不限於)性別、年齡、文化及教育背景、專業或其他經驗、技能及知識。最終決定將依據獲選對象之才能及將為董事會作出之貢獻而作出。

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NOMINATION POLICY

The Board has adopted the following policies for the nomination of directors.

Selection Criteria

In determining the suitability of a candidate, the Nomination Committee and the Board shall consider the potential contributions that a candidate can bring to the Board and/or the Group. The Nomination Committee would consider a candidate in terms of qualifications, skills, experience, independence and other factors. The following shows a non-exhaustive list of selection criteria:

- the candidate's race, reputation, character and integrity;
- the candidate's qualifications, skills, knowledge, business judgment and experience which are relevant to the operations of the Group;
- the relevant factors set out in the Board Diversity Policy (as amended from time to time);

Nomination Procedures

The evaluation, recommendation, nomination, selection and appointment or re-appointment of each proposed Director shall be assessed and considered by the Nomination Committee and the Board against the Selection Criteria and the Board Diversity Policy.

In the context of appointment of any proposed candidate to the Board:

- the Nomination Committee may take such measures that it considers appropriate in connection with its identification and evaluation of candidates, including referrals from the Directors, shareholders, management, advisors of the Company;

提名政策

董事會採用以下提名董事之政策。

甄選標準

當評估一名候選人是否合適時，提名委員會及董事會將考慮該候選人可為董事會及／或本集團帶來的潛在貢獻。提名委員會將考慮候選人的資歷、技能、經驗、獨立性及其他因素。以下為非詳盡無遺地列舉的甄選標準：

- 候選人的種族、名聲、品格及誠信；
- 候選人的資歷、技能、知識、商業判斷及與本集團業務相關的經驗；
- 董事會成員多元化政策所載的相關因素（經不時修訂）；

提名程序

每名候任董事的評審、建議、提名、甄選及委任或重新委任事宜應由提名委員會及董事會根據甄選準則及董事會成員多元化政策評估及考慮。

就向董事會委任任何建議候選人而言：

- 提名委員會可以採取其認為合適及相關的措施評估候選人，包括本公司董事、股東、管理及顧問的引薦；

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- the Nomination Committee shall identify and ascertain the character, qualification, knowledge and experience of the candidate and perform adequate due diligence in respect of such candidate; and
- the Nomination Committee shall make recommendations by submitting the candidate's personal profile to the Board for its consideration.
- 提名委員會應辨識並確定候選人的誠信、資格、專業知識和經驗，並就該候選人進行盡職調查；及
- 提名委員會應向董事會提交候選人的個人簡介作為建議，以供董事會考慮。

The Nomination Committee has written terms of reference that sets out its authorities and duties, which has been published on the websites of the Stock Exchange and the Company.

提名委員會之書面職權範圍列明其職權與職責，並已刊登於聯交所及本公司網站。

Members of the Nomination Committee during the Year and up to the date of this report are as follows:

於本年度內及直至本報告日期，提名委員會成員如下：

Mr. Guo Wei (*Chairman*)

郭瑋先生(主席)

Ms. Ma Xiaona

馬曉娜女士

Mr. Lam Albert Man Sum (appointed on 28 May 2018)

林聞深先生(於二零一八年五月二十八日獲委任)

M. Jiang Quanming (resigned on 28 May 2018)

姜全明先生(於二零一八年五月二十八日辭任)

For the Year, the Nomination Committee held 4 meeting.

於本年度，提名委員會曾舉行4次會議。

Summary of the work of the Nomination Committee during the Year was as follows:

提名委員會於本年度內的工作概述如下：

- To review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes;
- To identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individual shall be their ability to contribute to the effective carrying out by the Board of its responsibilities; and
- 檢討及監察董事會的架構、人數和組成(包括技能、知識及經驗)，並就任何擬作出的變動向董事會提供建議；
- 在董事會需要增加董事人數或填補董事會空缺時，負責物色及提名合資格的人選。董事會將以各候任人選能否協助其有效地履行責任，作為甄選的考慮準則；及

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- To make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

Remuneration Committee

The primary duty of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for the Directors and senior management of the Group. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee has written terms of reference that sets out its authorities and duties, which has been published on the websites of the Stock Exchange and the Company.

Members of the Remuneration Committee during the Year and up to the date of this report is as follows:

Mr. Guo Wei (*Chairman*)
Ms. Ma Xiaona
Mr. Lam Albert Man Sum (appointed on 28 May 2018)
M. Jiang Quanming (resigned on 28 May 2018)

4 meetings had been held by the Remuneration Committee during the Year.

Senior management's remuneration

Senior management's remuneration payment of the Group for the Year falls within the following band:

	Number of individuals	人數
Nil to HK\$1,000,000	2	零至 1,000,000 港元

- 就委任或重新委任董事以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提供建議。

薪酬委員會

薪酬委員會的主要職責是為制定本集團董事及高級管理層的薪酬政策及薪酬組合設立具透明度的程序。薪酬委員會在其採納之運作模式中擔任董事會之顧問角色，董事會保留批准各執行董事及高級管理層人士薪酬待遇之最終權力。

薪酬委員會之書面職權範圍列明其職權與職責，並已刊登於聯交所及本公司網站。

於本年度內及直至本報告日期，薪酬委員會成員如下：

郭瑋先生(主席)
馬曉娜女士
林聞深先生(於二零一八年五月二十八日獲委任)
姜全明先生(於二零一八年五月二十八日辭任)

於本年度，薪酬委員會曾舉行4次會議。

高級管理層薪酬

本集團於本年度的高級管理層薪酬付款處於以下範圍：

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AUDITORS' REMUNERATION

For the Year, the fees paid/payable to the auditor in respect of the audit and non-audit services were as follows:

Types of services	服務類別	Amount (HK\$) 金額(港元)
Annual audit services	年度審核服務	1,000,000
Non-audit services	非審核服務	30,000

DIVIDEND POLICY

The dividend policy of the Company is to distribute to its shareholder the funds surplus to the operating needs, current and future business development of the Group as determined by the Board. The Company may declare and pay dividends to the Shareholders subject to the criteria as set out below.

In accordance with the article of association of the Company and subject to the relevant laws of the Cayman Islands, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the Board determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the relevant laws under the Cayman Islands.

核數師酬金

於本年度內，已付／應付核數師有關審核及非審核服務之費用如下：

股息政策

本公司的股息政策旨在向股東派發經扣除董事會釐定之本集團營運所需、現時及未來業務所需後之資金盈餘。本公司可根據下文所載準則向股東宣派及派付股息。

根據本公司組織章程細則及在開曼群島相關法律所規限下，本公司可不時於股東大會向股東宣派以任何貨幣列值的股息，但宣派股息額不可超過董事會建議的數額。

股息可自本公司之溢利(已變現或未變現)或自董事認為不再需要之溢利中撥出之儲備中宣派及派付。經普通決案許可後，股息亦可自股份溢價賬或根據開曼群島相關法律可批准作此用途之任何其他資金或賬目做出宣派及派付。

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Subject to compliance with applicable laws, rule, regulations and the articles of association of the Company, in deciding whether to propose an dividend payout, the Board will take into account, among other things, the financial results, the earnings, losses and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effect on the credit lines, the capital requirements, the current and future development plans of the Company, the interests of the Shareholders, dividends received from the Company's subsidiaries and associate companies, and other factors that the Board considers relevant.

The Board will review the dividend policy from time to time and reserve its sole and absolute right to update, amend, modify and/or cancel the dividend policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

ACCOUNTABILITY

The Directors are responsible for preparation of financial statements which give true and fair view of the state of affairs, the results of operations and cash flows of the Group in compliance with accounting standards, the GEM Listing Rules, legal and statutory requirements in relation to financial reporting. In preparation of the financial statements for the three months ended 30 June 2018, for the six months ended 30 September 2018, for the nine months ended 31 December 2018 and for the year ended 31 March 2019, the Directors have adopted suitable accounting policies and applied them consistently. The financial statements for the year ended 31 March 2019 have been prepared on going concern basis. The statement of auditor about its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report.

受限於適用法律、規則、規例及本公司組織章程細則，在考慮是否建議派付股息時，董事會將考慮(其中包括)財務業績、盈利、虧損及可分派儲備、營運及流動資金需求、債務比率及對信貸額度之可能影響、資本需要、本公司之現時及未來發展計劃、股東利益、自本公司附屬公司及聯營公司收取之股息以及其他董事認為相關之其他因素。

董事會將不時檢討股息政策，並保留其更新、修訂、更改及／或取消股息政策之唯一及絕對權力。概不能保證將在任何指定期間派付任何特定金額之股息。

問責性

董事負責根據有關財務報告之會計準則、GEM上市規則、法律及法例規定，編製真實而中肯地反映本集團事務狀況、經營業績及現金流量之財務報表。董事於編製截至二零一八年六月三十日止三個月、截至二零一八年九月三十日止六個月、截至二零一八年十二月三十一日止九個月及截至二零一九年三月三十一日止年度之財務報表時，已採納適當會計政策並貫徹採用。截至二零一九年三月三十一日止年度之財務報表已按持續經營基準編製。核數師就其對綜合財務報表之匯報責任所作聲明載於獨立核數師報告。

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The Group requires sufficient funding for its working capital, debt repayment, further development and planned acquisitions. The Group currently faces limited financial resources and for the time being its net current liabilities are in the red, although there are no immediate concerns for solvency due to the nature of its current liabilities. Failure to obtain additional funding in a timely fashion however, may adversely affect the Group's operation and its development plan. The Group is now actively engaged in fund raising, talking to several interested investors/financiers, negotiating and comparing terms and conditions, and trying to close fund raising soon to significantly alleviate the current liability risks. At the same time, the Group is in a final stage to complete a new process plant. Furthermore the Group is to continue exploring investment opportunities for acquisitions for quality mining assets. The successful implementation of these measures would fundamentally improve the Group's financial position and address the current liabilities concerns.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has conducted an annual review on whether an internal audit department is required. Given the relatively simple corporate and operation structure, the Group currently does not have an internal audit function. Even though the Group does not maintain an internal audit function, the Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

本集團需要足夠資金用於其營運資金、償還債務、進一步發展及計劃收購。本集團目前財務資源有限，目前其淨流動負債處於負值狀態，惟由於其流動負債的性質，償付能力方面並無即時憂慮。然而，若無法及時獲得額外資金，可能會對本集團的運營及其發展計劃造成不利影響。本集團現積極開展集資活動，與多名感興趣的投資者／金融家進行協商，就條款及條件進行談判及比較，以盡快完成集資，大幅緩解當前的負債風險。同時，本集團現正處於完成新製煉廠的最後階段。此外，本集團將繼續探索收購優質礦業資產的投資機會。成功實施該等措施將從根本上改善本集團的財務狀況並解決當前的負債問題。

風險管理及內部監控系統

董事會整體負責評估及釐定其在實現本集團策略目標時能夠承擔的風險性質及程度，並保證本集團設立並維持適當及有效的風險管理及內部監控系統。風險管理及內部監控系統乃為管理（而非消除）未能達到業務目標的風險，亦只能就重大錯誤陳述或損失提供合理（而非絕對）的保證。

本集團已就是否需要設立內部審計部門進行年度審閱。鑒於本集團的公司及業務架構相對簡單，本集團現時並無內部審計職能。儘管本集團並無維持內部審計職能，董事會整體負責評估及釐定本集團達成策略目標所願意接納的風險性質及程度，並確保本公司設立及維持合適有效的風險管理及內部控制系統。

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The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Board performs annual reviews on any significant change of the business environment and establishes procedures to respond the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The Group has engaged an independent professional party (the “**IC Expert**”) to carry out internal audit functions by conducting an annual review of the effectiveness of the risk management and internal control systems during the reporting period. The scope of review included Corporate Governance, Financial Reporting, Sales and receipt, Purchase and payment, Human resources management cycle, Treasury management cycles and Information system. IC Expert has reported findings and areas for improvement to the Company. All recommendations from IC Expert have been adopted. The Group is committed to implementing the suggested improvement in the coming year and determined to establish and maintain adequate risk management and internal control processes.

審核委員會持續檢討對本集團而言屬重大的風險管理及內部監控。審核委員會將考慮有關本集團於會計、內部審核及財務呈報職能方面的員工及外部顧問的資源、資格及經驗以及培訓充足性。

本集團管理層負責設計、維持、執行及監察風險管理及內部監控系統以保證設有充足的監控保障本集團的資產及持份者的權益。

董事會將就任何業務環境的重大變動進行年度審核並制定程序應對因業務環境重大變動導致的風險。風險管理及內部監控系統旨在減輕業務的潛在損失。

本集團已委聘一名獨立專業人士(「**內部監控專家**」)透過對於報告期間內的風險管理及內部監控系統之成效進行年度檢討，從而履行內部審核職能。審核範圍包括企業管治、財務申報、銷售及收款、採購及付款、人力資源管理週期、庫務管理週期以及資訊系統。內部監控專家已向本公司匯報結果及須改進之處。內部監控專家的所有推薦建議均已獲採納。本集團致力於在來年實施所建議的改進並議決制定及維持合適的風險管理及內部監控程序。

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The Board approved and adopted an inside information policy and procedures for the handling and dissemination of inside information. The insider information policy provide the guidelines to the directors, management and relevant staff (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The procedures include, among others, regularly remind the directors, management and relevant staff about the compliance with the securities dealing restrictions as set out in the rules 5.48 to 5.67 of the GEM Listing Rules and the notification of the regular “Blackout Period”.

INVESTOR RELATIONS

The Company encourages two-way communications with its shareholders. Extensive information about the Company’s activities is provided in our quarterly, interim and annual reports to be sent to the shareholders. Enquiries from individuals on matters relating to their shareholdings or the business of the Company are welcomed and will be dealt with in an informative and timely manner. In order to promote effective communication, the Company maintains a website on which financial and other information relating to the Group and its business are disclosed.

SHAREHOLDERS’ RIGHTS

As one of the measures to safeguard shareholders’ interests and rights, separate resolutions are proposed at shareholders’ meetings on each substantial issue, including the election of individual Directors, for shareholders’ consideration and voting. All resolutions put forward at shareholders’ meetings will be voted by poll pursuant to the GEM Listing Rules and the poll results will be published on the websites of the Stock Exchange and the Company at “www.hkexnews.hk” and “<http://www.grandtg.com>”, respectively, after the relevant shareholders’ meetings.

董事會已就內幕消息的處理及發佈批准及採納內幕消息政策及程序。內幕消息政策為本集團董事、管理層及相關員工(有可能管有尚未發佈內幕消息)提供指引，確保本集團的內幕消息按適用法律法規，以平等及適時的方式向公眾發佈。程序包括(但不限於)定期提醒董事、管理層及相關員工遵守GEM上市規則第5.48條至第5.67條所載的證券買賣限制，以及定期通知「禁售期」。

投資者關係

本公司鼓勵與其股東的雙向溝通。有關本公司活動的大量資料乃於寄發予股東的季度、中期及年度報告中提供。個人可提出有關持股及本公司業務事項的問詢並將在知情及及時的情況下進行處理。為促進有效溝通，本公司設有網站披露有關本集團及其業務的財務及其他資料。

股東之權利

作為一項保障股東利益及權利之措施，在股東大會上會就每項重大議題(包括選舉個別董事)提呈之獨立決議案供股東考慮及表決。根據GEM上市規則，所有在股東大會上提呈之決議案均須以投票方式進行表決，投票表決之結果將於相關股東大會結束後分別刊載於聯交所網站(www.hkexnews.hk)及本公司網站(<http://www.grandtg.com>)。

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企業管治報告

Right to convene extraordinary general meeting

Any one or more shareholder of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post, together with his/her contact details, such as postal address, email or fax, to the principal office of the Company in Hong Kong for the attention of the Company Secretary.

Right to put forward proposals at general meetings

Shareholders may put forward proposals at general meetings of the Company by sending the same to the principal office of the Company in Hong Kong, specifying his/her information, contact details and the proposal(s) he/she intends to put forward at the general meeting regarding any specified transaction/business and the supporting documents.

召開股東特別大會之權利

於遞呈要求當日持有有權在本公司股東大會投票之本公司繳足股本不少於十分一之任何一名或多名本公司股東，有權隨時向董事會或本公司之秘書發出書面要求，要求董事會召開股東特別大會以處理書面要求內指定之任何事務；而有關會議須於有關要求發出後兩(2)個月內舉行。倘於有關遞呈後二十一(21)日內，董事會未有召開有關會議，則遞呈要求人士可自行以相同方式召開大會，而本公司須向遞呈要求人士償付所有由遞呈要求人士因董事會未能召開大會而產生之合理開支。

向董事會提出查詢之權利

股東有權向董事會提出查詢。所有查詢須以書面形式透過郵遞方式發出，並附帶股東之聯絡詳情（例如郵寄地址、電郵或傳真），送交本公司之香港主要辦事處，收件人註明為公司秘書。

於股東大會上提呈議案之權利

股東可於本公司股東大會上提呈議案，方法為將議案送交本公司於香港之主要辦事處，並註明彼之資料、聯絡詳情及彼就任何指定交易／事務而擬於股東大會上提呈之議案及支持文件。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

To the shareholders of Grand T G Gold Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

致大唐潼金控股有限公司股東

(於開曼群島註冊成立之有限公司)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Grand T G Gold Holdings Limited (the “Company”) and its subsidiaries (collectively “the Group”) set out on pages 67 to 176, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flows statement 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 March 2019, 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.

綜合財務報表審核報告

意見

吾等已審核載於第67至176頁之大唐潼金控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零一九年三月三十一日之綜合財務狀況表，以及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及包括重大會計政策概要之綜合財務報表附註。

吾等認為，綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年三月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已按香港公司條例妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 1 of the consolidated financial statements, as at 31 March 2019, the Group’s net current liabilities is approximately HK\$103,735,000. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The Group’s consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome as set forth in note 1 to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Material Uncertainty Related to Going Concern Section, we have determined the matters described below to be the key audit matters to be communicated in our report.

綜合財務報表審核報告 (續)

意見之基準

吾等按照香港會計師公會頒佈之香港核數準則（「香港核數準則」）進行審核工作。吾等於該等準則項下之責任進一步闡述於本報告核數師就審核綜合財務報表須承擔之責任一節。根據香港會計師公會之職業會計師道德守則（「守則」），吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能充分及適當地為吾等之意見提供基準。

與持續經營有關之重大不確定性

吾等提請注意綜合財務報表附註1，於二零一九年三月三十一日，貴集團之流動負債淨額約為103,735,000港元。該狀況表示存在會令 貴集團持續經營能力嚴重存疑之重大不確定性。貴集團之綜合財務報表乃按持續經營基準編製，而這一基準之有效性則取決於綜合財務報表附註1所載之成果。吾等不會就此事項修訂意見。

關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，對吾等審核本期綜合財務報表而言最為重要之事項。吾等於審核整體綜合財務報表及達致相關意見時處理該等事項，但不會就該等事項提供單獨意見。除與持續經營有關之重大不明朗因素一節所述之事項外，吾等已釐定將下述事項作為將於本報告中溝通之關鍵審核事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審核報告(續)

Key Audit Matters (Continued)

關鍵審核事項(續)

No.	Key Audit Matter
編號	關鍵審核事項

How our audit addressed the Key Audit Matter
吾等之審核如何處理關鍵審核事項

1	Assessment on the impact of current litigation cases which the Company or its subsidiary is being the Defendant.
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1	評估 貴公司或其附屬公司為其中被告的當前訴訟案件的影響。
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Refer to significant accounting judgements and estimates in note 4 and relevant disclosure in note 37
參閱附註4的重大會計判斷及估計及附註37的相關披露

Reference is made to certain announcements made by the Company during the year ended 31 March 2019 which the Company and/or its subsidiary is being the Defendant.

茲提述 貴公司於截至二零一九年三月三十一日止年度所作有關 貴公司或其附屬公司為被告的若干公佈。

We identified the above matter as a key audit matter due to the significant judgement made by the Directors in determining the possible outcome and implications on its financial statements.

吾等將上述事項確定為關鍵審核事項，原因是於釐定可能出現的結果及其對財務報表的影響時需要作出重大判斷。

Our audit procedures in relation to the assessment on the impact of current litigation cases.

就對當前訴訟案件影響的評估而言，吾等執行了如下審核程序。

- Directly access to the legal professional team of the Company handling the respective cases and obtain from the Company the relevant legal documentation regarding those cases.

- 直接與 貴公司辦理相關案件的法律專業團隊接觸辦及自 貴公司取得有關該等案件的相關法律文件。

- Discuss with the Company's management and the Company's legal team on their views and obtain the opinion from respective legal professional and review those supporting evidences that are applied to substantiate the position of the Company.

- 與 貴公司管理層及 貴公司的法律團隊就彼等意見展開討論，並取得各自的法律專業意見及審閱用於證實 貴公司地位的佐證。

- Consider the contingency of such cases and its potential financial impact that may have to cast on the consolidated financial statements.

- 考慮有關案件的偶然性及其可能對綜合財務報表產生的潛在財務影響。

- Assessing the adequacy of the Group's disclosure as set out in note 37 to the consolidated financial statements.

- 評估 貴集團於綜合財務報表附註37所作披露之準確性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審核報告(續)

Key Audit Matters (Continued)

關鍵審核事項(續)

No.	Key Audit Matter
編號	關鍵審核事項

How our audit addressed the Key Audit Matter
吾等之審核如何處理關鍵審核事項

2 Impairment assessment of property, plant and equipment, mining rights related assets and construction in progress.

2 物業、廠房及設備、採礦權相關資產及在建工程減值評估。

Refer to accounting policies in note 3(j) and significant accounting judgements and estimates in note 4.

參閱附註3(j)的會計政策及附註4的重大會計判斷及估計。

As at 31 March 2019, the Group had property, plant and equipment, mining rights related assets and construction in progress relating to the gold mining operation which amounted to approximately HK\$675,291,000, approximately HK\$50,305,000 and approximately HK\$51,433,000 respectively, which were allocated to the cash generating units "CGU" of gold mining operation. The impairment assessment of CGU of gold mining operation is a key audit matter due to its significance and judgement involved.

截至二零一九年三月三十一日，貴集團的物業、廠房及設備、採礦權相關資產及在建工程與黃金開採業務有關，分別為約675,291,000港元、約50,305,000港元及約51,433,000港元，獲分配至黃金開採業務現金產生單位(「現金產生單位」)。由於其重要性及涉及判斷，因此黃金開採業務現金產生單位減值評估為關鍵審核事項。

Our audit procedures in relation to the directors' impairment assessment included:

吾等就董事減值評估進行之審核程序包括：

- assessing management's identification of CGU of gold mining operation based on the Group's accounting policies and understanding of the Group's business;
- 根據貴集團之會計政策及對貴集團業務之了解評估管理層對黃金開採業務現金產生單位之識別；
- assessing value-in-use calculation methodology adopted by management;
- 評估管理層所採納之使用價值計算法；
- assessing and challenging the reasonableness of key assumptions (including mining costs, gold prices and discount rate) based on our knowledge of the business and industry; and
- 根據吾等對業務及行業的了解評估及質疑主要假設(包括開採成本、黃金價格及折讓率)的合理性；及

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審核報告 (續)

Key Audit Matters (Continued)

關鍵審核事項 (續)

No.	Key Audit Matter
編號	關鍵審核事項

How our audit addressed the Key Audit Matter
吾等之審核如何處理關鍵審核事項

3	Going concern
3	持續經營

Refer to note 1 to the consolidated financial statements.
茲提述綜合財務報表附註1。

As at 31 March 2019, the Group had net current liabilities of approximately HK\$103,735,000. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.
於二零一九年三月三十一日，貴集團的流動負債淨額約為103,735,000港元。該等情況顯示存在重大不確定性，可能對貴集團繼續持續經營之能力造成重大疑問。

- checking the mathematical accuracy of the value- in-use calculation in the management's impairment assessment.
- 查核管理層減值評估所採用使用價值計算之算數準確性。

We found that assumptions adopted in relation to the impairment assessment to be supportable and reasonable based on available evidence.

吾等發現，根據可用證據，就減值評估採用之假設屬有理據及合理。

Our procedures in relation to this matter included:
吾等有關該事宜的程序包括：

- We inspected and evaluated the Group's cash flow forecasts including its calculations and underlying key assumptions adopted. In addition, we compared actual cash flows with the forecasts for the period subsequent to 31 March 2019;
- 吾等檢查及評估貴集團的現金流量預測，包括其計算及所採用的相關主要假設。此外，吾等將實際現金流量與二零一九年三月三十一日後的預測進行比較；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審核報告(續)

Key Audit Matters (Continued)

關鍵審核事項(續)

No. Key Audit Matter

編號 關鍵審核事項

We have identified the above matter as a key audit matter because should the Group be unable to operate as a going concern, significant adjustments would have been made to the consolidated financial statements.

吾等已將上述事項確認為關鍵審核事項，原因是倘若貴集團無法按持續經營基準經營，則將就綜合財務報表作出重大調整。

How our audit addressed the Key Audit Matter

吾等之審核如何處理關鍵審核事項

- We obtained a copy of letter of financial support from a substantial shareholder of the Company, who intends to provide a credit line to the Group to finance its working capital requirements for the next twelve months;
- 吾等獲得貴公司主要股東的財務支持函副本，其擬向貴集團提供信貸額度，以為其未來十二個月的營運資金需求提供資金；
- We assessed the financial capability of the substantial shareholder as to whether the aforementioned credit line can be honoured; and
- 吾等已評估主要股東的財務能力，以確定上述信貸額度是否能夠兌現；及
- We assessed the risk if change in the assumptions, either individually or collectively, would lead to different conclusions.
- 倘假設的變動單獨或共同會導致不同的結論，吾等會評估風險。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Other Information

The directors of the Company are responsible for the Other Information. The Other Information comprises all the information in the Group's annual report (other than the consolidated financial statements and our auditor's report thereon) ("Other Information").

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

綜合財務報表審核報告 (續)

其他資料

貴公司董事須就其他資料負責。其他資料包括 貴集團年報(綜合財務報表及吾等就其發出之核數師報告書除外)所載之全部資料(「其他資料」)。

吾等對綜合財務報表之意見並不涵蓋其他資料，亦不對該等其他資料發表任何形式之鑒證結論。

就綜合財務報表之審核而言，吾等之責任是閱覽其他資料，並在此過程中考慮其他資料是否與綜合財務報表或吾等在審核過程中所獲之情況大不相同，或似有重大錯誤陳述。基於已執行之工作，倘吾等得出結論認為其他資料有重大錯誤陳述，則須報告該事實。吾等並無就此作出任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors 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 requirement 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.

綜合財務報表審核報告 (續)

董事及治理層就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之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之綜合財務報表，及落實其認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之任何重大錯誤陳述。

於編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並於適用情況下披露與持續經營有關之事項，及使用持續經營會計基礎，除非董事有意將 貴集團清盤或停業或別無其他實際之替代方案。

治理層負責監督 貴集團之財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional skepticism 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.

綜合財務報表審核報告 (續)

核數師就審核綜合財務報表須承擔之責任

吾等之目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告書。吾等根據雙方所協定之委聘條款僅向整體股東報告，除此之外本報告別無其他用途。吾等概不就本報告內容向任何其他人士承擔或負上任何責任。合理保證屬高度保證，但並非關於根據香港核數準則進行之審核總能發現某一存在之重大錯誤陳述之擔保。錯誤陳述可因欺詐或錯誤產生，倘個別或整體於合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定，則有關錯誤陳述被視為重大。

作為根據香港核數準則進行審核工作之一部分，吾等於整個審核過程中行使專業判斷並抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由欺詐或錯誤所導致之重大錯誤陳述風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證為吾等之意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或僭越內部控制，故因未能發現欺詐所導致之重大錯誤陳述風險高於因未能發現錯誤所導致者。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

綜合財務報表審核報告 *(續)*

核數師就審核綜合財務報表須承擔之責任 *(續)*

- 了解與審核有關之內部監控，以設計於各種情況下適當之審核程序，惟並非旨在對 貴集團內部監控之有效性發表意見。
- 評估董事所用會計政策之恰當性及所作會計估計及相關披露之合理性。
- 對董事採用持續經營會計基準之恰當性作出結論，並根據已獲得之審核憑證，確定是否存在與事件或情況有關之重大不明朗因素，可能令 貴集團之持續經營能力嚴重成疑。倘吾等得出結論認為存在重大不明朗因素，則須於核數師報告書中提請使用者注意綜合財務報表內之相關披露，或倘有關披露不足，則修訂吾等之意見。吾等之結論是基於截至核數師報告書日期所獲得之審核憑證。然而，未來事件或情況可能導致 貴集團不再持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

- 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

綜合財務報表審核報告 *(續)*

核數師就審核綜合財務報表須承擔之責任 *(續)*

- 評估綜合財務報表之整體呈報、架構及內容(包括披露資料)，以及綜合財務報表是否已公允反映相關交易及事件。
- 就 貴集團內實體或業務活動之財務資料獲得充足及適當之審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團之審核工作，並就審核意見承擔全部責任。

吾等與治理層溝通(其中包括)審核工作之計劃範圍、時間及重大審核發現，包括吾等於審核過程中所識別之內部監控之任何重大缺陷。

吾等亦向治理層提交聲明，表示吾等已遵守有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性之所有關係及其他事項以及相關防範措施(倘適用)。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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.

GI CPA Limited

Certified Public Accountants

WONG Wang Tai, Ivan

Practising Certificate Number: P02900

Hong Kong

27 June 2019

綜合財務報表審核報告 *(續)*

核數師就審核綜合財務報表須承擔之責任 *(續)*

從與治理層溝通之事項中，吾等決定對本期綜合財務報表之審核最為重要因而構成關鍵審核事項之事項。吾等在核數師報告書中描述該等事項，除非法律或法規不允許公開披露有關事項，或於極端罕見之情況下，倘合理預期在報告中溝通某事項造成之負面後果超過其產生之公眾利益，則吾等決定不應在報告書中溝通該事項。

智盈會計師事務所有限公司

執業會計師

黃宏泰

執業證書號碼：P02900

香港

二零一九年六月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Revenue	收益	6	163,829	215,446
Cost of sales	銷售成本		(86,308)	(117,745)
Gross profit	毛利		77,521	97,701
Other income and expenses, net	其他收入及開支，淨額	7	3,663	17,399
Selling and distribution expenses	銷售及分銷開支		(4,866)	(3,441)
Legal and resumption expenses	法律及復牌開支		-	(11,189)
Administrative expenses	行政開支		(32,695)	(40,841)
Operating results	經營業績		43,623	59,629
Finance costs	融資成本	8	(28,013)	(13,512)
Profit before tax	除稅前溢利	9	15,610	46,117
Income tax expense	所得稅開支	10	(7,849)	(11,948)
Profit for the year	年度溢利		7,761	34,169
Profit for the year attributable to:	年度溢利歸屬於：			
Equity holders of the Company	本公司權益持有人		33	15,290
Non-controlling interest	非控股權益		7,728	18,879
			7,761	34,169
			HK Cents	HK Cents
			港仙	港仙
				(Restated)
				(經重列)
Earnings per share	每股盈利			
Basic	基本	13(a)	-*	1.10
Diluted	攤薄	13(b)	-*	1.10

* Represent amount less than HK\$ cents 0.01

* 指少於0.01港仙的金額

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year	年度溢利	7,761	34,169
Other comprehensive income for the year:	年度其他全面收益：		
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能重新分類至損益之項目		
Exchange differences arising from translation of financial statements of overseas subsidiaries	因換算海外附屬公司財務報表而產生之匯兌差額	(23,984)	11,302
Total comprehensive income/ (expense) for the year	年度全面收入／(開支)總額	(16,223)	45,471
Total comprehensive income/ (expense) attributable to:	全面收入／(開支)總額歸屬於：		
Equity holders of the Company	本公司權益持有人	(24,903)	25,633
Non-controlling interest	非控股權益	8,680	19,838
		(16,223)	45,471

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019 於二零一九年三月三十一日

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	675,291	635,583
Mining rights related assets	採礦權相關資產	15	50,305	57,102
Construction in process	在建工程	14	51,433	53,790
			777,029	746,475
CURRENT ASSETS	流動資產			
Inventories	存貨	18	8,158	19,624
Promissory notes	承兌票據	19	4,000	-
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	20	16,555	23,974
Cash and cash equivalents	現金及現金等值項目	21	2,196	22,377
			30,909	65,975
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	22	31,691	102,172
Promissory notes	承兌票據	25	12,500	12,500
Tax payables	應付稅項		63,537	48,671
Bonds	債券	24	6,754	18,074
Interest-bearing borrowings	計息借貸	23	1,507	3,876
Convertible bonds	可換股債券	26	18,655	16,410
			134,644	201,703
NET CURRENT LIABILITIES	流動負債淨額		(103,735)	(135,728)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		673,294	610,747

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019 於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Bonds	債券	24	11,835	–
Interest-bearing borrowings	計息借貸	23	359,230	291,926
Deferred tax liabilities	遞延稅項負債	35	1,888	2,258
			372,953	294,184
NET ASSETS	資產淨值		300,341	316,563
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	89,807	89,807
Reserves	儲備	29	173,261	198,164
Equity attributable to equity holders of the Company	本公司權益持有人應佔 權益		263,068	287,971
Non-controlling interest	非控股權益		37,273	28,592
TOTAL EQUITY	權益總額		300,341	316,563

The financial statements on pages 67 to 176 were approved and authorised for issue by the board of directors on 27 June 2019 and are signed on its behalf by:

第67至176頁的財務報表於二零一九年六月二十七日獲董事會批准及授權刊發，並由下列董事代表簽署：

Li Dahong
李大宏
Director
董事

Ma Xiaona
馬曉娜
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔								
		Issued share capital	Share premium	Foreign currency translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Sub-Total	Non- controlling interest	Total
		已發行股本	股份溢價	外幣換算 儲備	購股權 儲備	可換股 債券儲備	累計虧損	小計	非控股權益	總計
		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
At 1 April 2018	於二零一八年四月一日	89,807	1,837,947	11,565	26,703	17,579	(1,695,630)	287,971	28,592	316,563
Net profit the year	年度純利	-	-	-	-	-	33	33	7,728	7,761
Other comprehensive income:	其他全面收入：									
Exchange differences arising from translation of financial statement of overseas subsidiaries	因換算海外附屬公司財務報 表所產生之匯兌差額	-	-	(24,936)	-	-	-	(24,936)	953	(23,983)
Total comprehensive income for the year	年度全面收入總額	-	-	(24,936)	-	-	33	(24,903)	8,681	(16,222)
At 31 March 2019	於二零一九年三月三十一日	89,807	1,837,947	(13,371)	26,703	17,579	(1,695,597)	263,068	37,273	300,341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔								
		Issued share capital	Share premium	Foreign currency translation reserve	Share option reserve	Convertible bonds reserve	Retained profit/ (Accumulated losses)	Sub-Total	Non- controlling interest	Total
		已發行股本	股份溢價	外幣換算 儲備	購股權 儲備	可換股 債券儲備	保留溢利/ (累計虧損)	小計	非控股權益	總計
		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
At 1 April 2017	於二零一七年四月一日	53,794	1,690,765	1,222	26,703	5,036	(1,710,920)	66,600	8,754	75,354
Issuance of shares upon open offer	因公開發售發行股份	26,897	104,766	-	-	-	-	131,663	-	131,663
Issuance of shares for debt capitalization	就債務資本化發行股份	9,116	42,416	-	-	-	-	51,532	-	51,532
Issuance of convertible bonds	發行可換股債券	-	-	-	-	15,022	-	15,022	-	15,022
Deferred tax liability upon recognition of equity component of convertible bonds	因確認可換股債券權益部分產 生之遞延稅項負債	-	-	-	-	(2,479)	-	(2,479)	-	(2,479)
Transaction with owner	與擁有人交易	36,013	147,182	-	-	12,543	-	195,738	-	195,738
Net profit the year	年度純利	-	-	-	-	-	15,290	15,290	18,879	34,169
Other comprehensive income:	其他全面收入：									
Exchange differences arising from translation of financial statement of overseas subsidiaries	因換算海外附屬公司財務報表 所產生之匯兌差額	-	-	10,343	-	-	-	10,343	959	11,302
Total comprehensive income for the year	年度全面收入總額	-	-	10,343	-	-	15,290	25,633	19,838	45,471
At 31 March 2018	於二零一八年三月三十一日	89,807	1,837,947	11,565	26,703	17,579	(1,695,630)	287,971	28,592	316,563

CONSOLIDATED CASH FLOWS STATEMENT

綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動的現金流量		
Profit before tax	除稅前溢利	15,610	46,117
Adjustments for:	就以下各項作出調整：		
Depreciation and amortisation	折舊及攤銷	34,568	29,625
Bonds interest	債券利息	515	1,294
Interest on loans	貸款利息	25,055	10,008
Gain on Waiver	豁免收益	(4,573)	(2,187)
Interest on convertible bonds	可換股債券利息	3,449	2,184
Loss on disposal of non-current asset	出售非流動資產之虧損	-	27
Loss on issue of shares	發行股份之虧損	-	6,837
Exchange difference	匯兌差額	3	(19,151)
Impairment loss on receivables	應收款項減值虧損	-	1,074
Operating result before working capital changes	於營運資金變動前的經營業績	74,627	75,828
Changes in inventories	存貨變動	10,553	59,053
Changes in deposits, prepayments and other receivables	按金、預付款項及其他應收賬項變動	6,432	(10,548)
Changes in trade and other payables	應付貿易賬款及其他應付賬項變動	(53,878)	(30,272)
Cash generated from operations	經營業務產生之現金	37,734	94,061
Oversea taxation paid	已付海外稅項	-	-
Net cash generated from operating activities	自經營活動產生之現金淨額	37,734	94,061
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(114,787)	(89,793)
Expenditure on mining rights related assets	採礦權相關資產開支	(1,146)	(717)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	23	268
Purchase of promissory notes	購買承兌票據	(4,000)	-
Net cash used in investing activities	投資活動所用之現金淨額	(119,910)	(90,242)

CONSOLIDATED CASH FLOWS STATEMENT

綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Proceeds from loans	來自貸款的所得款項	95,018	26,508
Repayment of loans	償還貸款	(38,053)	(145,581)
Proceeds from open offer	公開發售所得款項	-	131,664
Payment of convertible bond interest	支付可換股債券利息	(1,204)	(251)
Net cash generated from financing activities	融資活動所得現金淨額	55,761	12,340
NET CHANGE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目變動 淨額	(26,415)	16,159
Cash and cash equivalents at 1 April	於四月一日之現金及 現金等值項目	22,377	6,127
Effect of foreign exchange rate changes, net	匯率變動之影響淨額	6,234	91
CASH AND CASH EQUIVALENTS AT 31 MARCH	於三月三十一日之現金及 現金等值項目	2,196	22,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE INFORMATION

Grand T G Gold Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal place of business in Hong Kong is Room A–B, 8th Floor, Centre Mark II, 305–313 Queen’s Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal places of the business are in The People’s Republic of China (“PRC”) and Hong Kong. The principal activity of the Company is investment holding. Its subsidiaries (together with the Company collectively referred to as the “Group” hereinafter) are principally engaged in gold exploration, mining and mineral processing. Details of the principal activities of its subsidiaries are set out in note 17 to the consolidated financial statements.

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company, with values rounded to the nearest thousand. The functional currency of the Group’s only operating subsidiary Tungguan Taizhou Mining Company Limited (“Taizhou Mining”) is Renminbi (“RMB”).

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group’s net current liabilities of approximately HK\$103 million as at 31 March 2019. However, in the opinion of the Directors, the Group is able to maintain itself as a going concern in the coming year by taking into consideration the arrangements which include, but are not limited to, the following:

- (i) management will continue to control the operating costs and spend more efforts to increase more revenue with an aim to attain better operating cash flows; and

1. 公司資料

大唐滄金控股有限公司(「本公司」)根據開曼群島法例第22章公司法(一九六一年法律第3章, 經綜合及修訂)在開曼群島註冊成立為一間獲豁免有限公司。其香港主要營業地點為香港上環皇后大道中305–313號永業中心8樓A–B室。本公司股份在香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司的主要營業地點為中華人民共和國(「中國」)及香港。本公司之主要業務為投資控股。其附屬公司(連同本公司於下文統稱為「本集團」)之主要業務為黃金勘探、開採及礦物加工。有關其附屬公司主要業務的詳情載於綜合財務報表附註17。

財務報表以港元(「港元」)呈列, 港元亦為本公司之功能貨幣, 若干價值已四捨五入至最接近千位數。本集團唯一營運附屬公司潼關縣太洲礦業有限責任公司(「太洲礦業」)的功能貨幣為人民幣(「人民幣」)。

儘管本集團於二零一九年三月三十一日流動負債淨額達約103,000,000港元, 綜合財務報表仍按持續經營基準編製。然而, 董事經計及(但不限於)以下安排後認為, 本集團有能力於來年維持按持續基準經營:

- (i) 管理層將繼續控制經營成本, 並將投入更多精力使收益提高, 以期獲得更理想的經營現金流量; 及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE INFORMATION (Continued)

- (ii) the Company is in active fund raising,

Based on the aforesaid measures, the directors believe that upon closure of the current round of fund raising, the Company would significantly increase its current asset position and liquidity and are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which in collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are discussed in Note 3 below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 below provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

1. 公司資料(續)

- (ii) 本公司正積極進行融資活動，

基於上述措施，董事認為，本公司在本輪融資結束後之流動資產狀況將明顯改善，流動資金將大幅增加，並信納，按持續經營基準編製該等綜合財務報表屬恰當之舉。

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」，包括所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋的統稱)以及香港公認會計原則編製。該等綜合財務報表亦遵守聯交所GEM證券上市規則(「GEM上市規則」)之適用披露條文及香港公司條例(第622章)之披露規定。本集團所採納之重大會計政策於下文附註3討論。

香港會計師公會已頒佈於本集團本會計期間首次生效或可予提早採納之若干新訂及經修訂香港財務報告準則。下文附註2載列因初步應用本期及過往會計期間與本集團有關並已反映於該等綜合財務報表內之該等發展而導致的會計政策變動資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 April 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

- (i) HKFRS 9 Financial Instruments; and
- (ii) HKFRS 15 Revenue from Contracts with Customers

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

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018.

The application of HKFRS 9 did not affect the classification and measurement of the Group's loans and receivables as at 1 April 2018 which are continue to be measured at amortised cost after initial application. As a result, restatement of the opening accumulated losses, other components of equity and comparative information is not required.

2. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於二零一八年四月一日或之後開始之年度期間首次生效之新訂及經修訂香港財務報告準則。其中，以下發展與本集團綜合財務報表有關：

- (i) 香港財務報告準則第9號金融工具；及
- (ii) 香港財務報告準則第15號與客戶之合約收益

本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋。

香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計的條文。

本集團已按照香港財務報告準則第9號載列之過渡條文應用香港財務報告準則第9號，即對於二零一八年四月一日（首次應用日期）尚未終止確認之工具追溯應用分類及計量規定，及不對於二零一八年四月一日已終止確認之工具應用有關規定。

應用香港財務報告準則第9號對本集團於二零一八年四月一日貸款及應收款項的分類及計量並無影響，貸款及應收款項於初步應用後持續按攤銷成本計量。因此，無須重列期初累計虧損、其他權益部分及比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

2. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)
採納香港財務報告準則第9號導致以下本集團會計政策變動。

(a) 分類

自二零一八年四月一日起，本集團按以下計量類別對其金融資產進行分類：

- 其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)或按公平值計入損益(「按公平值計入損益」)計量；及
- 按攤銷成本計量。

分類取決於本集團管理金融資產及現金流量合約條款之業務模式。本集團僅於其管理該等資產的業務模式變動時重新分類金融資產。

就按公平值計量之資產而言，其收益及虧損將於損益或其他全面收入列賬。就並非持作買賣的權益性工具投資而言，此將取決於本集團是否不可撤銷地選擇於初始確認時列作按公平值計入其他全面收益的股本投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Measurement

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented in the statement of profit or loss.

2. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(a) 計量

於初步確認時，本集團按公平值計量金融資產，倘為並非按公平值計入損益計量的金融資產，則按收購金融資產直接應佔之交易成本計量。按公平值計入損益之金融資產之交易成本於損益支銷。

於釐定其現金流量是否僅為支付本金及利息時，本集團整體考慮包含嵌入式衍生工具之金融資產。

債務工具之其後計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團按三種計量類別分類債務工具：

- 攤銷成本：為收取合約現金流量而持有的資產，並且現金流量僅為支付本金及利息，該等資產按攤銷成本計量。該等金融資產的利息收入包含在其他收入內，並以實際利率法計算。任何因終止確認產生的收益或虧損直接於損益確認，並與外匯收益及虧損共同列示為其他收益／(虧損)。減值虧損於損益表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Measurement (Continued)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(a) 計量 (續)

- 按公平值計入其他全面收益：為收取合約現金流量並為出售金融資產而持有的資產，並且現金流量僅為支付本金及利息，該等資產按公平值計入其他全面收入計量。除減值收益或虧損、利息收入及外匯收益及虧損於損益確認外，賬面值的變動計入其他全面收入。當金融資產終止確認，之前於其他全面收入確認的累計收益或虧損由權益重分類至損益，於其他收益／(虧損)確認。該等金融資產的利息收入採用實際利息法計入其他收入。外匯收益及虧損於其他收益／(虧損)呈列，減值虧損於損益表呈列。
- 按公平值計入損益：不符合按攤銷成本或按公平值計入其他全面收益計量標準的資產乃按公平值計入損益計量。其後按公平值計入損益計量的債務投資之收益或虧損於損益確認，於產生期間於其他收益／(虧損)以淨額呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Measurement (Continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are continued to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income or administrative and other operating expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

The measurement categories for all financial liabilities of the Group remain the same and the carrying amounts for all financial liabilities of the Group as at 1 April 2018 have not been significantly impacted by the initial application of HKFRS 9.

(b) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(a) 計量 (續)

本集團其後按公平值計量所有股本投資。倘本集團管理層選擇於其他全面收入呈列股本投資之公平值收益及虧損，則其後於終止確認投資後不會將公平值收益及虧損重新分類至損益。來自有關投資之股息會於本集團之收款權利獲確立時繼續於損益中確認為其他收入。

按公平值計入損益計量之金融資產的公平值變動於損益表的其他收入或行政及其他經營開支確認(如適用)。按公平值計入其他全面收益計量之股本投資的減值虧損(及減值虧損撥回)不與其他公平值變動單獨呈報。

本集團所有金融負債的計量類別仍保持不變，初步應用香港財務報告準則第9號對本集團所有金融負債於二零一八年四月一日的賬面值並無重大影響。

(b) 減值

自二零一八年四月一日起，本集團按前瞻性基準評估按攤銷成本及按公平值計入其他全面收益列賬的金融資產相關的預期信貸虧損。減值方法的使用取決於信貸風險有否大幅上升。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued)

The Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the Group's receivables. There is no significant change in accumulated impairment loss at the date of initial adoption of HKFRS 9 as compared with that recognised under HKAS 39.

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018.

	Classification under HKAS 39	Classification under HKFRS 9	Carrying amount under HKAS 39	Carrying amount under HKFRS 9
Financial assets	香港會計準則 第39號項下之分類	香港財務報告 準則第9號項下 之分類	香港會計準則 第39號項下 之賬面值	香港財務報告 準則第9號項 下之賬面值
金融資產			HK\$'000 千港元	HK'000 千港元
Deposits, prepayments and other receivables (note)	Loans and receivables	Amortised cost	23,974	23,974
按金、預付款項及其他 應收賬項(附註)	貸款及應收款項	攤銷成本		
Cash and cash equivalents (note)	Loans and receivables	Amortised cost	22,377	22,377
現金及現金等值項目(附註)	貸款及應收款項	攤銷成本		

Note: These balances were classified as loans and receivables under HKAS 39 are now classified at amortised cost.

2. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 減值(續)

本集團應用香港財務報告準則第9號允許之簡易方法，當中要求自初步確認本集團應收款項起確認預期全期虧損。與根據香港會計準則第39號確認者相比，於初步採納香港財務報告準則第9號日期累計減值虧損並無重大變動。

下表及下文的隨附附註說明本集團各類金融資產於二零一八年四月一日在香港會計準則第39號項下之原計量類別及在香港財務報告準則第9號項下之新計量類別。

附註：根據香港會計準則第39號分類為貸款及應收款項的該等結餘現分類為按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

Under HKFRS 15, an entity is required to identify the performance obligations in the contract, determine the transaction price of the contract, allocate the transaction price to the performance obligations in the contract based on each performance obligation's standalone price, and recognise revenue when the performance obligations are satisfied.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference, if any, at the date of initial application is recognised in the operating retained profits (or other components of equity, as appropriate) and comparative information has not been restated. The initial adoption of HKFRS 15 did not have impact on the Group's opening retained profits and how the Group recognises its revenue.

2. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號與客戶之合約收益

香港財務報告準則第15號建立一個釐定是否確認收益、確認金額及時間的綜合框架。其取代香港會計準則第18號收益、香港會計準則第11號建造合約及相關詮釋。

根據香港財務報告準則第15號，實體須確定合約的履約責任、釐定合約的交易價、按各履約責任的單獨價格分配交易價格至合約的履約責任，以及於達成履約責任時確認收益。

本集團已追溯應用香港財務報告準則第15號，並於初步應用日期二零一八年四月一日確認初步應用該準則的累計影響。於初步應用日期之任何差額(如有)於期初保留溢利(或(如適用)於其他權益部分)確認，不會重列比較資料。初步採納香港財務報告準則第15號對本集團期初保留溢利及本集團收益確認方式並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after		於該日或之後 開始的會計 期間生效
HKFRS 16 Leases	1 January 2019	香港財務報告準則 第16號租賃	二零一九年 一月一日
HK(IFRIC) 23 Uncertainty over Income Tax Treatments	1 January 2019	香港(國際財務報告詮釋 委員會)詮釋第23號 所得稅處理的不確定 性	二零一九年 一月一日
Annual Improvements to HKFRSs 2015 -2017 Cycle	1 January 2019	香港財務報告準則於二 零一五年至二零一七 年週期之年度改進	二零一九年 一月一日
Amendments to HKAS 28 Long- term Interest in Associates and Joint Ventures	1 January 2019	香港會計準則第28號之 修訂於聯營公司及合 營企業的長期權益	二零一九年 一月一日

2. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團尚未提早應用於二零一八年四月一日開始之財政年度已頒佈但尚未生效之新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括以下可能與本集團相關之準則：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) New and revised HKFRSs in issue but not yet effective

(Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the three months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

HKFRS 16

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or finance leases.

2. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

本集團正在評估該等修訂本及新訂準則於初步應用期間預期之影響。本集團迄今為止已識別香港財務報告準則第16號可能對綜合財務報表產生重大影響之若干方面。預期影響之進一步詳情討論如下。儘管有關香港財務報告準則第16號之評估已大致完成，惟初步採納準則時產生之實際影響可能有所不同，原因是至今完成之評估乃根據本集團現時可得資料作出，而於本集團截至二零一九年六月三十日止三個月中期財務報告中初步應用準則前可能會識別其他影響。本集團亦可能變更其會計政策選擇(包括過渡選擇)，直至於中期財務報告初步應用準則。

香港財務報告準則第16號

香港財務報告準則第16號取代香港會計準則第17號租賃及相關的詮釋。新準則為承租人引入單一會計模型。對於承租人，現取消經營與融資租賃的區分，承租人將就所有租賃確認使用權資產及租賃負債(可就短期租賃及低價值資產的租賃選擇豁免)。香港財務報告準則第16號沿用香港會計準則第17號中出租人的會計要求而大致保持不變。因此，出租人將繼續將租賃分類為經營租賃或融資租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) New and revised HKFRSs in issue but not yet effective

(Continued)

HKFRS 16 (Continued)

HKFRS 16 is effective for annual periods beginning on or after 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The Group's leases of offices are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 30 to the consolidated financial statements, the Group's future minimum lease payments under non-cancellable operating leases for its offices and staff quarters amounted to a total of approximately HK\$965,000 as at 31 March 2019. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

2. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號 (續)

香港財務報告準則第16號於二零一九年四月一日或之後開始的年度期間生效。本集團擬採用簡化過渡法，並不會重列首次採納前一年的比較金額。

本集團的辦公室租賃目前分類為經營租賃，租賃付款(扣除從出租人收到的任何寬減後)在租賃期內按照直線法確認為開支。根據香港財務報告準則第16號，本集團可能須按未來最低租賃付款額現值確認和計量一項負債，並就該等租賃確認相應使用權資產。租賃負債的利息開支及使用權資產的折舊將會在損益內確認。本集團的資產及負債將會增加，而開支確認的時間亦將會因此而受到影響。

誠如綜合財務報表附註30所披露，於二零一九年三月三十一日，本集團於其辦公室及員工宿舍的不可撤銷經營租賃的未來最低租賃付款額合共約為965,000港元。本集團須作出更詳細的評估，以便考慮香港財務報告準則第16號內所提供的過渡寬免及折現影響後，確定該等經營租賃承擔產生的新資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) New and revised HKFRSs in issue but not yet effective

(Continued)

HKFRS 16 (Continued)

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

HK (IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

2. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號 (續)

除確認租賃負債及使用權資產外，本集團預計於初次採納香港財務報告準則第16號後將作出的過渡性調整將不重大。然而，上文所述會計政策的預期變動可能對本集團由二零一九年往後的綜合財務報表產生重大影響。

香港(國際財務報告詮釋委員會)詮釋第23號所得稅處理的不確定性

香港會計準則第12號所得稅的詮釋載列，在所得稅處理存在不確定因素時如何應用該準則。實體須決定具有不確定因素的稅務處理應單獨還是作為一個組合進行評估，這要視乎哪種方法能夠更好地預測對不確定因素的消除情況。實體將須評估稅務機關是否很可能會接受具有不確定因素的稅務處理。如果是，則會計處理將與實體的所得稅申報一致。然而，如果不是，則實體需要使用最有可能的結果或預期價值法去核算不確定因素的影響，這要視預期哪種方法能夠更好地預測對不確定因素的消除情況。

在更詳細的評估完成前，本集團無法估計詮釋對綜合財務報表的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The area involving critical judgement, and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March. Subsidiaries are entities over which the Group has control. Control is achieved when the company:

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investment; and
- (iii) has the ability to use its power to affect its returns.

3. 重大會計政策概要

綜合財務報表已根據歷史成本法編製，並已就若干按公平值列賬之金融工具之重估作出調整。

編製符合香港財務報告準則之財務報表時需要作出若干主要假設及估計，而管理層亦需要於應用會計政策之過程中進行判斷。涉及關鍵判斷以及就本財務報表而言屬重大之假設及估計所涉及之範疇於財務報表附註4披露。

於編製本財務報表時應用之重大會計政策載列如下：

(a) 綜合基準

綜合財務報表包括本公司及受其控制之實體（其附屬公司）截至三月三十一日之財務報表。附屬公司為受本集團控制之實體。於達致以下各項後則本公司取得控制權：

- (i) 能夠對投資對象行使權力；
- (ii) 承擔或享有來自其投資參與的可變回報；及
- (iii) 能夠行使其權力影響其回報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated statement of profit or loss and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

3. 重大會計政策概要(續)

(a) 綜合基準(續)

於評估本集團是否擁有控制權時，會考慮現時可行使或可轉換之潛在投票權之存在及影響。

附屬公司在控制權轉移至本集團之日全部綜合入賬，而在控制權終止之日起停止綜合入賬。

出售附屬公司之損益乃指出售所得款項與本集團所佔其資產淨值連同與該附屬公司有關之任何過往並未計入綜合損益表或於綜合損益表內確認之商譽以及任何相關累計匯兌儲備兩者間之差額。

集團內公司間之交易、交易結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓之資產發生減值，否則未變現虧損亦予以對銷。倘有需要時，附屬公司之會計政策會作出調整，以確保符合本集團採納之會計政策。

附屬公司業績及權益中的非控股權益分別於綜合損益表、損益及其他全面收益表、權益變動表及財務狀況表中單獨呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

3. 重大會計政策概要(續)

(b) 業務合併

本集團採用收購會計法入賬所有業務合併，不論是收購權益工具或其他資產。收購附屬公司所轉讓代價包括：

- 所轉讓資產的公平值
- 對所收購業務前擁有人產生的負債
- 本集團所發行的股權
- 或然代價安排產生的任何資產或負債公平值，及
- 任何先前存在的附屬公司股權的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債初步按其於收購日期的公平值計量(少數例外情況除外)。集團按逐項收購基準，以公平值或以非控股權益按比例分佔被收購實體可識別資產淨值確認任何於被收購實體的非控股權益。

收購相關成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business Combination (Continued)

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

3. 重大會計政策概要(續)

(b) 業務合併(續)

以下項目

- 所轉讓代價，
- 任何於被收購實體的非控股權益金額，及
- 任何先前於被收購實體的股權於收購日期的公平值

超出所收購可識別資產淨值的公平值時，其差額列賬為商譽。倘該等金額低於所收購業務可識別資產淨值的公平值，則差額直接於損益中確認為議價購買。

或然代價分類為權益或金融負債。分類為金融負債的金額其後將重新計量至公平值，而公平值變動於損益中確認。

倘業務合併分階段進行，則收購方先前持有的被收購方股權於收購日期的賬面值重新計量至於收購日期的公平值。因該項重新計量產生的任何收益或虧損於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Goodwill

Goodwill is measured as described in note 3(b). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whether there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rate on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

3. 重大會計政策概要(續)

(c) 商譽

商譽按附註3(b)所述計量。商譽不作攤銷，惟每年或於有事件或情況變化顯示其可能出現減值時更頻密地進行減值測試，並按成本減累計減值虧損列賬。出售實體的收益及虧損包括與所出售實體有關的商譽賬面值。

因收購業務而產生撥充資本之商譽會於綜合財務狀況表內分開呈列。

為測試減值，收購所產生之商譽分配予預期各個受惠於收購所產生協同效益之相關現金產生單位或現金產生單位組別。已獲分配商譽之現金產生單位會每年或於有跡象顯示單位可能出現減值時評估減值。就於某一財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額少於單位之賬面值，則首先分配減值虧損以扣減分配至該單位之任何商譽之賬面值，其後根據該單位各項資產之賬面值按比例分配至該單位之其他資產。商譽減值虧損直接於綜合損益表確認。商譽減值虧損不會於往後期間撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of gold concentrate and other metallic products is recognised when control of the goods has transferred, being when the goods have been shipped to the buyer's specific location (delivery). Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the buyer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

3. 重大會計政策概要(續)

(d) 收益確認

本集團於產品或服務的控制權按本集團預期有權獲取的承諾代價金額(不包括代第三方收取的金額)轉移至客戶時確認收益。收益不包括增值稅或其他銷售稅,並扣除任何貿易折扣。

來自銷售精金礦及其他金屬產品的收益乃於貨品控制權轉移時(即貨品付運至買方指定的地點(交付)時)確認。交付後,買方可完全自行決定銷售貨品的分銷方式及價格,於銷售貨品時承擔主要責任,並承擔與貨品相關的過時及損失風險。當貨品交付買方時,本集團確認應收款項,原因為收取代價之權利於此時間點為無條件,僅須待時間過去方可收取款項。

利息收入於其應計時按實際利率法計算確認。對於以攤銷成本計量的金融資產或按公平值計入其他全面收益而不作信貸減值的金融資產(可撥回),實際利率適用於資產的總賬面金額。就信貸減值金融資產而言,實際利率適用於資產的攤銷成本(即扣除虧損撥備的總賬面值)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue recognition (Continued)

Policy prior to 1 April 2018

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably as follows:

- i) sales of gold concentrate and other metallic products are recognised when the goods are delivered and the risk and rewards of ownership have passed to the customer;
- ii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(e) Property, plant and equipment

Property, plant and equipment including buildings held for own use which are situated on leasehold land classified as held under operating leases are stated at cost less accumulated depreciation and impairment losses.

Cost of self-constructed properties are classified as property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overhead.

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

3. 重大會計政策概要(續)

(d) 收益確認(續)

於二零一八年四月一日之前的政策

收益按已收或應收代價之公平值計量，並於經濟利益可能流向本集團及收益能可靠計量時按以下基準確認：

- i) 銷售精金礦及其他金屬產品於交付貨品及向客戶轉移擁有權之風險及回報時確認；
- ii) 利息收入乃根據未償還本金及適用利息按時間比例確認。

(e) 物業、廠房及設備

物業、廠房及設備(包括位於分類為根據經營租賃持有的租賃土地上的持作自用樓宇)按成本減累計折舊及減值虧損列賬。

分類為物業、廠房及設備之自建物業之成本包括物料成本、直接勞工、對拆卸及拆除項目及整修物業所在工地之成本之初步估計(如相關)以及適當比例之生產間接開支。

因物業、廠房及設備項目報廢或出售所產生的收益或虧損，按出售所得款項淨額與有關項目賬面值兩者之間的差額釐定，並於報廢或出售當日於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

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

- Freehold land is not depreciated.
- Buildings situated on freehold land are depreciated over their estimated useful life, being no more than 50 years after the date of completion.
- Leasehold land classified as held under finance leases is depreciated over the unexpired term of lease.
- 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.
- Plant and machinery 10 – 30 years
- Others 3 – 10 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated statement of profit or loss.

3. 重大會計政策概要(續)

(e) 物業、廠房及設備(續)

折舊乃採用直線法按其估計可使用年期計算，以撇銷物業、廠房及設備項目之成本減去其估計剩餘價值(如有)，茲述如下：

- 永久業權土地不會折舊。
- 位於永久業權土地之樓宇按其估計可使用年期折舊，為不多於完成日期後五十年。
- 分類為持作融資租賃之租賃土地按未到期租約折舊。
- 位於租賃土地之樓宇按未到期租約及其估計可使用年期(較短者)折舊，為不多於完成日期後五十年。
- 廠房及設備10至30年
- 其他3至10年

倘物業、廠房及設備項目之各部分有不同之可使用年期，則項目成本乃按合理基準分配至各部分，而各部分會作為單獨項目而折舊。資產之可使用年期及其剩餘價值(如有)均每年審閱。

物業、廠房及設備項目於出售或預期使用有關項目不會產生未來經濟利益時終止確認。出售或報廢資產之收益或虧損為有關資產出售所得款項淨額與賬面值兩者間之差額，並於綜合損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of an intangible assets are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

(g) Mining rights

Mining rights with definite useful lives are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation is provided using the unit of production method based on the actual production volume over the estimated total proved and probable reserves of the ore.

(h) Exploration and evaluation assets

These are stated at cost less impairment loss. Exploration and evaluation assets included topographical and geological survey drilling, exploratory drilling, sampling and trenching and expenditure incurred for the technical feasibility studies and incurred to secure further mineralisation in the mine ore. Expenditure incurred prior to obtaining the exploration and evaluation rights to explore an area are written off as expense as incurred. Once the technical feasibility and commercial viability of extracting the mineral resource had been determined and that the project reaches development phase, exploration and evaluation costs capitalised are amortised. If exploration property is abandoned during the evaluation stage, the total expenditure thereon will be written off.

3. 重大會計政策概要(續)

(f) 無形資產

分開收購有確定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。有確定可使用年期之無形資產於其估計可使用年期按直線法計提攤銷。此外，不確定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

終止確認無形資產所產生之收益或虧損按出售所得款項淨額與資產賬面值之差額計量，並於終止確認資產時在綜合損益表確認。

(g) 採礦權

有確定可使用年期之採礦權按成本減累計攤銷及任何累計減值虧損列賬。攤銷乃按礦石之估計總探明及可能儲量根據實際產量使用生產單位法撥備。

(h) 勘探及評估資產

勘探及評估資產按成本減減值虧損列賬。勘探及評估資產包括地形及地質勘察鑽井、勘探鑽井、取樣、槽探及就技術可行性研究產生之開支，以及為取得礦體之其他礦化物而產生之開支。於取得勘探及評估權勘探某區域前產生之開支作為已產生開支撇銷。開採礦產資源之技術及商業可行性一經釐定及項目進入其發展階段，已資本化之勘探及評估成本予以攤銷。倘勘探物業於評估階段被廢除，則有關開支總額將被撇銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Exploration and evaluation assets (Continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amounts of exploration and evaluation assets may exceed its recoverable amount.

(i) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance lease charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense on a straight-line basis over the lease term.

Prepaid land lease payments under operating leases are up-front payments to acquire long — term interests in lessee-occupied properties. Prepaid land lease payments are stated at cost less accumulated amortisation and any impairment losses and are amortised to the consolidated statement of profit or loss over the remaining lease terms on a straight-line basis.

3. 重大會計政策概要(續)

(h) 勘探及評估資產(續)

勘探及評估資產於出現勘探及評估資產賬面值可能超出其可收回金額之事實及情況時評估減值。

(i) 租賃

凡租賃條款將擁有權之絕大部分風險及回報轉移至承租人之租賃均列為融資租賃。所有其他租賃均列為經營租賃。

根據融資租賃持有之資產按公平值或最低租賃付款現值兩者之較低者(均於租賃開始時釐定)確認為本集團之資產。對出租人之相應責任在綜合財務狀況表內列作融資租賃承擔。租賃付款在融資支出及租賃承擔減少之間作出分配,以就負債餘額得出一個固定利率。融資租賃支出直接於損益扣除,除非其直接屬於合資格資產者,在此情況下,均依據本集團有關借貸成本之一般政策撥作資本。

根據經營租賃應付之租金於有關租賃期間按直線法在損益中扣除。作為訂立經營租賃獎勵之已收及應收利益於租賃期間按直線法確認為租金開支扣減。

經營租賃之預付土地租賃付款乃購入由承租人所佔用物業之長期權益之預付款項。預付土地租賃付款按成本減累計攤銷及任何減值虧損列賬,並於餘下租賃期內按直線法在綜合損益表中攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

(k) Inventories

Gold Mining Division

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

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

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

3. 重大會計政策概要(續)

(j) 有形及無形資產之減值

於各結算日，本集團檢討其有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘資產之可收回款額估計較其賬面值少，則資產之賬面值須減至其可收回款額。任何減值虧損均即時被確認為一項支出。

倘減值虧損隨後撥回，則資產之賬面值須增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超逾該資產於過往期間在並無已確認減值虧損之情況下所應釐定之賬面值。任何減值虧損之回撥均即時確認為一項收入。

(k) 存貨

黃金業務部門

存貨按成本及可變現淨值兩者之較低者入賬。

成本使用加權平均成本公式計算，並包括一切購買成本、轉換成本以及使存貨達致目前地點及狀況所產生之其他成本。

可變現淨值指於日常業務過程中之預計售價減預計完成成本及估計所需銷售成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 重大會計政策概要(續)

(i) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。直接歸屬於收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)的交易成本，於初始確認時計入金融資產或金融負債的公平值或自該等公平值中扣除(倘適用)。直接歸屬於收購按公平值計入損益的金融資產或金融負債的交易成本，即時於損益中確認。

本集團僅於自一項金融資產產生現金流量的合約權利到期時，或於其將金融資產以及該資產絕大部分的所有權風險及回報轉讓予其他實體時終止確認該項資產。倘本集團並未轉讓亦未保留絕大部分所有權風險及回報並繼續控制已轉讓資產，則本集團確認其於該項資產的保留權益並就其須支付的金額確認相關負債。倘本集團保留一項已轉讓金融資產的絕大部分所有權風險及回報，則本集團繼續確認該項金融資產並亦就已收到的款項確認一項有抵押借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. 重大會計政策概要(續)

(l) 確認及終止確認金融工具(續)

本集團於且僅於本集團的責任獲履行、取消或已到期時終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價(包括任何已轉讓的非現金資產或已承擔的負債)之差額於損益中確認。

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並於資產負債表報告其淨額。法定可執行權利不得依賴未來事件而定，而在一般業務過程中以及倘公司或交易對手出現違約、無償債能力或破產時，亦必須具有約束力。

金融資產

所有以常規方式購買或出售之金融資產均於交易日期確認及終止確認。以常規方式購買或出售金融資產要求於市場法規或慣例所確定之時間框架內交付資產。視乎金融資產的分類，所有已確認金融資產其後全面按攤銷成本或公平值進行計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Recognition and derecognition of financial instruments (Continued)

Financial assets (Continued)

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

3. 重大會計政策概要(續)

(I) 確認及終止確認金融工具(續)

金融資產(續)

債務投資

本集團持有的債務投資分類為以下其中一個計量類別：

- 攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲取本金及利息付款。投資所得利息收入乃使用實際利率法計算。
- 按公平值計入其他全面收益 — 可撥回，倘投資的合約現金流量僅包括本金及利息付款，且投資乃按其目的為同時收取合約現金流量及出售的業務模式持有。公平值變動於其他全面收益確認，惟預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損則於損益確認。當投資被終止確認，於其他全面收益累計的金額從權益撥回至損益。
- 按公平值計入損益，倘投資不符合按攤銷成本計量或按公平值計入其他全面收益(可撥回)的標準。投資的公平值變動(包括利息)於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Recognition and derecognition of financial instruments (Continued)

Financial assets (Continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

3. 重大會計政策概要(續)

(I) 確認及終止確認金融工具(續)

金融資產(續)

權益投資

於權益證券的投資分類為按公平值計入損益，除非權益投資並非持作買賣用途，且本集團於初始確認投資時選擇將投資指定為按公平值計入其他全面收益(不可撥回)，令公平值之其後變動於其他全面收益確認。該選擇乃按逐項工具基準作出，惟僅會在有關投資符合發行人的權益定義時作出。作出該選擇時，於其他全面收益累計的金額仍然留在公平值儲備中(不可撥回)，直到出售投資。出售時，於公平值儲備累計的金額(不可撥回)轉至保留溢利，而不會透過損益撥回。來自於權益證券投資的股息(不論分類為按公平值計入損益或按公平值計入其他全面收益)均於損益內確認為其他收入。

金融負債

金融負債及權益工具乃根據所訂立合約安排之實質內容及香港財務報告準則中金融負債及權益工具之定義予以分類。權益工具為可證明經扣除其所有負債後於本集團資產之餘額權益之任何合約。就特定金融負債及權益工具採納之會計政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial instruments (Continued)

Financial liabilities (Continued)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Interest-bearing borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Trade and other payable

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Convertible notes that contain an equity component

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

3. 重大會計政策概要(續)

(l) 金融工具(續)

金融負債(續)

(i) 借貸

借貸初步按公平值扣除所產生之交易成本確認，其後則按攤銷成本列賬。所得款項(扣除交易成本後)與贖回價值之任何差額採用實際利息法於借貸期間內於綜合損益表確認。

計息借貸分類為流動負債，除非本集團擁有無條件權利將結清負債之限期延遲至申報日期後最少12個月則作別論。

(ii) 應付貿易賬款及其他應付賬項

應付貿易賬款及其他應付賬項呈列為流動負債，除非付款並非於報告期後12個月內到期。該等款項初步按其公平值確認，其後使用實際利率法按攤銷成本計量。

(iii) 包含權益部分的可換股票據

包含權益部分的可換股票據
倘可換股票據的持有人有權選擇將票據轉換為權益股本，而且轉換時所發行股份的數目和所收取的代價價值不會改變，此等票據便會列作複合金融工具。複合金融工具包含負債部分和權益部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial instruments (Continued)

Financial liabilities (Continued)

(iii) *Convertible notes that contain an equity component (Continued)*

At initial recognition the liability component of the convertible notes is measured at fair value based on 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. The equity component is initially recognised at the difference between the fair value of the convertible notes as a whole and the fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

3. 重大會計政策概要(續)

(l) 金融工具(續)

金融負債(續)

(iii) *包含權益部分的可換股票據(續)*

初始確認時，可換股票據的負債部分是以與不附帶轉換權的同類負債初始確認時適用的市場利率計算折現的未來利息和本金付款的現值為基礎，按公平值計量。權益部分初始確認為整體可換股票據的公平值與負債部分的公平值之間的差異。發行複合金融工具的相關交易成本會按照所得款項的分配比例分配至負債和權益部分。

負債部分其後以攤銷成本列賬。就負債部分在損益中確認的利息支出是以實際利率法計算。權益部分則在資本儲備中確認，直至票據被轉換或贖回為止。

倘票據被轉換，資本儲備及負債部分的賬面值會於轉換時轉入股本及股份溢價，作為已發行股份的代價。倘票據被贖回，則將資本儲備直接解除至保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

(n) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

(o) Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each date of the statement of financial position, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the date of the statement of financial position. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 重大會計政策概要(續)

(m) 抵銷金融工具

倘現時存在一項可強制執行的法定權利以抵銷已確認金額，且有意以淨額結算或同時變現資產及清償負債，則金融資產可與金融負債互相抵銷，並將淨額列入財務狀況表內。

(n) 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目為銀行及手頭現金、銀行及其他金融機構之活期存款及可隨時兌換為可知數額現金且價值變動風險不大之短期高流動性投資。

(o) 外幣換算

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃以交易日期當時之匯率按相關功能貨幣(即該實體經營業務之主要經濟環境之貨幣)入賬。於各財務狀況表日期，以外幣列值之貨幣項目以財務狀況表日期之匯率重新換算。以外幣列值且按公平值列賬之非貨幣項目，以釐定公平值當日之匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currency translation (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised directly in equity, in which cases, the exchange differences are also recognised in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Groups foreign operations are translated into the presentation currency of the Company at the rate of exchange prevailing at the reporting date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(p) Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

3. 重大會計政策概要(續)

(o) 外幣換算(續)

結算貨幣項目及換算貨幣項目所產生匯兌差額於產生期間於損益確認。重新換算按公平值列賬之非貨幣項目所產生匯兌差額計入期內損益，惟重新換算損益直接於權益確認之非貨幣項目產生之差額則除外，於此情況下，匯兌差額亦於權益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按申報日期之匯率換算為本公司之呈報貨幣，而收入及開支項目乃按年內平均匯率換算，惟年內匯率出現重大波動除外，於此情況下，則將採用交易當日之匯率。所產生匯兌差額(如有)確認為權益之獨立部分(匯兌儲備)。有關匯兌差額於該項海外業務出售期間在損益確認。

(p) 借貸成本

收購、建設或生產任何合資格資產所產生之借貸成本，於完成建設及將資產達致擬定用途所需時間期限內資本化。合資格資產為需要長時間達到擬定用途或銷售狀況之資產。其他借貸成本於產生時計為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing costs (Continued)

Borrowing costs are capitalised as part of the cost of a qualifying asset 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 being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

(q) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

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

3. 重大會計政策概要(續)

(p) 借貸成本(續)

作為合資格資產成本一部分之借貸成本在資產開支產生時、借貸成本產生和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的絕大部分準備工作完成時，借貸成本便會停止資本化。

(q) 僱員福利

(i) 短期僱員福利

短期僱員福利乃指預計在僱員提供了相關服務的年度呈報期末後十二個月以前將全數結付的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度內確認。

(ii) 界定供款退休計劃

對界定供款退休計劃的供款於僱員提供服務時於損益內確認。

(iii) 離職福利

離職福利乃於本集團不能撤回所提供的福利時及本集團確認涉及離職福利付款的重組成本時(以較早者為準)確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Employee benefits (Continued)

(iv) 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 binomial lattice 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 the 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 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 included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

3. 重大會計政策概要(續)

(q) 僱員福利(續)

(iv) 以股份為基礎的付款

授予僱員的購股權的公平值乃確認為僱員成本，而權益賬內的資本儲備會相應增加。公平值乃使用二項模式，經考慮授出購股權的條款及條件於授出日期予以計量。倘僱員於無條件取得購股權前符合歸屬條件，購股權的總估計公平值乃於歸屬期內經考慮購股權將會歸屬的可能性分攤。

於歸屬期間內，預期會歸屬的購股權數目會被審閱。任何對於過往年度確認的累計公平值的所得調整乃於審閱年度自損益扣除／計入損益，除非原僱員開支符合資格確認為資產，並對資本儲備作出相應調整。於歸屬日期，確認為開支的金額乃調整以反映歸屬的購股權的實際數目（並對資本儲備作出相應調整），惟倘沒收僅因並無達成與公司股份市價有關的歸屬條件則除外。權益金額乃於資本儲備內確認，直至購股權獲行使（當其計入確認於已發行股份之股本）或購股權屆滿（當其直接解除至保留溢利）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3. 重大會計政策概要(續)

(r) 稅項

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，而有關所得稅率經暫時差額及未動用稅項虧損所致的遞延稅項資產及負債變動調整。

即期所得稅

即期所得稅開支基於報告期末本公司附屬公司及聯營公司經營業務而產生應課稅收入所在的國家已頒佈或實質已頒佈之稅法計算。管理層就適用稅務法例以詮釋為準的情況定期評估報稅表的狀況，並在適用情況下按預期須向稅務機構繳納的稅款確定撥備。

遞延所得稅

遞延所得稅採用負債法就資產及負債之稅基與彼等賬面值之間的暫時差額於綜合財務報表悉數撥備。然而，若遞延稅項負債來自於對商譽的初始確認，則其不會被確認。若遞延所得稅來自於交易中(業務合併除外)對資產或負債的初始確認，而在交易時不影響會計處理或應課稅損益，則亦不會入賬。遞延所得稅採用於報告期末前已頒佈或實際已頒佈，並在有關遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Taxation (Continued)

Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3. 重大會計政策概要(續)

(r) 稅項(續)

遞延所得稅(續)

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可見將來撥備，則不會就外國業務投資賬面值與稅基之間的暫時差額確定遞延稅項負債及資產。

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結算或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他全面收入或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收入或直接於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 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 is remote.

(t) 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.

3. 重大會計政策概要(續)

(s) 撥備及或然負債

倘本集團因過往事件而於現時出現法定或推定責任，經濟利益可能須流出以償還負債及可作出可靠估計，則就不確定時間或款項之負債確認撥備。倘款項之時間值重大，則撥備按預期償還負債開支之現值列賬。

倘可能毋須流出經濟利益，或款額不能可靠地估計，則此責任須作為或然負債披露，除非經濟利益流出之可能性甚微。可能之負債（其存在僅可因發生或不發生一項或以上日後事件方可確認）亦作為或然負債披露，除非經濟利益流出之可能性甚微。

(t) 關連人士

(a) 倘屬以下人士，即該人士或該人士之近親與集團有關連：

- (i) 控制或共同控制集團；
- (ii) 對集團有重大影響力；或
- (iii) 為集團或集團母公司之主要管理層成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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.
- (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 group's parent.

3. 重大會計政策概要(續)

(t) 關連人士(續)

(b) 倘符合下列任何條件，即該實體與集團有關連：

- (i) 該實體與集團屬同一集團之成員公司(指各母公司、附屬公司及同系附屬公司互相關連)。
- (ii) 一實體為另一實體之聯營公司或合營企業(或其他實體為成員公司之集團成員公司之聯營公司或合營企業)。
- (iii) 該兩個實體為同一第三方之合營企業。
- (iv) 一實體為第三方實體之合營企業，而另一實體為第三方實體之聯營公司。
- (v) 該實體為集團或與集團有關連之實體就僱員利益設立之離職後福利計劃。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
- (viii) 該實體或其所屬集團的任何成員公司為集團或集團母公司提供主要管理層成員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties (Continued)

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

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the group's most senior executive management 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.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

3. 重大會計政策概要(續)

(t) 關連人士(續)

該名人士之近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響之該等家族成員。

(u) 分部呈報

經營分部及財務報表中所呈報的各分部項目金額乃根據定期向集團最高級行政管理人員提供以分配資源至集團各業務及地區以及評估有關表現之財務資料確認。

個別重大經營分部並無就財務匯報而合併，除非分部的經濟特徵類似及就產品及服務性質、生產程序性質、客戶類別、分銷產品或提供服務所用方式及監管環境性質而言相似則除外。並非個別重大的經營分部倘符合上述大部分標準，則可能會合併。

分類資產包括所有資產，但並非直接與任何經營分部業務活動有關之公司資產不會分配至任何分部，而主要歸入本集團總部。

分類負債不包括並非與任何經營分部業務活動直接有關之公司負債，該公司負債亦不會分配至任何分部。

非對稱分配不應用於報告分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcomes of the Group to attain profitable and positive cash flows from operations. Details are explained in the consolidated financial statements.

(b) *Renewal of the Group's exploration permits*

As detailed in note 15 to the consolidated financial statements, certain of the Group's mining right permits had been expired or will be expired within one year. The renewal of such are subject to the discretion of relevant government authorities. The Directors are of the opinion that these permits would be renewed successfully.

(c) *Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

4. 重大會計判斷及估計

應用會計政策時的重大判斷

在應用會計政策的過程中，董事已作出以下對綜合財務報表中所確認數額有最重大影響的判斷(不包括涉及估計的該等判斷)，闡述如下。

(a) *持續經營基準*

該等綜合財務報表乃按持續經營基準編製，其有效性取決於本集團取得營運盈利及正現金流量之成果。有關詳情載於綜合財務報表。

(b) *續訂本集團的勘探許可證*

如綜合財務報表附註15所述，本集團若干採礦權許可證已屆滿或將於一年內屆滿。有關續期則須由有關政府部門酌情決定。董事認為該等許可將成功續期。

(c) *信貸風險大幅增加*

預期信貸虧損就第1階段資產按相等於12個月預期信貸虧損的撥備計量，或就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初步確認以來顯著增加時轉入第2階段。香港財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產的信貸風險是否顯著增加時，本集團會考慮定性及定量的合理且有依據的前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of other receivables

Management regularly reviews the recoverability and/or ageing of other receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in consolidated statement of profit or loss when there is objective evidence that the asset is impaired.

In determining whether impairment loss is recognised, the Group takes into consideration the ageing status and the recoverability. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted at the original effective interest rate and its carrying value.

(b) Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and machinery of similar nature and functions. The estimated useful lives reflect the management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

4. 重大會計判斷及估計(續)

估計不明朗因素的主要來源

於報告期末存在重大風險，極可能導致資產與負債的賬面值須於下一個財政年度作出重大調整的未來相關重要假設及估計不明朗因素的其他主要來源於下文論述。

(a) 其他應收賬項減值

管理層定期檢討其他應收賬項之可收回程度及／或賬齡。倘若有客觀證據顯示資產出現減值，則會就估計不可收回金額於綜合損益表確認適當減值。

於釐定是否確認減值虧損時，本集團會考慮賬齡狀況及可收回程度。倘若不大可能收回應收賬項，則只會就有關應收賬項計提特殊準備，並按以原實際利率折現後之估計未來現金流量與其賬面值之差額確認。

(b) 物業、廠房及設備之使用年期

就折舊應用物業、廠房及設備之會計政策時，管理層會根據對類似性質及功能之物業、廠房及設備之實際使用年期之過往經驗，估計不同類別之物業、廠房及設備之使用年期。估計使用年期反映管理層對本集團計劃透過使用其物業、廠房及設備產生未來經濟利益期間之估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of mining and exploration assets

The carrying value of mining and exploration assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in note 3(j) to the consolidated financial statements. The recoverable amount of these assets, or where appropriate, the cash-generating unit to which they belong, is the higher of its fair value less costs to sell and value in use. In determining the value in use, estimation is made on the expected future cash flows generated by these assets which are discounted at a suitable discount rate to their present value.

(d) Mine resources and reserves

Mining rights and mining development assets are amortised over the estimated useful lives of the mines in accordance with the production plans of the entities concerned and the mineral resources and reserves of the mines using the units of production method.

The process of estimating the quantities of the Group's gold reserve and resources is inherently imprecise and represent only approximate amounts because of the subjective judgments involved in developing such information 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.

4. 重大會計判斷及估計(續)

估計不明朗因素的主要來源(續)

(c) 開採及勘探資產減值

倘若發生事件或情況出現變動，顯示未必能夠按照綜合財務報表附註3(j)所披露之會計政策收回開採及勘探資產之賬面值，則會為減值審閱有關賬面值。該等資產或(如適用)其所屬現金產生單位之可收回金額乃其公平值減出售成本與使用價值兩者中之較高者。於釐定使用價值時，會對預期該等資產產生之未來現金流量(按適用折現率折現至其現值)進行估計。

(d) 礦產資源及儲量

採礦權及採礦開發資產根據相關實體之生產計劃，以及礦區之礦產資源及儲量，使用生產單位法於礦區估計使用年期內攤銷。

由於估計本集團黃金儲量及資源之數目的過程中，涉及根據可獲之地質、地球物理、工程及經濟數據作出之主觀判斷，故有關數量在本質上並不準確，僅為概約數字。此等估計可能因應出現持續開發活動及生產表現之額外數據，以及影響礦產價格及成本變動之經濟條件而出現重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION

Information is reported internally to the board of directors of the Company (the “Board”), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided.

This is also the basis upon which the Group is organised and specifically focuses on the Group’s operating divisions. No operating segments identified by the Board have been aggregated in arriving at the reporting segments of the Group.

The directors primarily use a measure of profit after tax to assess the performance of the operating segments. However, the directors also receive information about the segments’ revenue and assets on a monthly basis.

The Group has identified the following reportable segments:

- (i) Exploration of gold mine which principally engages in the operation of exploration, mining, processing and sale of gold concentrate and related products.;
- (ii) Corporation which principally engages in investment holding.

Each of these operating segments is managed separately as each of the product and service line requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm’s length prices.

Segment results do not include finance costs. Segment assets and liabilities are allocated based on the operations of the segments.

5. 分部資料

向主要經營決策者本公司董事會(「董事會」)內部呈報以作分配資源及評估分部表現之資料著重於所交付貨品或所提供服務之類型。

此亦為組織本集團所依據之基準，並特別著重於本集團之經營分部。於達致本集團之報告分部時，並無合併董事會所識別之經營分部。

董事主要採用除稅後溢利衡量標準評估經營分部之表現。然而，董事亦每月收到有關分部收益及資產之資料。

本集團已識別以下須予報告分部：

- (i) 開採金礦，主要從事勘探、開採、加工及銷售精金礦及相關產品業務；
- (ii) 企業，主要從事投資控股。

由於各產品及服務線需要不同的資源及營銷方式，上述各經營分部單獨分開管理。所有分類間轉讓乃按公平磋商之價格進行。

分部業績不包括融資成本。分部資產及負債乃根據分部之經營業務分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (Continued)

Segment information by operating segments is presented as follows:

Year ended 31 March 2019

5. 分部資料(續)

按經營分部劃分之分部資料呈列如下：

截至二零一九年三月三十一日止年度

		Gold Mining 黃金 HK\$'000 千港元	Corporate 企業 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK'000 千港元
Segment revenue:	分部收益：				
Turnover for external customers	來自外部客戶之收益	163,829	-	-	163,829
Gross profit	毛利	77,521	-	-	77,521
Other income and expenses, net	其他收入及開支，淨額	(1,298)	4,961	-	3,663
Operating expenses	經營費用	(16,399)	(21,162)	-	(37,561)
Segment results	分部業績	59,824	(16,201)	-	43,623
Finance costs	融資成本	(23,853)	(4,160)	-	(28,013)
Profit/(loss) before tax	除稅前溢利／(虧損)	35,971	(20,361)	-	15,610
Income tax (expense)/credit	所得稅(開支)／抵免	(8,219)	370	-	(7,849)
Net profit (loss) for the year	年度溢利(虧損)淨額	27,752	(19,991)	-	7,761
Segment assets	分部資產	800,520	336,845	(329,427)	807,938
Segment liabilities	分部負債	(691,003)	(454,351)	637,757	(507,597)
Capital expenditure	資本開支	90,935	(24,325)	-	66,610
Depreciation and amortisation	折舊及攤銷	34,557	10	-	34,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (Continued)

Year ended 31 March 2018

5. 分部資料(續)

截至二零一八年三月三十一日止年度

		Gold Mining 黃金 HK\$'000 千港元	Corporate 企業 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK'000 千港元
Segment revenue:	分部收益：				
Turnover for external customers	來自外部客戶之收益	215,446	-	-	215,446
Gross profit	毛利	97,701	-	-	97,701
Other income and expenses, net	其他收入及開支，淨額	4,060	(269,308)	282,647	17,399
Operating expenses	經營費用	(16,311)	(39,160)	-	(55,471)
Segment results	分部業績	85,450	(308,468)	282,647	59,629
Finance costs	融資成本	(8,261)	(5,251)	-	(13,512)
Profit/(loss) before tax	除稅前溢利／(虧損)	77,189	(313,719)	282,647	46,117
Income tax (expense)/credit	所得稅(開支)／抵免	(12,169)	221	-	(11,948)
Net profit (loss) for the year	年度溢利(虧損)淨額	65,020	(313,498)	282,647	34,169
Segment assets	分部資產	783,098	365,063	(335,711)	812,450
Segment liabilities	分部負債	(694,718)	(458,872)	657,703	(495,887)
Capital expenditure	資本開支	89,770	23	-	89,793
Depreciation and amortisation	折舊及攤銷	29,615	10	-	29,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (Continued)

Geographical segments

The Group's operations are located in Hong Kong and other parts of the PRC whereas the principal markets for the Group's products are mainly located in other parts of the PRC.

Segment information by geographical segments is presented as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment revenue by location of customers	按客戶所在地劃分之分部收益		
PRC, excluding Hong Kong, Macau and Taiwan	中國(不包括香港、澳門及台灣)	163,829	215,446
Non-current assets	非流動資產		
PRC, excluding Hong Kong, Macau and Taiwan	中國(不包括香港、澳門及台灣)	776,999	746,434
Hong Kong	香港	30	41
		777,029	746,475

Revenue of approximately HK\$164 million (2018: HK\$215 million) which arose from sales to the Group's largest customer. There is one customer contributed 10% or more to the Group's revenues for 2019 (2018: one).

5. 分部資料(續)

地域分部

本集團之業務位於香港及中國其他地區，而本集團產品之主要市場集中於中國其他地區。

按地域分部劃分之分部資料呈列如下：

向本集團之最大客戶進行銷售產生之收益約164,000,000港元(二零一八年：215,000,000港元)。於二零一九年，有一名客戶(二零一八年：一名)貢獻本集團10%或以上之收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE

Revenue represents the net value of goods sold, net of trade discounts and returns and various types of government surcharges where applicable, and the value of services rendered:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue recognised at a point in time under HKFRS 15	根據香港財務報告準則第15號 按時間點確認的收益		
Sale of goods	銷售貨品	163,829	215,446

6. 收益

收益指已出售貨品之淨值(已扣減貿易折扣、退貨及不同種類之政府附加費(如適用))及已供應服務之價值：

7. OTHER INCOME AND EXPENSE, NET

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gain on waiver of interest on bonds	豁免債券利息的收益	-	873
Gain on waiver of interest on long term loans	豁免長期貸款利息的收益	396	796
Bank interests income	銀行利息收入	-	3
Overprovision of expenses	開支超額撥備	293	3,574
Government grant	政府補貼	18	476
Exchange gain, net	匯兌收益淨額	(3)	19,151
Gain on waiver of former director's remuneration	豁免前董事薪酬的收益	3,141	517
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	(27)
Loss on extinguish the financial liability through share subscription	透過股份認購對銷金融負債的虧損	-	(6,837)
Written off of other receivables	撇銷其他應收款項	(5)	(1,074)
Others	其他	102	(53)
Gain on waiver of other payables	豁免其他應付款項的收益	1,432	-
Impairment loss on promissory note	承兌票據減值虧損	(1,711)	-
		3,663	17,399

7. 其他收入及開支，淨額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8. FINANCE COSTS

8. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bonds	債券利息	515	1,294
Interest on convertible bond	可換股債券利息	3,455	2,184
Interest on short term loans	短期貸款利息	191	1,747
Interest on long term loans	長期貸款利息	23,852	8,261
Finance costs	融資成本	28,013	13,512

There is no capitalisation of borrowing cost during the years ended 31 March 2019 and 2018.

截至二零一九年及二零一八年三月三十一日止年度概無資本化借貸成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging the following:

9. 除稅前溢利

本集團之除稅前溢利乃在扣除下列各項後列賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	86,308	117,745
Auditors' remuneration**	核數師酬金**	1,600	1,664
Amortisation of mining rights related assets	採礦權相關資產攤銷	3,946	2,267
Amortisation of prepaid land lease premium	預付土地租賃款項攤銷	-	1,189
Depreciation*	折舊*	30,621	26,169
Operating lease rentals in respect of land and buildings	有關土地及樓宇之經營租賃租金	936	851
Staff costs including directors' emoluments:	員工成本(包括董事薪酬)：		
Salaries, wages, allowances and benefits in kind	薪金、工資、津貼及實物利益	12,362	17,025
Retirement benefits scheme contributions	退休福利計劃供款	487	1,072
Staff costs	員工成本	12,849	18,097

* Approximately HK\$514,700 (2018: HK\$324,000) are included in administrative expenses and approximately HK\$30,107,000 (2018: HK\$25,845,000) are included in cost of sales.

** Approximately HK\$600,000 (2018: HK\$664,000) was incurred for the audit of the subsidiaries.

* 約514,700港元(二零一八年：324,000港元)計入行政開支及約30,107,000港元(二零一八年：25,845,000港元)計入銷售成本。

** 約600,000港元(二零一八年：664,000港元)由附屬公司之審計產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. INCOME TAX EXPENSE

10. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax — overseas	即期稅項—海外		
Provision for the year	本年度撥備	8,219	12,169
Deferred tax — Hong Kong	遞延稅項—香港		
Credited to profit or loss (Note 35)	計入損益(附註35)	(370)	(221)
Income tax expense	所得稅開支	7,849	11,948

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 March 2019 and 2018.

由於截至二零一九年及二零一八年三月三十一日止年度並無在香港產生任何應課稅溢利，故本集團並無就香港利得稅作出撥備。

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法之實施條例，中國附屬公司之稅率為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. INCOME TAX EXPENSE (Continued)

Pursuant to the Notice of the Ministry of Finance, 財政部國家稅務總局海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知(財稅[2011] 58號) (transliterated as General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui 2011 No. 58)*), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which engaged in encouraged industries as indicated in the 西部地區鼓勵類產業目錄 (transliterated as Catalogue of Encouraged Industries of Western Region*) and 產業結構調整指導目錄(2011年本) (修正) (transliterated as Catalogue of Industrial Structure Adjustment Guidance (2011 Revised)*) (國家發改委令2013年第21號) (transliterated as National Development and Reform Commission Order 2013 No. 21*) and which derive 70% of their operating income from the encouraged industries could apply for a tax incentive.

After getting in-charge tax bureau's approval, those enterprises could enjoy a reduced EIT rate of 15% from the statutory EIT rate of 25%.

The Company's operating subsidiary Taizhou Mining has been granted a reduced EIT rate of 15% from year 2015 to 2020.

10. 所得稅開支(續)

根據《財政部國家稅務總局海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知(財稅[2011] 58號)》，自二零一一年一月一日至二零二零年十二月三十一日，在西部地區從事《西部地區鼓勵類產業目錄》及《產業結構調整指導目錄(2011年本)(修正)》(國家發改委令2013年第21號)中規定之鼓勵類產業，且其經營收入70%來自鼓勵類產業之企業，可申請稅項優惠。

經主管稅局批准後，該等企業可就法定企業所得稅25%稅率享受優惠，減按15%繳納企業所得稅。

本公司營運附屬公司太洲礦業已獲批准可於二零一五年至二零二零年享受15%之優惠企業所得稅率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and accounting profit at applicable tax rates:

10. 所得稅開支(續)

所得稅開支與按適用稅率計算之會計溢利兩者之對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	15,610	46,117
Tax at the applicable tax rate in Hong Kong	按香港適用稅率計算之稅項	2,576	7,609
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	6,670	8,974
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(820)	(4,049)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營業務之附屬公司不同稅率之影響	(577)	(586)
Income tax expense	所得稅開支	7,849	11,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors

Details of the remuneration of directors of the Company are as follows:

11. 董事薪酬及五名最高薪僱員

(a) 董事

本公司董事之薪酬詳情如下：

		Salaries, allowances and benefits	Retirement benefit scheme	Total
		Fees in kind	contributions	Total
		薪金、津貼及 袍金	退休福利 計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended	截至二零一九年			
31 March 2019	三月三十一日			
	止年度			
Executive directors:	執行董事：			
Li Dahong	李大宏	2,627	-	18
Ma Xiaona	馬曉娜	1,660	-	18
Wang Hong Yin	汪宏音	400	-	18
		4,687	-	54
				4,741
Independent non- executive directors:	獨立非執行董事：			
Cheung Wei Hung (ii)	張偉雄 (ii)	191	-	-
Jiang Quanming (i)	姜全明 (i)	53	-	-
Guo Wei	郭瑋	320	-	-
Lam Albert Man Sum	林聞深	320	-	-
		884	-	-
				884
		5,517	-	-
				5,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors (Continued)

For the year ended	截至二零一八年	(a) 董事(續)			Total
		Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	
31 March 2018	三月三十一日止年度	薪金、津貼及袍金	實物利益	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK'000
		千港元	千港元	千港元	千港元
Executive directors:	執行董事：				
Feng Jun (iii)	馮軍 (iii)	404	1,596	9	2,009
Jiang Zhiyong (vi)	蔣智勇 (vi)	–	2,143	–	2,143
Li Dahong	李大宏	1,786	900	18	2,704
Ma Xiaona (iv)	馬曉娜 (iv)	1,918	–	7	1,925
Wang Hong Yin (viii)	汪宏音 (viii)	115	–	3	118
		4,223	4,639	37	8,899
Independent non-executive directors:	獨立非執行董事：				
Orr Joseph Wai Shing (v)	柯偉聲 (v)	–	585	–	585
Jiang Quanming	姜全明	248	500	–	748
Guo Wei	郭瑋	248	500	–	748
Lam Albert Man Sum (vii)	林聞深 (vii)	101	–	–	101
		597	1,585	–	2,182
		4,820	6,224	37	11,081

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors (Continued)

- (i) Mr. Jiang Quanming was appointed as a non-executive director on 24 February 2016 and resigned on 28 May 2018.
- (ii) Mr. Cheung Wei Hung was appointed as a non-executive director on 27 August 2018.
- (iii) Mr. Fong Jun was appointed as executive director on 24 February 2016, and retired on 11 September 2017.
- (iv) Ms. Ma Xiaona was appointed as a non-executive director on 13 September 2017, and re-designated as executive director on 13 September 2017.
- (v) Mr. Orr Joseph Wai Shing was appointed as independent non-executive director on 22 December 2008, and retired on 11 September 2017.
- (vi) Mr. Jiang Zhiyong was appointed as executive director on 24 February 2016, and resigned on 27 October 2017.
- (vii) Mr. Lam Albert Man Sum was appointed as non-executive director on 8 December 2017.
- (viii) Ms. Wang Hongyin was appointed as executive director on 18 December 2017.

11. 董事薪酬及五名最高薪僱員 (續)

(a) 董事 (續)

- (i) 姜全明先生於二零一六年二月二十四日獲委任非執行董事，及於二零一八年五月二十八日辭任。
- (ii) 張偉雄先生於二零一八年八月二十七日獲委任為非執行董事。
- (iii) 馮軍先生於二零一六年二月二十四日獲委任為執行董事並於二零一七年九月十一日退任。
- (iv) 馬曉娜女士於二零一七年九月十三日獲委任為非執行董事並於二零一七年九月十三日調任執行董事。
- (v) 柯偉聲先生於二零零八年十二月二十二日獲委任為獨立非執行董事並於二零一七年九月十一日退任。
- (vi) 蔣智勇先生於二零一六年二月二十四日獲委任為執行董事並於二零一七年十月二十七日辭任。
- (vii) 林聞深先生於二零一七年十二月八日獲委任為非執行董事。
- (viii) 汪宏音女士於二零一七年十二月十八日獲委任為執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(b) Five highest paid employees

The five highest paid individuals for the year included five (2018: five) directors whose remuneration are included above.

During the year, no remunerations were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors of the Company waived or agreed to waive any remunerations during the year.

12. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2019 and 2018.

11. 董事薪酬及五名最高薪僱員 *(續)*

(b) 五名最高薪僱員

於本年度，五名最高薪人士包括五名（二零一八年：五名）董事，彼等之酬金已載於上文。

本集團於年內並無支付酬金予董事，作為加盟本集團或於加盟本集團時之獎勵或作為離職補償。本公司董事於年內亦無放棄或同意放棄任何酬金。

12. 股息

截至二零一九年及二零一八年三月三十一日止年度，本公司並無派付或擬派股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following:

Basic

		2019 二零一九年	2018 二零一八年 (Restated) (經重列)
Profit attributable to the equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	33	15,290
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股之加權平均數 (千股)	1,496,782	1,393,291
Basic earnings per share (HK cents)	每股基本盈利(港仙)	-	1.10

For the purpose of calculation of basic and diluted loss per share for the years ended 31 March 2019 and 2018, the share consolidation of the Company being effective on 6 March 2019 (note 27) was deemed to be effective throughout the period from 1 April 2017 to 31 March 2019. Accordingly, the weighted average number of ordinary shares of the Company in issue during the year ended 31 March 2018 were adjusted to reflect the share consolidation.

13. 每股盈利

本公司權益持有人應佔每股基本及攤薄盈利乃按以下資料為基準計算：

基本

		2019 二零一九年	2018 二零一八年 (Restated) (經重列)
Profit attributable to the equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	33	15,290
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股之加權平均數 (千股)	1,496,782	1,393,291
Basic earnings per share (HK cents)	每股基本盈利(港仙)	-	1.10

就計算截至二零一九年及二零一八年三月三十一日止年度的每股基本及攤薄虧損而言，本公司於二零一九年三月六日生效的股份合併(附註27)被視為於二零一七年四月一日起至二零一九年三月三十一日止整個期間內生效。因此，於截至二零一八年三月三十一日止年度本公司已發行普通股加權平均數已予調整以反映股份合併。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13. EARNINGS PER SHARE (Continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise/conversion of all dilutive potential ordinary shares. During the years ended 31 March 2018 and 2019, the Company has 2 categories of dilutive potential ordinary shares: share options (Note 28(ii)) and convertible bonds (Note 26).

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the year) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options. Hence, the share options have a dilutive effect only when the average market price of ordinary shares during the year exceeds the exercise price of the share options.

The computation of diluted earnings per share for the years ended 31 March 2018 and 2019 did not assume the exercise of the Company's outstanding share options since the exercise price of the share options exceeds the average market price.

For the convertible bonds, they are assumed to have been converted into ordinary shares, and the profit attributable to the equity holders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

The computation of diluted earnings per share for the years ended 31 March 2018 and 2019 did not assume the conversion of convertible bonds because the conversion will have an anti-dilutive effect.

13. 每股盈利(續)

攤薄

每股攤薄盈利乃就假設所有潛在攤薄普通股已獲行使／兌換而對已發行普通股的加權平均數作出調整而計算。於截至二零一八年及二零一九年三月三十一日止年度，本公司有兩類潛在攤薄普通股：購股權(附註28(ii))及可換股債券(附註26)。

就購股權而言，根據尚未行使購股權附帶認購權的貨幣價值，計算出可按公平值(釐定為本公司股份年度平均市價)收購的股份數目。以上計算得出的股份數目乃與假設購股權獲行使而發行的股份數目比較。因此，購股權只會於年內普通股平均市場價高於購股權行使價時，才会有攤薄效應。

由於購股權之行使價超過平均市價，因此計算截至二零一八年及二零一九年三月三十一日止年度之每股攤薄盈利並無假設本公司尚未行使購股權獲行使。

就可換股債券而言，彼等被假設為已轉換為普通股，而本公司權益持有人應佔溢利已作出調整以抵銷可換股債券之利息開支。

計算截至二零一八年及二零一九年三月三十一日止年度之每股攤薄盈利並無假設可換股債券獲轉換，因為有關轉換將具反攤薄影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Mine	Plant and	Furniture,	Motor	Construction		Total
		properties	machinery	office	vehicles	Sub-Total	in progress	
		礦產物業	廠房及設備	傢俬、裝置 及辦公設備	汽車	小計	在建工程	總計
		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
Cost	成本							
At 31 March 2017	於二零一七年三月三十一日	682,058	12,178	183	1,442	695,861	2,634	698,495
Additions	添置	87,085	361	23	1,236	88,705	51,890	140,595
Disposals	出售	-	(208)	-	(356)	(564)	-	(564)
Transfer to plant and machinery	轉撥至廠房及機器	-	3,493	-	-	3,493	(3,493)	-
Exchange realignment	匯兌調整	78,041	1,500	12	193	79,746	2,759	82,505
At 31 March 2018	於二零一八年三月三十一日	847,184	17,324	218	2,515	867,241	53,790	921,031
Additions	添置	113,162	-	-	906	114,068	-	114,068
Disposals	出售	-	(271)	-	-	(271)	-	(271)
Exchange realignment	匯兌調整	(58,338)	(1,107)	(8)	(192)	(59,645)	(2,357)	(62,002)
At 31 March 2019	於二零一九年三月三十一日	902,008	15,946	210	3,229	921,393	51,433	972,826
Accumulated depreciation	累計折舊							
At 31 March 2017	於二零一七年三月三十一日	173,625	9,873	143	894	184,535	-	184,535
Charge for the year	本年度支出	24,763	1,303	17	86	26,169	-	26,169
Written back for disposal	於出售時撥回	-	(106)	-	(172)	(278)	-	(278)
Exchange realignment	匯兌調整	19,999	1,129	12	92	21,232	-	21,232
As 31 March 2018	於二零一八年三月三十一日	218,387	12,199	172	900	231,658	-	231,658
Charge for the year	本年度支出	28,584	1,658	50	329	30,621	-	30,621
Written back for disposal	於出售時撥回	-	(248)	-	-	(248)	-	(248)
Exchange realignment	匯兌調整	(15,019)	(829)	(12)	(69)	(15,929)	-	(15,929)
As 31 March 2019	於二零一九年三月三十一日	231,952	12,780	210	1,160	246,102	-	246,102
Carrying amount:	賬面值：							
At 31 March 2019	於二零一九年三月三十一日	670,056	3,166	-	2,069	675,291	51,433	726,724
At 31 March 2018	於二零一八年三月三十一日	628,797	5,125	46	1,615	635,583	53,790	689,373

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15. MINING RIGHTS RELATED ASSETS

15. 採礦權相關資產

		HK\$'000 千港元
Cost	成本	
At 31 March 2017	於二零一七年三月三十一日	61,245
Additions	添置	1,088
Exchange realignment	匯兌調整	6,663
At 31 March 2018	於二零一八年三月三十一日	68,996
Additions	添置	720
Exchange realignment	匯兌調整	(4,468)
At 31 March 2019	於二零一九年三月三十一日	65,248
Accumulated amortisation	累計攤銷	-
At 31 March 2017	於二零一七年三月三十一日	8,585
Provision during the year	年度撥備	2,267
Exchange realignment	匯兌調整	1,042
At 31 March 2018	於二零一八年三月三十一日	11,894
Provision during the year	年度撥備	3,946
Exchange realignment	匯兌調整	(897)
At 31 March 2019	於二零一九年三月三十一日	14,943
Carrying amounts	賬面值	
At 31 March 2019	於二零一九年三月三十一日	50,305
At 31 March 2018	於二零一八年三月三十一日	57,102

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15. MINING RIGHTS RELATED ASSETS *(Continued)*

Mining rights related assets represent the cost of exploration permits and mining rights permits.

During the year ended 31 March 2019, the Group's exploration permit and mining right permit with no. of T611200805020066667 and C6100002014084120135479 were renewed on 9 October 2018 and 2 September 2018 for a period of two and one year(s), respectively.

The mining right permit with certificate No. C6100002010124120103609, which covers an area of 0.04 square kilometers, is still in extension application. The directors were of the opinion that the Group would be successful in the renewal for the mining right permit. However, the relevant government authorities had the discretion of approving the renewal or not. The directors are not in a position to quantify or estimate the impact thus incurred.

15. 採礦權相關資產 *(續)*

採礦權相關資產指開採許可證及採礦權許可證之成本。

截至二零一九年三月三十一日止年度，本集團編號分別為T611200805020066667及C6100002014084120135479的勘探許可證及採礦權許可證於二零一八年十月九日及二零一八年九月二日續期兩年及一年。

證書編號為C6100002010124120103609的採礦權許可證(覆蓋面積為0.04平方公里)現仍在進行延期申請。董事認為，本集團將會成功重續該採礦權許可證。然而，有關政府機關有酌情權批准或不批准該重續。董事現時無法量化或估計因此而產生的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16. PREPAID LAND LEASE PREMIUM

16. 預付土地租賃費用

		HK\$'000 千港元
Cost	成本	
At 31 March 2017	於二零一七年三月三十一日	1,128
Exchange realignment	匯兌調整	121
At 31 March 2018	於二零一八年三月三十一日	1,249
Exchange realignment	匯兌調整	-
At 31 March 2019	於二零一九年三月三十一日	1,249
Accumulated amortisation	累計攤銷	-
At 31 March 2017	於二零一七年三月三十一日	-
Provision during the year	年度撥備	1,189
Exchange realignment	匯兌調整	60
At 31 March 2018	於二零一八年三月三十一日	1,249
Provision during the year	年度撥備	-
Exchange realignment	匯兌調整	-
At 31 March 2019	於二零一九年三月三十一日	1,249
Carrying amounts	賬面值	
At 31 March 2019	於二零一九年三月三十一日	-
At 31 March 2018	於二零一八年三月三十一日	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17. INTERESTS IN SUBSIDIARIES

17. 附屬公司權益

Company	本公司	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	10	-
Amounts due from subsidiaries	應收附屬公司款項	120,500	116,071
		120,510	116,071

Notes:

附註：

(a) Particulars of the Company's subsidiaries are as follows:

(a) 本公司附屬公司之詳情如下：

(i) Particulars of the Company's subsidiaries as at 31 March 2019 are follows:

(i) 於二零一九年三月三十一日本公司附屬公司之詳情如下：

Company name 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid up capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of equity interest attributable to the Company 本公司 應佔股權百分比		Principal activities and place of operations 主要業務及經營地點
			Direct % 直接%	Indirect % 間接%	
SSC Mandarin Mining Investment Limited 文華新城礦業投資有限公司	British Virgin Islands 2 October 2007 英屬處女群島 二零零七年十月二日	1 ordinary share of US\$1 each 1股每股1美元之普通股	100	-	Investment holding in Hong Kong 在香港投資控股
T G Mining Asia Limited 潼金礦業亞洲有限公司	Hong Kong 9 November 2005 香港 二零零五年十一月九日	2,000,000 ordinary shares of HK\$1 each 2,000,000股每股1港元 之普通股	-	100	Investment holding in Hong Kong 在香港投資控股
SSC Sino Gold Mining Investment Company Limited 文華中金(北京)礦業投資 顧問有限公司	PRC 5 February 2004 中國 二零零四年二月五日	Registered and paid-up capital of US\$7,000,000 7,000,000美元註冊 資本及繳足股本	-	90	Investment holding in the PRC 在中國投資控股
Tongguan Taizhou Mining Company Limited 潼關縣太洲礦業有限責任公司	PRC 29 June 2004 中國 二零零四年六月二十九日	Registered and paid-up capital RMB10,000,000 人民幣10,000,000元 註冊資本及繳足股本	-	72	Exploration, mining and mineral processing in the PRC 在中國探礦、採礦及 礦物加工
T G Capital Limited 潼金資本有限公司	Hong Kong 30 August 2018 香港 二零一八年八月三十日	10,000 ordinary shares of HK\$1 each 10,000股每股 1港元之普通股	100	-	Investment holding in Hong Kong 在香港投資控股

(b) The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

(b) 應收附屬公司款項為無抵押、免息及無固定還款期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17. INTERESTS IN SUBSIDIARIES (Continued)

The following table shows information on a subsidiary that have non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

17. 附屬公司權益(續)

下表列示持有非控股權益(「非控股權益」)而對本集團屬重大之附屬公司。概要財務資料指集團內公司間抵銷前金額。

Name 名稱		Taizhou Mining 太洲礦業	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK'000 千港元
Principal place of business/country of establishment	主要營業地點及成立國家	PRC/PRC 中國/中國	
At 31 March:	於三月三十一日：		
Non-current assets	非流動資產	776,999	746,435
Current assets	流動資產	23,520	36,663
Current liabilities	流動負債	(75,942)	(130,156)
Non-current liabilities	非流動負債	(615,062)	(564,562)
Net assets	淨資產	109,515	88,380
Accumulated NCI	累計非控股權益	23,216	19,079
Year ended 31 March:	截至三月三十一日止年度：		
Revenue	收益	163,829	215,446
Profit/(loss)	溢利/(虧損)	27,752	65,021
Profit/(loss) allocated to NCI	分配至非控股權益之溢利/(虧損)	5,550	13,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw material	原材料	195	151
Work in progress	在製品	7,963	-
Finished goods	製成品	-	19,473
		8,158	19,624

The carrying amount of inventories that were carried at lower of cost or net realisable value amounted to approximately HK\$8,158,000 (2018: HK\$19,624,000).

The cost of inventories recognised as expense and included in 'cost of sales' amounted to approximately HK\$86,308,000 (2018: HK\$117,745,000).

As at 31 March 2018, the Group's inventory of approximately HK\$19,473,000 were pledged as collateral with a financier according to the terms and conditions as mutually agreed between the Taizhou Mining and the financier. During the year ended 31 March 2019, the security arrangement was changed and the financier no longer held the Group's inventory as collateral, as detailed in note 23 to the consolidated financial statements.

19. PROMISSORY NOTES

On 29 September 2018, the Group had subscribed HK\$ denominated promissory notes of principal value of HK\$4,000,000 issued by an independent third party, Perfect Vantage Holdings Limited ("Issuer"). The promissory notes are secured by shares of the Issuer, bear fixed interest at 4% per annum and measured at amortised cost. No conversion right is attached to the promissory notes to be exercised by the Company.

18. 存貨

存貨賬面值按成本或可變現淨值之較低者入賬，為約8,158,000港元(二零一八年：19,624,000港元)。

存貨成本確認為開支並計入「銷售成本」約為86,308,000港元(二零一八年：117,745,000港元)。

於二零一八年三月三十一日，本集團根據太洲礦業與融資人雙方達成之條款及條件將約19,473,000港元存貨作為抵押品抵押予融資人。截至二零一九年三月三十一日止年度，抵押安排已變更及融資人不再持有本集團存貨作為抵押品，詳情載於綜合財務報表附註23。

19. 承兌票據

於二零一八年九月二十九日，本集團已認購由一名獨立第三方Perfect Vantage Holdings Limited (「發行人」)發行的本金為4,000,000港元的港元承兌票據。承兌票據由發行人的股份擔保、按固定年利率4%計算利息及按攤銷成本計量。承兌票據並無附帶任何轉換權讓本公司行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

An analysis of deposits, prepayments and other receivables are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits	按金	301	9,640
Prepayments	預付款項	6,569	1,568
Other receivables	其他應收賬項	9,685	12,766
		16,555	23,974

The fair values of deposits, prepayments and other receivables approximate their carrying amounts.

During the year, approximately HK\$5,000 was recognised as written off of other receivables (2018: HK\$1,074,000).

21. CASH AND CASH EQUIVALENTS

As at 31 March 2019, approximately HK\$1,980,000 (2018: HK\$2,774,000) of the Group's cash and bank balances were subject to exchange control restrictions imposed by the Government of the PRC.

20. 按金、預付款項及其他應收賬項

按金、預付款項及其他應收賬項之分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits	按金	301	9,640
Prepayments	預付款項	6,569	1,568
Other receivables	其他應收賬項	9,685	12,766
		16,555	23,974

按金、預付款項及其他應收賬項之公平值與其賬面值相若。

於本年度，約5,000港元確認為撇銷其他應收賬項(二零一八年：1,074,000港元)。

21. 現金及現金等值項目

於二零一九年三月三十一日，本集團約1,980,000港元(二零一八年：2,774,000港元)之現金及銀行結餘均須受中國政府所施加之外匯管制規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22. TRADE AND OTHER PAYABLES

22. 應付貿易賬款及其他應付賬項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Advance from customers	客戶墊款	368	-
Trade payables	應付貿易賬款	1,165	8,039
Accrual	應計費用	2,920	7,277
Deposits received	已收按金	-	3,442
Other payables	其他應付款項	17,892	49,264
Salary and benefits payable	應付薪金及福利	9,346	34,150
		31,691	102,172

As of the end of the reporting period, the ageing analysis of trade payables based on the demand note date, is as follows:

截至報告期末，應付貿易賬款按繳款通知書日期呈列的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0至30日	-	1,641
31-60 days	31至60日	-	573
61-90 days	61至90日	-	4,886
Over 90 days	90日以上	1,165	939
		1,165	8,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23. INTEREST-BEARING BORROWINGS

23. 計息借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The Group's interest-bearing loans were repayable as follows:	本集團須償還的計息貸款如下：		
Amount due within one year included in current liabilities	列入流動負債項下於一年內到期之款項	1,507	3,876
Amount due after one year	於一年後到期之款項	359,230	291,926
		360,737	295,802

During the years ended 31 March 2018 and 2019, the Group's interest-bearing borrowings are arranged at interest rates ranging 5% to 30%. As at 31 March 2018, the Group's interest-bearing borrowings were secured by its inventory of approximately HK\$19,473,000. The security terms was changed during the year ended 31 March 2019, security over inventory was released and the financier received the Group's rights of payments from its customers as collateral.

The above borrowings are carried at amortised cost and the carrying amounts of interest-bearing borrowings approximate to their fair value.

截至二零一八年及二零一九年三月三十一日止年度，本集團的計息借貸按利率5%至30%計息。於二零一八年三月三十一日，本集團的計息借貸由其約19,473,000港元的存貨作抵押。截至二零一九年三月三十一日止年度，抵押條款已變更，有關存貨的抵押已解除及融資人收到本集團自其客戶收取付款的權利作為抵押品。

上述借貸按攤銷成本入賬，計息借貸之賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24. BONDS

On 30 April 2008, the Company issued convertible bonds with an aggregate principal amount of HK\$806,400,000 (the "Convertible Bonds") with maturity date of 30 April 2013 for partial settlement of the consideration for the acquisition of SSC Mandarin Mining Investment Limited and its subsidiaries. As the Convertible Bonds were matured on 30 April 2013 and its conversion period expired, the Convertible Bonds became bonds payable on demand.

The bonds recognised in the consolidated statement of financial position is calculated as follows:

		2019 二零一九年			2018 二零一八年		
		Current Portion	Non- Current Portion	total	Current Portion	Non- Current Portion	total
		即期部分	非即期部分	總計	即期部分	非即期部分	總計
		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 April	於四月一日	6,708	11,366	18,074	19,687	–	19,687
Interest expense	利息支出	46	469	515	1,294	–	1,294
Redemption of bond	贖回債券	–	–	–	(2,034)	–	(2,034)
Waiver of bond interest	豁免債券利息	–	–	–	(873)	–	(873)
At 31 March	於三月三十一日	6,754	11,835	18,589	18,074	–	18,074

The fair value of the bonds at 31 March 2019 amounted to approximately HK\$18,589,000 (2018: HK\$18,074,000). As at 31 March 2019, the outstanding principal amount of the bonds was approximately HK\$13,850,000 (2018: HK\$13,850,240), which was repayable on demand.

24. 債券

於二零零八年四月三十日，本公司發行本金總額806,400,000港元之可換股債券（「可換股債券」）（於二零一三年四月三十日到期），以結付收購文華新城礦業投資有限公司及其附屬公司之部分代價。由於可換股債券於二零一三年四月三十日到期及其轉換期屆滿，可換股債券變更為須按要求償還。

於綜合財務狀況表中確認之債券計算如下：

於二零一九年三月三十一日債券之公平值約為18,589,000港元（二零一八年：18,074,000港元）。於二零一九年三月三十一日，債券之未償還本金金額約為13,850,000港元（二零一八年：13,850,240港元），須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25. PROMISSORY NOTES

The promissory notes of the Company as at 31 March 2019 and 2018 are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Promissory notes	承兌票據	12,500	12,500

As at 31 March 2019 and 2018, the promissory notes were not yet repaid. There was also a legal dispute in regard of the promissory notes. Details please refer to note 37 Litigation.

26. CONVERTIBLE BONDS

On 10 April 2017, the Company entered into agreements with creditors for the implementation of the Debt Capitalisation.

Pursuant to the Convertible Bonds Subscription Agreement signed on 10 April 2017, the Company conditionally agreed to issue and J. Thomson Asset Investment Limited conditionally agreed to subscribe for the Convertible Bonds in the principal amount of approximately HK\$30,095,000. The subscription monies payable by the J. Thomson Asset Investment Limited for the Convertible Bonds will be settled by way of set off against the Debt due to the J. Thomson Asset Investment Limited.

On 17 July 2017, the Company issue convertible bond with a principal amount of approximately HK\$30,095,000 to the J. Thomson Asset Investment Limited and its connected person to discharge its debt liabilities.

25. 承兌票據

於二零一九年及二零一八年三月三十一日
本公司承兌票據如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Promissory notes	承兌票據	12,500	12,500

於二零一九年及二零一八年三月三十一日，
承兌票據尚未償還。該承兌票據亦涉及一
項法律糾紛。有關詳情請參閱附註37訴訟。

26. 可換股債券

於二零一七年四月十日，本公司與債權人
訂立協議以執行債務資本化。

根據於二零一七年四月十日簽立之可換股
債券認購協議，本公司有條件同意發行及J.
Thomson Asset Investment Limited有條件
同意認購本金額約為30,095,000港元的可
換股債券。J. Thomson Asset Investment
Limited就可換股債券之應付認購款項將以
抵銷應付J. Thomson Asset Investment
Limited之債務之方式結算。

於二零一七年七月十七日，本公司向J.
Thomson Asset Investment Limited及其關
連人士發行本金額約為30,095,000港元的
可換股債券以解除其債務責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS (Continued)

The terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer: the Company

Principal amount: HK\$30,095,357

Maturity date: Five years from the date of issue of the Convertible Bonds. Unless previously redeemed, converted or cancelled as provided in the agreement pursuant to which the Convertible Bonds are to be issued, the Company shall redeem the outstanding principal amount of the Convertible Bonds on the maturity date.

Interest Rate: The Convertible Bonds will carry interest at a rate of 4% per annum, payable in arrears quarterly on 31 March, 30 June, 30 September and 31 December in each year.

Transferability: None of the Convertible Bonds shall be transferable to any of the connected person of the Company. Subject to all applicable laws and regulations, the Convertible Bonds may be transferable to any other person.

26. 可換股債券(續)

可換股債券之條款已經公平磋商及其主要條款概述如下：

發行人： 本公司

本金額： 30,095,357 港元

到期日： 可換股債券發行日期起計滿五年後當日。除非按協議(可換股債券乃據此予以發行)所訂明者提早贖回、轉換或註銷，否則本公司將於到期日贖回可換股債券之尚餘本金額。

利率： 可換股債券將按年利率4厘計息，而利息將於每年三月三十一日、六月三十日、九月三十日及十二月三十一日，即每季期末時支付。

可轉讓性： 可換股債券概不得轉讓予本公司任何關連人士。在所有適用法律及規例之規限下，可換股債券可轉讓予任何其他人士。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS (Continued)

Conversion rights: Holders of the Convertible Bonds will have the right to convert the Convertible Bonds, on whole or in part (in multiples of HK\$150,000), of the principal amount of the Convertible Bonds into the Conversion Shares at the Conversion Price for the period commencing from the date of the issue of the Convertible Bonds up to the close of business on the day falling 14 days prior to the above-mentioned maturity date, such that:

- (i) the conversion right shall only be exercisable so long as the aggregate shareholdings of the holders of the Convertible Bonds, their associates (as defined in the GEM Listing Rules) and parties acting in concert (as defined in the Codes on Takeovers and Mergers of the Securities and Futures Commission) with them, immediately after such exercise will not exceed 29.99% of the then issued share capital of the Company; and
- (ii) the conversion rights shall only be exercised so long as the public float of at least 25 % of the issued share capital of the Company can be maintained.

Conversion Price and adjustment: HK\$0.3 (restated as a result of share consolidation) per Conversion Share, which is subject to adjustment for dilutive events, including:

26. 可換股債券(續)

換股權：可換股債券持有人有權於可換股債券發行之日起至上述到期日前第14日當日營業時間結束止之期間內，按換股價將可換股債券全部或部份本金額(以150,000港元之倍數)轉換為換股股份，而：

- (i) 換股權僅可於可換股債券持有人、彼等之聯繫人(定義見GEM上市規則)及與彼等一致行動之人士(定義見證券及期貨事務監察委員會公司收購及合併守則)之總持股量於緊隨有關行使後不會超過本公司當時已發行股本29.99%之情況下行使；及
- (ii) 換股權僅可於公眾持股量可維持於佔本公司已發行股本最少25%之情況下行使。

換股價及調整：每股換股股份0.3港元(因股份合併而重列)，其可就攤薄事件作出調整，當中包括：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS *(Continued)*

Conversion Price and adjustment:
(Continued)

- (a) an issue of Shares or convertible securities at a price which is less than the Conversion Price;
- (b) subdivision, consolidation or reclassification of Shares;
- (c) capital distribution to Shareholders;
- (d) an issue of Shares by way of rights, or issue or grant to all or substantially all Shareholders to subscribe for or purchase any Shares at a price less than 90% of the then current market price per Share on the last trading day preceding the date of the announcement of the terms of such issue or grant;
- (e) issue of any securities (other than Shares or options and any securities convertible or exchangeable into the Shares, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders;
- (f) an issue of any Shares or issue or grant of options, warrants or other rights to subscribe or purchase Shares or securities convertible or exchangeable into Shares at a price less than 90% of the then current market price per Share on the last trading day preceding the date of the announcement of the terms of such issue or grant; and

26. 可換股債券 *(續)*

換股價及調整：
(續)

- (a) 按低於換股價之價格發行股份或可換股證券；
- (b) 拆細、合併或重新分類股份；
- (c) 向股東分派資本；
- (d) 以低於每股股份於公告該發行或授予事項條款當日之前之最後交易日之當時現行市價90%之價格以供股方式發行股份、或向全部或絕大部份股東發行或授予權利認購或購入任何股份；
- (e) 向全部或絕大部份股東發行任何證券（股份或購股權及可轉換或交換為股份之任何證券、認股權證或可認購或購入股份之其他權利除外）；
- (f) 以低於每股股份於公告該發行或授予事項條款當日之前之最後交易日之當時現行市價90%之價格發行任何股份或發行或授予購股權、認股權證或認購或購買股份之其他權利或可轉換或交換為股份之證券；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS (Continued)

Conversion Price and adjustment: (Continued)

(g) the Company or (at the direction or request of or pursuant to any arrangements with the Company) any other person or entity shall issue any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a price less than 90% of the then current market price per Shares on the last trading day preceding the date of the announcement of the terms of such issue or grant.

Ranking of the Convertible Bonds:

The Convertible Bonds constitute a direct, unconditional, unsubordinated and unsecured obligation of the Company, ranking pari passu and rateably without preference among themselves, and with other direct, unconditional, unsubordinated and unsecured obligations of the Company.

Ranking of the Conversion Shares:

The Conversion Shares, when allotted and issued, will be duly authorised and will be validly issued, credited as fully-paid and unencumbered and free and clear of any security interests, claims (including preemptive rights), liens or encumbrances and will be freely transferable and shall rank pari passu in all respects with all other Shares then in issue.

Voting:

The Convertible Bonds do not confer any voting rights at any meetings of the Company.

26. 可換股債券(續)

換股價及調整：(續)

(g) 本公司或(按本公司指示或要求或與本公司達成之任何安排)任何其他人士或實體發行任何證券，而按證券之發行條款，其附有權利以低於每股股份於公告該發行或授予事項條款當日之前之最後交易日之當時現行市價90%之價格轉換或交換為股份或認購股份。

可換股債券之地位：

可換股債券構成本公司一項直接、無條件、非從屬及無抵押責任，彼等各自間及與本公司其他直接、無條件、非從屬及無抵押責任享有同等地位，亦無優先權。

換股股份之地位：

換股股份於配發及發行後，將為正式法定股本並將有效發行，列作繳足及並無產權負擔，亦不會涉及及不附帶任何抵押權益、索償(包括優先購買權)、留置權或產權負擔，並將可自由轉讓，及在各方面與當時所有其他已發行股份享有同等地位。

投票：

可換股債券並無賦予於本公司任何大會之任何投票權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS (Continued)

The convertible bonds consist of a liability component, representing the 5-year 4% straight debt and an equity component, representing the convertible option of HK\$0.3 per share. At the issuance of the bonds, the liability component and the equity component were recognised at fair value, determined based on the valuations performed by an independent professional valuer, Greater China Appraisal Limited, using the Effective Interest method with the following assumptions:

— Valuation Date	17 July 2017
— Credit Rating	CCC
— Effective Interest Rate	21.5838%
— Time to Maturity (year)	5
— Risk-free Rate (HKD)	1.726%

An increase or decrease of 3% of the effective interest rate will lead to a decrease or increase of approximately HK\$1,724,000 of the fair value of the debt component.

The liability component and equity component of the convertible bonds recognised at initial recognition as at 17 July 2017 are as follows:

	HK\$'000
	千港元
Fair value of convertible bonds issued	30,095
Less: Liability component	15,073
Equity component	15,022

The liability component are amortised on a straight line basis over the term of contract, and interest expense of approximately HK\$3,455,000 has been recognised in the consolidated statement of profit or loss for the year ended 31 March 2019 (2018:HK\$2,184,000)

26. 可換股債券(續)

可換股債券包括負債部分(為按5年4%計息的普通債券)及權益部分(每股0.3港元兌換權)。於發行債券時,負債部分及權益部分按公平值確認,根據獨立專業估值師漢華評值有限公司的估值採用實際利率法並根據以下假設釐定:

— 估值日期	二零一七年七月十七日
— 信貸評級	CCC
— 實際利率	21.5838%
— 到期時間(年)	5
— 無風險利率(港元)	1.726%

實際利率增加或減少3%將導致債務部分之公平值減少或增加約1,724,000港元。

可換股債券之負債部分及權益部分於二零一七年七月十七日初步確認時確認如下:

	HK\$'000
	千港元
Fair value of convertible bonds issued	30,095
Less: Liability component	15,073
Equity component	15,022

負債部分於合約期內按直線法攤銷及利息開支約3,455,000港元已於截至二零一九年三月三十一日止年度之綜合損益表內確認(二零一八年:2,184,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. CONVERTIBLE BONDS (Continued)

The directors estimate the carrying value of the liability component of the convertible bonds at 31 March 2019 approximately to be its fair value which has been calculated by discounting the future cash flows at the market rate.

The movement of the liability and equity components of the convertible bonds for the year is set out below:

		Liability component	Equity component	Total
		負債部分	權益部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 March 2018	於二零一八年三月三十一日	16,410	12,543	28,953
Effective interest expenses	實際利息開支	3,449	-	3,449
Payment of interests	利息付款	(1,204)	-	(1,204)
At 31 March 2019	於二零一九年三月三十一日	18,655	12,543	31,198

During the years ended 31 March 2019 and 2018, none of the bonds were redeemed, converted or purchased and cancelled.

Section 69 (d) of HKAS 1 Presentation of Financial Statements required a liability to be classified as a current liability if the entity does not have the unconditional right at the reporting date to defer settlement for at least twelve months after the reporting period. Since the company breached a condition of its agreement with the convertible bond holders by the end of the reporting date, the financial liability of the convertible bonds becomes payable on demand and was classified as current liabilities as at 31 March 2019 and 2018.

26. 可換股債券(續)

董事估計，於二零一九年三月三十一日，可換股債券負債部分的賬面值與已通過按市場利率貼現未來現金流量計算的其公平值相若。

可換股債券負債及權益部分於本年度之變動載列如下：

		Liability component	Equity component	Total
		負債部分	權益部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 March 2018	於二零一八年三月三十一日	16,410	12,543	28,953
Effective interest expenses	實際利息開支	3,449	-	3,449
Payment of interests	利息付款	(1,204)	-	(1,204)
At 31 March 2019	於二零一九年三月三十一日	18,655	12,543	31,198

截至二零一九年及二零一八年三月三十一日止年度，概無贖回、轉換或購買及註銷債券。

香港會計準則第1號第69(d)段「財務報表列報」規定，倘實體於呈報日期不具有無條件權利延遲償還至於報告期間後最少十二個月，則負債須分類為流動負債。於二零一九年及二零一八年三月三十一日，由於本公司於報告日期前違反其與可換股債券持有人的協議條件，可換股債券的金融負債變更為按要求償還並分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. SHARE CAPITAL

27. 股本

		2019 二零一九年		2018 二零一八年	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
At 1 April	於四月一日	40,000,000,000	160,000	30,000,000,000	120,000
Increase of authorised capital	增加法定股本	-	-	10,000,000,000	40,000
Share consolidation	股份合併	(37,333,333,334)	-	-	-
At 31 March	於三月三十一日	2,666,666,666	160,000	40,000,000,000	160,000
Issued and fully paid:	已發行及繳足：				
At 1 April	於四月一日	22,451,732,406	89,807	13,448,448,271	53,794
Open offer	公开发售	-	-	6,724,244,135	26,897
Share consolidation	股份合併	(20,954,950,246)	-	-	-
Allotment of share for extinguish the financial liability	就對銷金融負債 配發股份	-	-	2,279,000,000	9,116
At 31 March	於三月三十一日	1,496,782,160	89,807	22,451,732,406	89,807

On 6 March 2019, the Company completed the consolidation of shares of the issued shares of the Company whereby every fifteen issued and unissued ordinary shares of HK\$0.004 each are consolidated into one consolidated ordinary share of HK\$0.06 each (the "Share consolidation").

On 8 May 2017, the company allotted and issued 6,724,244,135 offer shares pursuant to the open offer, details of which were set out in the company's prospectus dated 31 March 2017.

於二零一九年三月六日，本公司完成合併本公司已發行股份的股份，其中每15股每股0.004港元的已發行及未發行普通股合併為一股每股0.06港元的合併普通股（「股份合併」）。

於二零一七年五月八日，本公司根據公开发售配發及發行6,724,244,135股發售股份，詳情載於本公司日期為二零一七年三月三十一日之招股書。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. SHARE CAPITAL (Continued)

On 17 July 2017, the company allotted and issued 2,279,000,000 subscription shares pursuant to the subscriptions agreements, details of which were disclosed in the circular of the company dated 21 June 2017 and the next day disclosure return of the company dated 17 July 2017.

28. EMPLOYEE BENEFITS

(i) Defined contribution retirement plan

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund Ordinance. Both the Group’s and the employees’ contributions are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. The assets of the MPF Scheme are held separately from those of the Group in an independently-administered fund. The Group’s contributions vest fully with the employees when contributed into the MPF Scheme.

Pursuant to the regulations in the PRC, the employees in the PRC are required to join the pension fund(養老保險基金)which is a defined contribution scheme operated by the local government for the benefit of retired employees. The Group is required to make monthly contributions to the scheme at a specified rate of the employee payroll to fund the retirement benefits of the employees.

Save as disclosed above, the Group has no other obligations to make payments in respect of retirement benefits of the employees.

27. 股本(續)

於二零一七年七月十七日，本公司根據認購協議配發及發行2,279,000,000股認購股份，詳情披露於本公司日期為二零一七年六月二十一日之通函及本公司日期為二零一七年七月十七日之翌日披露報表。

28. 僱員福利

(i) 定額供款退休計劃

本集團已安排其香港僱員加入強制性公積金計劃(「強積金計劃」)，有關計劃為一項由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例所界定按僱員收入之5%按月向該計劃供款。本集團及其僱員每月供款之上限均為1,500港元，而超過該上限之供款乃屬自願性質。強積金計劃之資產以一項獨立管理基金與本集團之資產分開持有。本集團之供款於向強積金計劃供款時全數歸僱員所有。

根據中國有關法規，中國之僱員須加入養老保險基金，有關基金為一項由當地政府為退休僱員之福利而設立之定額供款計劃。本集團須按僱員薪酬之特定比例按月向該計劃供款，以為僱員之退休福利提供資金。

除上文披露者外，本集團概無就僱員退休福利之供款而須承擔任何其他責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28. EMPLOYEE BENEFITS (Continued)

(ii) Share option scheme

At an extraordinary general meeting of the shareholders of the Company held on 4 March 2009, the Company adopted a share option scheme (the “Share Option Scheme”). The Share Option Scheme shall remain in force for a period of ten years commencing on that date, subject to early termination by the Company in general meeting.

To enable the Company to motivate more persons to make contribution to the Group and recruit additional talents to serve the Group in attaining the long term objectives of the Company, the Share Option Scheme has been adopted with a broader categories of eligible participants, including full time and part time employee, consultant, adviser, agent, contractor, customer, supplier and shareholder of the Group (the “Participants”). Under the terms of the Share Option Scheme, the directors of the Company may determine the grant of any options to the Participants to subscribe for ordinary shares in the capital of the Company.

The overall limit on the number of shares which may be issued upon exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 30% of shares of the Company in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company, including both exercised and outstanding options, to each Participant in any twelve month period must not exceed 1% of the then total issued share capital of the Company (the “Individual Limit”). Any further grant of options in excess of the Individual Limit must be subject to shareholders’ approval in general meeting of the Company with such Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

28. 僱員福利(續)

(ii) 購股權計劃

於本公司在二零零九年三月四日舉行之股東特別大會上，本公司採納一項購股權計劃(「購股權計劃」)。購股權計劃自該日起計十年期間內有效，惟受本公司於股東大會上提早終止所限。

為使本公司能激勵更多人士為本集團作出貢獻及聘請更多有才幹之人士效力本集團以達到本公司之長遠目標，本集團採納購股權計劃，購股權計劃中納入更廣泛類別之合資格參與者，包括本集團之全職及兼職僱員、諮詢顧問、意見顧問、代理商、承包商、客戶、供應商及股東(「參與者」)。根據購股權計劃之條款，本公司之董事可酌情向參與者授出任何購股權，以認購本公司股本中之普通股。

因根據購股權計劃及其他購股權計劃授出但未予行使之所有購股權獲行使而可發行之股份數目整體限額，合計不得超逾本公司不時已發行股份之30%。於任何十二個月期間內，因根據購股權計劃及本公司任何其他購股權計劃授出之購股權(包括已行使及尚未行使之購股權)獲行使而發行及可能須發行予每名參與者之股份總數，不得超逾本公司當時已發行股本總數之1%(「個別限額」)。凡進一步授出任何超逾個別限額之購股權須經股東於本公司股東大會上批准，而該參與者及其聯繫人(定義見GEM上市規則)須放棄投票。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28. EMPLOYEE BENEFITS (Continued)

(ii) Share option scheme (Continued)

An option may be exercised in accordance with the terms of the Share Option Scheme at any time from the date of grant of the option to the date of expiry of the option as determined and notified by the directors of the Company to each grantee but may not be exercised after the expiry of ten years from the date of grant. The subscription price of the shares in respect of any particular option granted under the Share Option Scheme shall be such price as the board of directors of the Company, in its absolute discretion, shall determine and notify the Participant, save that such price must be at least the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

As the company conducted a share consolidation on the basis that every fifteen issued and unissued existing shares of par value of HK\$0.004 each in the share capital of the Company were consolidated into one consolidated share of par value of HK\$0.06 each on 6 March 2019, adjustments are required to be made to the exercise prices and the number of the Shares falling to be issued upon exercise of the outstanding Share Options in accordance with the terms and conditions of the share option scheme of the Company adopted on 4 March 2009 (the "Share Option Scheme"), Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance (the "Supplementary Guidance") dated 5 September 2005 regarding the adjustments to share options issued by the Stock Exchange. The adjustments to the exercise prices of and the number of Shares falling to be issued upon exercise of the outstanding Share Options are as follows:

28. 僱員福利(續)

(ii) 購股權計劃(續)

購股權可於購股權授出日期起至本公司董事釐定並知會各承授人之購股權屆滿日期止之期間內，隨時根據購股權計劃之條款行使，惟不得於授出日期起計十年屆滿後予以行使。根據購股權計劃授出之任何特定購股權所涉及之股份認購價須為本公司董事會全權酌情釐定並知會參與者之價格，惟該價格不得低於以下三者之較高者：(i) 本公司股份於授出日期在聯交所每日報價表所列之收市價；(ii) 本公司股份於緊接授出日期前五個營業日在聯交所每日報價表所列之平均收市價；及(iii) 本公司股份之面值。

根據本公司於二零零九年三月四日採納之購股權計劃(「購股權計劃」)之條款及條件、GEM上市規則第23.03(13)條以及聯交所於二零零五年九月五日就購股權調整發佈之補充指引(「補充指引」)，由於本公司於二零一九年三月六日進行股份合併(基準為本公司股本中每15股每股面值0.004港元的已發行及未發行現有股份合併為一股每股面值0.06港元的合併股份)，尚未行使購股權之行使價及尚未行使購股權獲行使時將予發行之股份數目須予以調整。尚未行使購股權之行使價及尚未行使購股權獲行使時將予發行之股份數目之調整如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28. EMPLOYEE BENEFITS (Continued)

(ii) Share option scheme (Continued)

Date of grant 授出日期		Immediately prior to the adjustments as a result of the share consolidation 緊接因股份合併調整前	Immediately after the adjustments as a result of the share consolidation 緊隨因股份合併調整後		
		Number of Shares to be issued upon full exercise of Share options 悉數行使 購股權時 將予發行之 股份數目	Exercise price 行使價 HK\$ 港元	Number of Shares to be issued upon full exercise of Share options 悉數行使 購股權時 將予發行之 股份數目	Adjusted Exercise price 經調整行使價 HK\$ 港元
19 November 2009	二零零九年十一月十九日	67,789,450	0.114	4,519,296	1.71

There was no grant of share options for the years ended 31 March 2019 and 2018.

0 share options were lapsed or cancelled in the year ended 31 March 2019 (2018: 4,080,530 share options).

As at 31 March 2019, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 4,519,296 (2018: 67,789,450), representing 0.3% (2018: 0.30%) of the total number of shares of the Company in issue at that date.

28. 僱員福利(續)

(ii) 購股權計劃(續)

截至二零一九年及二零一八年三月三十一日止年度，概無授出購股權。

零份購股權已於截至二零一九年三月三十一日止年度失效或註銷(二零一八年：4,080,530份購股權)。

於二零一九年三月三十一日，有關根據購股權計劃已授出而尚未行使之購股權之股份數目為4,519,296股(二零一八年：67,789,450股)，佔本公司於該日已發行股份總數之0.3%(二零一八年：0.30%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 71 and 72.

(b) Company

29. 儲備

(a) 本集團

本集團儲備金額以及於本年度及過往年度之變動詳情乃於第71及72頁之綜合權益變動表內呈列。

(b) 本公司

		Equity				Accumulated losses	Total
		Share premium	convertible bonds	Share Option Scheme Reserve			
		可換股債券之 股份溢價	權益部分	購股權 計劃儲備	累計虧損	合計	
		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	
At 1 April 2017	於二零一七年四月一日	1,690,765	5,036	26,703	(1,571,878)	150,626	
Issuance of shares upon open offer	因公開發售發行股份	104,766	-	-	-	104,766	
Issuance of shares for extinguish the financial liability	就對銷金融負債發行股份	42,416	-	-	-	42,416	
Issuance of convertible bonds	發行可換股債券	-	15,022	-	-	15,022	
Deferred tax liability upon convertible bond	因可換股債券產生遞延稅項負債	-	(2,479)	-	-	(2,479)	
Loss for the year	年度虧損	-	-	-	(320,349)	(320,349)	
At 31 March 2018	於二零一八年三月三十一日	1,837,947	17,579	26,703	(1,892,227)	(9,998)	
Loss for the year	年度虧損	-	-	-	(19,677)	(19,677)	
As 31 March 2019	於二零一九年三月三十一日	1,837,947	17,579	26,073	(1,911,904)	(29,675)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. RESERVES (Continued)

(b) Company (Continued)

Under section 34 of the Companies Law (Revised) of the Cayman Islands, the share premium is available for distribution to shareholders subject to the provisions of the articles of association of the Company and no distribution may be paid to shareholders out of the share premium unless, immediately following the date on which 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.

30. COMMITMENTS

Operating lease commitments

The Group leases certain of its land and buildings under operating lease arrangements. Leases for properties are negotiated for terms ranging between one to three years with fixed monthly rentals.

Future minimum lease payments of the Group under non-cancellable operating leases are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	839	842
In the second to fifth year, inclusive	第二至第五年(包括首尾兩年)	126	140
		965	982

29. 儲備(續)

(b) 本公司(續)

根據開曼群島公司法(經修訂)第34條,在符合本公司組織章程細則之規定下,股份溢價可分派予股東;而本公司須於緊隨建議分派或派發股息之日期後能夠支付日常業務過程中之到期債務,方可以利用股份溢價向股東作出分派。

30. 承擔

經營租賃承擔

本集團根據經營租賃安排租用其若干土地及樓宇。物業租賃的租期經磋商後介乎一至三年,附有固定月租。

本集團於不可撤銷經營租賃下之未來最低租賃付款如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT

The Group's major financial assets and liabilities include bank balances and cash, bonds, promissory notes, interest-bearing borrowings, other receivables, trade and other payables as well as, long term loans. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Foreign exchange risk

The Group's monetary assets and transactions are principally denominated in HK\$ and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group adopted a conservative treasury policy with most of the bank deposits being kept in HK\$ or RMB, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk.

The Group has certain investments and operations in the PRC, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's operations in the PRC is managed primarily through operating liabilities denominated in RMB.

To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's foreign currency exchange risks. However, the management continues to monitor the foreign exchange exposure regularly and will consider hedging significant foreign currency exposure should the need arise.

31. 財務風險管理

本集團之主要金融資產及負債包括銀行結餘及現金、債券、承兌票據、計息借貸、其他應收賬項、應付貿易賬款及其他應付賬項以及長期貸款。該等金融工具之詳情已於各有關附註披露。該等金融工具之相關風險及減低該等風險之政策載於下文。管理層管理及監察該等風險，以確保適時及有效地施行合適之措施。

(a) 外匯風險

本集團之貨幣資產及交易主要是以港元及人民幣為單位。將來的商業交易和已確認之資產及負債以相關集團實體功能貨幣以外之其他貨幣計值亦會引致外匯風險。本集團採取保守之庫務政策，大部份銀行存款屬於港元或人民幣存款，又或屬於營運附屬公司所在地區貨幣之存款，以盡量減低外匯風險。

本集團於中國擁有若干投資及業務，而相關淨資產會面對外幣換算風險。因本集團之中國業務淨資產而產生之貨幣風險主要透過以人民幣計值之經營負債管理。

現時，本集團並未為減低其外幣換算風險而訂立任何對沖交易。然而，管理層將繼續定期監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign exchange risk (Continued)

A reasonably possible increase of 5% in exchange rates between RMB and HK\$ respectively, with all other variables held constant, will lead to an increase of approximately HK\$11,357,000 of the Group's profit before tax (2018: HK\$971,000).

(b) Interest rate risk

The Group's exposure to interest rate risk arises primarily from its borrowings and bank deposits. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group currently does not have any interest rate hedging policy. The management monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise.

At 31 March 2019, it is estimated that a general increase/decrease of 100 basis points (2018: 100 basis points) in interest rates, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately HK\$3,752,000 (2018: HK\$2,958,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the Group's exposure to interest rate risk for financial instruments in existence at that date. A 100 basis points (2018: 100 basis points) increase or decrease in interest rates represents management's assessment of a reasonably possible change in interest rates. The analysis is performed on the same basis for 2018.

31. 財務風險管理(續)

(a) 外匯風險(續)

人民幣兌港元之匯率可能出現為5%之合理變動，而所有其他變數維持不變，將令本集團之除稅前利益增加約11,357,000港元(二零一八年：971,000港元)。

(b) 利率風險

本集團之利率風險主要涉及其借貸及銀行存款。固定利率借貸使本集團面臨公平值利率風險。

本集團現時並無任何利率對沖政策。管理層持續監察本集團之風險，並將於有需要時考慮對沖利率風險。

於二零一九年三月三十一日，估計如利率普遍增加／減少100個基點(二零一八年：100個基點)，而所有其他變數維持不變，則會令本集團之除稅前溢利減少／增加約3,752,000港元(二零一八年：2,958,000港元)。

上述敏感度分析乃假設利率變動於報告日期已經發生，並適用於本集團於當日存在之金融工具之利率風險而釐定。利率增加或減少100個基點(二零一八年：100個基點)乃管理層對利率可能出現之合理變動之評估。分析乃以二零一八年之相同基準進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(c) Commodity price risk

The Group's exposure to commodity price risk relates principally to the market price fluctuations in gold and other by-product commodities, which can affect the Group's results of operations.

For the year ended 31 March 2019, it is estimated that an increase/decrease of RMB10/gram of gold price will lead to an increase/decrease of sales of around HK\$3,900,000 (2018: HK\$3,505,000).

The Group has not used any commodity derivative contracts to hedge its exposure to commodity price risk. The Group manages its exposure through constant monitoring and will consider hedging significant commodity price exposure should the need arise.

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily deposits and other receivables and promissory notes) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

31. 財務風險管理(續)

(c) 商品價格風險

本集團之商品價格風險主要關於黃金及其他副產品商品之市價波動，而有關波動會影響本集團之經營業績。

截至二零一九年三月三十一日止年度，估計金價每上升／下降人民幣10元／克會導致銷售額增加／減少約3,900,000港元(二零一八年：3,505,000港元)。

本集團未有動用任何商品衍生工具合約對沖其商品價格風險。本集團透過持續監察以管理風險，並將於有需要時考慮對沖重大商品價格風險。

(d) 信貸風險

信貸風險乃因對手方無法履行金融工具或客戶合約項下責任而引致財務損失的風險。本集團因其經營活動(主要是按金及其他應收賬項及承兌票據)及因其融資活動(包括銀行及金融機構之存款、外匯交易及其他金融工具)而承受信貸風險。由於交易對手為國際信貸評級機構給予高評級且本集團因而認為信貸風險較低之銀行及金融機構，故本集團所承受由現金及現金等值項目引致之信貸風險屬有限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk (Continued)

The Group does not provide any financial guarantees which would expose the Group to credit risk.

The carrying amount of deposits and other receivables, promissory notes and bank balances included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

In order to minimise credit risk, the Group has delegated its finance team to develop and maintain the Group's credit risk grading to categories exposures according to their degree of risk of default. The finance team uses publicly available financial information and the Group's own historical repayment records to rate its major debtors. The Group's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

31. 財務風險管理(續)

(d) 信貸風險(續)

本集團並無提供任何可能導致本集團面對信貸風險的財務擔保。

計入綜合財務狀況表的按金及其他應收賬項、承兌票據及銀行結餘之賬面值代表本集團就本集團的金融資產所承擔的最高信貸風險。

為盡量減低信貸風險，本集團已委派其財務團隊制定及維持本集團的信貸風險評級，以根據違約風險程度將風險進行分類。財務團隊使用公開可用的財務資料及本集團自身的過往還款記錄以評估其主要債務人。本集團之風險及其對手方之信貸評級受持續監控，而達成交易的總價值分佈於多名核准對手方中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category 類別	Description 說明	Basis of recognising ECL 確認預期信貸虧損之基準
Performing 良好	The counterparty has a low risk of default and does not have any partdue amounts 對手方違約風險低，且無任何逾期款項	12m ECL 12個月預期信貸虧損
Doubtful 呆賬	There has been a significant increase in credit risk since initial recognition 自初始確認後信貸風險大幅增加	Lifetime ECL not credit impaired 全期預期信貸虧損－未出現信貸減值
In default 違約	There is evidence indicating the asset is credit impaired 有證據表明資產已出現信貸減值	Lifetime ECL credit impaired 全期預期信貸虧損－已出現信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據表明債務人處於嚴重財務困難及本集團並無實際收回款項的可能	Amount is written off 款項被撇銷

For deposits and other receivables, the directors make periodic collectively assessments as well as individual assessment on the recoverability of other receivables and deposits. No ECL of deposits and other receivables was recognised under 12m ECL model during the years ended 31 March 2019 and 2018.

The Group measures loss allowances for promissory notes at an amount equal to lifetime ECLs. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different debtors, the loss allowance based on past due status is not further distinguished between the Group's different debtors.

31. 財務風險管理(續)

(d) 信貸風險(續)

本集團現時的信貸風險評級框架包括下列類別：

Category 類別	Description 說明	Basis of recognising ECL 確認預期信貸虧損之基準
Performing 良好	The counterparty has a low risk of default and does not have any partdue amounts 對手方違約風險低，且無任何逾期款項	12m ECL 12個月預期信貸虧損
Doubtful 呆賬	There has been a significant increase in credit risk since initial recognition 自初始確認後信貸風險大幅增加	Lifetime ECL not credit impaired 全期預期信貸虧損－未出現信貸減值
In default 違約	There is evidence indicating the asset is credit impaired 有證據表明資產已出現信貸減值	Lifetime ECL credit impaired 全期預期信貸虧損－已出現信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據表明債務人處於嚴重財務困難及本集團並無實際收回款項的可能	Amount is written off 款項被撇銷

就按金及其他應收款項而言，董事定期對其他應收款項及按金的可收回性進行集體評估及個別評估。於截至二零一九年及二零一八年三月三十一日止年度，概無根據12個月預期信貸虧損模式確認按金及其他應收款項之預期信貸虧損。

本集團按相等於全期預期信貸虧損的金額計量承兌票據之虧損撥備。由於本集團之過往信貸虧損經驗並無顯示不同債務人之虧損模式有重大差異，因此並無進一步區分本集團不同債務人基於逾期狀況之虧損撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk (Continued)

No ECL of promissory notes was recognised under lifetime ECL model during the years ended 31 March 2019 and 2018.

(e) Liquidity risk

For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

The following table sets out the remaining contractual maturities of the Group's non-derivative financial liabilities at the reporting date, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the prevailing rates at the reporting date) and the earliest date the Group can be required to pay:

	2019 二零一九年				2018 二零一八年			
	Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within one year or on demand 一年內或應要求	After one year 超過一年	Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within one year or on demand 一年內或應要求	After one year 超過一年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade and other payable 應付貿易賬款及其他應付賬項	31,691	31,691	31,691	-	102,172	102,172	102,172	-
Interest-bearing borrowings 計息借貸	1,507	1,507	1,507	-	3,876	3,876	3,876	-
Promissory notes 承兌票據	12,500	12,500	12,500	-	12,500	12,500	12,500	-
Bonds 債券	18,589	18,589	6,754	11,835	18,074	18,074	18,074	-
Long-term loans 長期貸款	359,230	359,230	-	359,230	291,926	291,926	-	291,926
Convertible bonds 可換股債券	18,655	34,059	34,059	-	16,410	35,262	35,262	-
	442,172	457,576	86,511	371,065	444,958	463,810	171,884	291,926

31. 財務風險管理(續)

(d) 信貸風險(續)

截至二零一九年及二零一八年三月三十一日止年度，概無根據全期預期信貸虧損模式確認承兌票據的預期信貸虧損。

(e) 資金流通風險

為管理本集團之資金流通風險，本集團監察及維持充足水平之現金及現金等值項目，以撥付本集團之業務所需及減低現金流量波動之影響。管理層定期檢討及監察本集團之營運資金需求。

下表詳列本集團非衍生金融負債於報告日期之尚餘合約期限，乃根據合約未折現現金流量(包括採用合約利率或(如屬浮動利率)根據報告日期通行之利率計算之利息款項)，以及可能要求本集團付款之最早日期計算：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(f) Capital risk management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to support its business and maximise shareholders' value. To maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, sell assets as well as issue new debts or redeem existing debts.

The Group manages its capital structure and make adjustments to it, in light of cost and risk associated with the capital and changes in economic conditions.

The only externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the Shares. The Group has maintained a sufficient public float to comply with GEM Listing Rules from the date of the Listing. As of 31 March 2019, approximately 25% of the Shares were in public hands.

(g) Fair value estimation

There is 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

31. 財務風險管理(續)

(f) 資本風險管理

本集團管理資本之主要目標為保障本集團能繼續以持續經營基準經營業務，以支持其業務及將股東價值提升至最高。為維持或調整資本架構，本集團可能會調整派息、發行新股、出售資產以及發行新債或贖回舊債：

本集團會管理其資本架構，並因應與資本有關之成本及風險以及經濟狀況變動而作出調整：

本集團維持其於聯交所上市之唯一外部施加的資本要求是，其股份公眾持股量比例必須至少為25%。本集團自上市日期以來一直維持充足的公眾持股量以符合GEM上市規則。截至二零一九年三月三十一日，公眾持有的股份約為25%。

(g) 公平值估計

根據香港財務報告準則第13號「公平值計量」定義，有三個等級之公平值層級。公平值計量應歸入的層級乃按照估值技術所用輸入數據的可觀察性及重要性釐定，詳情如下：

- 第一級估值：公平值計量只使用第一級別輸入數據，即於計量日期相同資產或負債在活躍市場之未經調整報價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair value estimation (Continued)

- 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

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

31. 財務風險管理(續)

(g) 公平值估計(續)

- 第二級估值：公平值計量使用第二級別輸入數據，即不符合第一級別的可觀察輸入數據，且不使用不可觀察的重要輸入數據。不可觀察輸入數據是並無可得市場數據的輸入數據。
- 第三級估值：公平值計量使用不可觀察的重要輸入數據

並非按經常性基準以公平值計量之本集團金融資產及金融負債之公平值。

	Fair value at initial recognition 初始確認 時之公平值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
Convertible Bonds-debt 可換股債券 — 債務部分 component	18,655	—	—	18,655

During the years ended 31 March 2019 and 2018, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 3 fair value measurements of the convertible bonds-debt component please refer to note 26.

於截至二零一九年及二零一八年三月三十一日止年度，第一級與第二級之間並無轉移，亦無轉入或轉出第三級。本集團之政策為於發生轉移之報告期末確認公平值層級之間的轉移。

有關可換股債券 — 債務部分第三級公平值計量所使用之估值技術及輸入數據，請參閱附註26。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32. RELATED PARTY TRANSACTIONS

Besides the directors listed in the note-directors' remuneration, the Group also identifies below related parties:

Name	Relationship
Ma Qianzhou	General manager and director of Taizhou Mining
Zhao Yuebing	Director of Taizhou Mining
Zhou Yong	Shareholder of Grand T G Gold

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(a) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	5,631	13,059
Other long-term benefits	其他長期福利	57	37
Total	總計	5,688	13,096

32. 關連人士交易

除董事薪酬附註所列之董事外，本集團亦識別下列關連人士：

名稱／姓名	關係
馬乾洲	太洲礦業總經理兼董事
趙悅冰	太洲礦業董事
周勇	大唐鎳金的股東

除本財務報表其他部分所披露者外，本集團與關連人士進行以下交易：

(a) 主要管理人員酬金

主要管理人員包括執行董事及非執行董事、執行委員會成員及公司秘書。就僱員服務而已付或應付主要管理人員之酬金載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32. RELATED PARTY TRANSACTIONS (Continued)

(b) Loans from related parties

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	185,211	162,635
Currency realignment	匯兌調整	(12,132)	17,722
Additions during the year	年內增加	12,145	6,147
Loan repaid/transferred	償還／轉讓貸款	-	(1,000)
Interest paid	已付利息	-	(293)
At 31 March	於三月三十一日	185,224	185,211

The above loans for the years ended 31 March 2019 and 2018 are from Ms. Zhao Yuebing, Mr. Ma Qianzhou.

截至二零一九年及二零一八年三月三十一日止年度之上述貸款來自趙悅冰女士、馬乾洲先生。

The loans from related parties have the following terms and conditions:

關連人士貸款的條款及條件如下：

Name of key management	主要管理人員名稱／姓名	At end	At beginning	Interest
		of year	of year	rate
		年末	年初	利率
		HK\$'000	HK\$'000	
		千港元	千港元	
2019	二零一九年			
Zhao Yuebing	趙悅冰	88,063	84,770	5%
Ma Qianzhou	馬乾洲	97,161	100,441	5%
2018	二零一八年			
Zhao Yuebing	趙悅冰	84,770	73,760	5%
Ma Qianzhou	馬乾洲	100,441	87,582	5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32. RELATED PARTY TRANSACTIONS (Continued)

(c) Amounts due to related parties

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Zhao Yuebing	趙悅冰	–	1,875
Ma Qianzhou	馬乾洲	1,225	14,389

The above amounts are interest free, unsecured and repayable on demand. They are included in trade and other payables.

32. 關連人士交易(續)

(c) 應付關連人士款項

上述款項為免息、無擔保並於要求時償還。其於應付貿易賬款及其他應付賬項入賬。

33. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial Assets — amortised cost	金融資產 — 按攤銷成本		
Promissory notes	承兌票據	4,000	–
Other receivable	其他應收賬項	9,685	12,766
Cash and cash equivalents	現金及現金等值項目	2,196	22,377
		15,881	35,143
Financial Liabilities — amortised cost	金融負債 — 攤銷成本		
Trade and other payables	應付貿易賬款及其他應付賬項	31,691	98,730
Promissory notes	承兌票據	12,500	12,500
Bonds	債券	18,589	18,074
Convertible bonds	可換股債券	18,655	16,410
Interest-bearing borrowings	計息借貸	1,507	3,876
Long-term loans	長期貸款	359,230	291,926
		442,172	441,516

33. 按類別劃分的金融資產及金融負債概要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

34. 本公司財務狀況表

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Non-current Assets	非流動資產			
Interest in subsidiaries	附屬公司權益	17	120,510	116,071
Current Assets	流動資產			
Promissory notes	承兌票據		4,000	-
Other receivables	其他應收賬項		1,623	9,223
Cash and cash equivalents	現金及現金等值項目		168	19,574
			5,791	28,797
Current Liabilities	流動負債			
Other payables	其他應付賬款		13,030	15,817
Promissory notes	承兌票據		12,500	12,500
Bonds	債券		18,589	18,074
Convertible bonds	可換股債券		18,655	16,410
Interest-bearing borrowings	計息借貸		1,507	-
			64,281	62,801
NET CURRENT LIABILITIES	流動負債淨值		(58,490)	(34,004)
Total assets less current liabilities	資產總值減流動負債		62,020	82,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

34. 本公司財務狀況表(續)

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		1,888	2,258
NET ASSETS	淨資產		60,132	79,809
Capital and Reserves	股本及儲備			
Share capital	股本		89,807	89,807
Reserves	儲備	29(b)	(29,675)	(9,998)
Total equity	權益總額		60,132	79,809

On behalf of the board of directors

代表董事會

Li Dahong

Director

李大宏

董事

Ma Xiaona

Director

馬曉娜

董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35. DEFERRED TAX LIABILITIES

The balance comprise temporary difference attributable to:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Convertible Bonds	可換股債券	1,888	2,258
Movement:	變動：		
At 1 April	於四月一日	2,258	-
Credited to profit or loss (note 10)	計入損益(附註 10)	(370)	(221)
Charged to directly to equity	直接於權益中扣除	-	2,479
As 31 March	於三月三十一日	1,888	2,258

At the end of the reporting period, the Group has no unused tax losses (2018: nil) available for offset against future profits.

Temporary differences of approximately HK\$11,441,000 (2018: HK\$1,908,000) have arisen as a result of the translation of the financial statements of the group's subsidiary in China. However, a deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future.

35. 遞延稅項負債

結餘包括以下各項應佔之暫時性差額：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Convertible Bonds	可換股債券	1,888	2,258
Movement:	變動：		
At 1 April	於四月一日	2,258	-
Credited to profit or loss (note 10)	計入損益(附註 10)	(370)	(221)
Charged to directly to equity	直接於權益中扣除	-	2,479
As 31 March	於三月三十一日	1,888	2,258

於報告期末，本集團無未動用稅項虧損(二零一八年：無)，可供抵銷未來溢利。

暫時差額約11,441,000港元(二零一八年：1,908,000港元)乃因換算本集團中國附屬公司之財務報表而產生。然而，由於該負債僅將於出售該附屬公司時變現，且預期於可預見未來預期不會進行出售，故並無確認遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36. NOTES TO CONSOLIDATED CASH FLOWS STATEMENT

Reconciliation of liabilities arising from financing activities

The table set forth below is the detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		1 April 2018 二零一八年 四月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Issue of convertible bonds-liability component 發行可換股債 券—負債部分 HK\$'000 千港元	Interest charges 利息費用 HK\$'000 千港元	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元
Bonds (note 24)	債券(附註24)	18,074	–	–	515	18,589
Interest-bearing borrowings (note 23)	計息借貸 (附註23)	295,802	39,880	–	25,055	360,737
Convertible bonds (note 26)	可換股債券 (附註26)	16,410	(1,204)	–	3,449	18,655
		330,286	38,676	–	29,019	397,981

36. 綜合現金流量表附註

融資活動所產生負債的對賬

下表載列本集團融資活動所產生負債之變動詳細，包括現金及非現金變動。融資活動所產生之負債乃本集團綜合現金流量表將現金流量或未來現金流量分類為融資活動所得現金流量之負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36. NOTES TO CONSOLIDATED CASH FLOWS STATEMENT *(Continued)*

Reconciliation of liabilities arising from financing activities
(Continued)

36. 綜合現金流量表附註(續)

融資活動所產生負債的對賬(續)

		1 April 2017 二零一七年 四月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Issue of convertible bonds-liability component 發行可換股債 券—負債部分 HK\$'000 千港元	Interest charges 利息費用 HK\$'000 千港元	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元
Bonds <i>(note 24)</i>	債券(附註24)	19,687	(2,907)	–	1,294	18,074
Interested-bearing borrowings <i>(note 23)</i>	計息借貸(附註23)	436,260	(150,466)	–	10,008	295,802
Convertible bonds <i>(note 26)</i>	可換股債券(附註26)	–	(847)	15,073	2,184	16,410
		455,947	(154,220)	15,073	13,486	330,286

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37. LITIGATION

As at 31 March 2019, the Company is involved in the following litigation proceedings:

- (i) High Court Action no. HCA397/2011. The action was commenced in 2011 and was not active until J. Thomson Asset Investment Limited join in as one of the parties to the proceedings in 2018. In this action, the Plaintiff is Charm Master Enterprises Limited, the first defendant is the Company and the second defendant is the J. Thomson Asset Investment Limited.

The Plaintiff claims redemption of the promissory note in the sum of HK\$12,500,000. The 2nd Defendant claims that it is the beneficial owner of the promissory note and claim payment of the promissory note.

Such amount of HK\$12,500,000 was already reflected at the Company's consolidated financial statement as at 31 March 2019. The Company's position is that if the redemption capacity in relation to the promissory note is not dealt with, then the position of the Company would be jeopardized if payment is made to either one party while the other is perusing.

37. 訴訟

於二零一九年三月三十一日，本公司牽涉以下訴訟程序：

- (i) 高等法院訴訟編號為HCA397/2011。該訴訟始於二零一一年且並無進展，直至J. Thomson Asset Investment Limited於二零一八年成為其中一名當事人後啟動程序。於該訴訟中，原訴人為Charm Master Enterprises Limited，第一被告為本公司，第二被告為J. Thomson Asset Investment Limited。

原訴人要求贖回總額為12,500,000港元之承兌票據。第二被告聲稱其為承兌票據之實益擁有人並要求就承兌票據付款。

該12,500,000港元已於本公司於二零一九年三月三十一日之綜合財務報表內反映。本公司現況為，倘不處理有關承兌票據的贖回資格，則在向任何一方付款而另一方正在詳細考察的情況下，本公司的狀況將受到損害。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37. LITIGATION (Continued)

- (ii) High Court Action No. 1885 of 2018. The action was commenced by Leung Heung Ying as plaintiff in August 2018 against the Company as defendant for a sum of HK\$30,095,357, being the principal amount under a series of convertible bonds issued by the Company on 17 July 2017, together with the interest accrued thereon. The said convertible bonds are due and payable in 2022.

As at the date of this report, the said sum of HK\$30,095,357 had been reflected at the Company's consolidated financial statement as at 31 March 2019.

- (iii) High Court Action No. 748 of 2019. The action was commenced by (i) Golden Landscape International Ltd as the first plaintiff (the "1st Plaintiff") and Charles Mostret as the second plaintiff (the "2nd Plaintiff") against the Company as defendant. The 1st Plaintiff claims against the Company for a sum of HK\$8,064,000.00, being the principal amount under a convertible bond issued by the Company on 13 August 2010, together with the interest accrued thereon. The 2nd Plaintiff claims against the Company for a sum of HK\$436,800.00, being the principal amount under a convertible bond issued by the Company on 4 January 2010, together with the interest accrued thereon.

As at the date of this report, the respect sums of HK\$8,064,000.00 and HK\$ HK\$436,800.00 had been reflected at the Company's consolidated financial statement as at 31 March 2019.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 27 June 2019.

37. 訴訟(續)

- (ii) 二零一八年高等法院訴訟第1885號。梁享英(作為原告人)向本公司(作為被告人)提起訴訟索賠30,095,357港元，即本公司於二零一七年七月十七日發行的一系列可換股債券的本金額連同其應計利息。上述可換股債券於二零二二年到期應付。

於本報告日期，上述金額30,095,357港元已於本公司於二零一九年三月三十一日的綜合財務報表中反映。

- (iii) 二零一九年高等法院訴訟第748號。該訴訟乃由(i) Golden Landscape International Ltd(作為第一原告人，「第一原告人」)及 Charles Mostret(作為第二原告人，「第二原告人」)向本公司(作為被告人)提起。第一原告人向本公司索賠8,064,000.00港元，即本公司於二零一零年八月十三日發行的可換股債券之本金額連同其應計利息。第二原告人向本公司索賠436,800.00港元，即本公司於二零一零年一月四日發行的可換股債券之本金額連同其應計利息。

於本報告日期，上述金額8,064,000.00港元及436,800.00港元已於本公司於二零一九年三月三十一日的綜合財務報表中反映。

38. 批准財務報表

財務報表已於二零一九年六月二十七日獲董事會批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		For the year ended 31 March				
		截至三月三十一日止年度				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		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	105,820	112,374	131,658	215,446	163,829
Profit before tax	除稅前溢利	24,673	22,520	9,622	46,117	15,610
Income tax expenses	所得稅開支	(236)	(2,294)	(8,032)	(11,948)	(7,849)
(Loss)/profit for the year	年度(虧損)/溢利	24,437	20,226	1,590	34,169	7,761
Attributable to:	以下各方應佔：					
Equity holders of the Company	本公司權益持有人	14,384	11,114	(9,779)	15,290	33
Non-controlling interests	非控股權益	10,053	9,112	11,369	18,879	7,728
		24,437	20,226	1,590	34,169	7,761

ASSETS AND LIABILITIES

資產及負債

		At 31 March				
		於三月三十一日				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		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
Total assets	總資產	763,538	788,901	710,114	812,450	807,938
Total liabilities	總負債	(688,908)	(701,864)	(634,760)	(495,887)	(507,597)
Total equity	總權益	74,630	87,037	75,354	316,563	300,341



GRAND T G GOLD HOLDINGS LIMITED
大唐潼金控股有限公司*