



GRAND T G GOLD HOLDINGS LIMITED

大唐金控有限公司*

(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

2019-20

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This report will remain on the “Latest Listed Company Information” 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

GEM為較其他於聯交所上市之中小型公司承受更高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。

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大唐滙金控股有限公司(「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「最新上市公司公告」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
Ms. Lee Eva

COMPLIANCE OFFICER

Ms. Ma Xiaona

COMPANY SECRETARY

Ms. Lee Eva

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
李綺華女士

監察主任

馬曉娜女士

公司秘書

李綺華女士

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

AUDITOR

McM (HK) CPA Limited
3rd Floor, Parklane Building,
233 Queen's Road Central,
Hong Kong

核數師

長盈(香港)會計師事務所有限公司
香港
皇后大道中233號
柏聯樓3樓

REGISTERED OFFICE

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

註冊辦事處

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

股份過戶登記總處

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 54, Hopewell Centre,
183 Queen's Road East, Hong Kong

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54樓

PRINCIPAL BANKERS

Shanghai Commercial Bank Limited
OCBC Wing Hang Bank Limited

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

STOCK CODE

8299

股份代號

8299

COMPANY WEBSITE

<http://www.grandtg.com>

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 2020.

2019 was a challenging year, affected by the ongoing China-US trade dispute, the slowdown of the gold mining operations resulting from the environmental inspections and demand for environmental improvement by the government in the Mainland China, the slowed world economy growth and uncertainties experienced in China’s economy development. In particular, the outbreak of Novel Coronavirus in January 2020 not only forced our operation into a shut down but also severely affected the business of our customers. Its adverse impacts to the business environment in which the Company operates is expected to last in the months to come. Furthermore, the Company continues to face litigations for which the Company has valid ground to defend. These cases however have seriously affected the Company’s ability to execute its development plan. Despite of the challenges, the Company 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 2020, in the backdrop of the economy uncertainties by the China-US trade dispute and also the continual effect of Novel Coronavirus epidemic, the Group is expected to face a number of challenges ahead in 2020.

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, 30 June 2020

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二零二零年三月三十一日止年度的年報。

受中美貿易糾紛持續、中國內地政府實施的環境審核及環境改善要求導致金礦開採業務放緩、世界經濟增長放緩以及中國經濟發展經歷不確定性的影響，二零一九年是極具挑戰的一年。尤其是，於二零二零年一月新型冠狀病毒疫情爆發，不僅迫使我們經營全面停擺，而且嚴重影響我們客戶的業務。其對本公司業務所在地的營商環境的不利影響預期將於未來數月持續。此外，本公司繼續面臨法律訴訟，惟本公司有充分理由辯護。然而，有關情況已嚴重影響本公司執行發展計劃的能力。儘管面臨挑戰，但本公司仍致力於透過本公司營運附屬公司的有機增長以及透過收購及新業務拓展實現其企業策略業務目標，逐步成為高效的高標準礦業公司及提高其競爭力及財務表現。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。

展望二零二零年，在中美貿易糾紛及新型冠狀病毒疫情的持續影響而產生的經濟不確定性的背景下，本集團預期在二零二零年面臨眾多挑戰。

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，二零二零年六月三十日

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 2020 (the “Year”), the Group’s revenue was approximately HK\$69.6 million, representing a decrease of approximately 57.5% from approximately HK\$163.8 million as compared with that of the last year.

The decrease in revenue was due to the slowdown of the gold mining operations resulting from the environmental inspections and demand for environmental improvement, the closure of mining operations due to Novel Coronavirus, and the impacts of Novel Coronavirus to our customers.

The revenue for the third quarter of our financial year was based on the achieved sales with our long-time customer. However, this customer informed the Company in February 2020 to cancel the sales and to return the purchased goods to us in wake of the sudden outbreak of Novel Coronavirus epidemics and a very high level of uncertainties thus generated. While objecting such position at the time on commercial grounds, with the prolonging and worsening situation beyond anyone’s control, the Company eventually agreed with the cancellation request and to have the sold goods returned to the Company. However, the tightly controlled the transportation network in the Mainland especially in remote country areas where the Company mine operate, return of the sold goods has been a difficult process in the first few months of 2020.

In light of the above circumstances, the sales and the respective cost of sales have been derecognized. The Company has been in active and continuous liaison with the customer for full return of the goods or retake the sales but either way will be no later the end of July 2020.

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

截至二零二零年三月三十一日止年度（「本年度」），本集團之收益約為69,600,000港元，較去年之約163,800,000港元減少約57.5%。

收益減少乃由於環境審核及環境改善要求導致金礦開採業務放緩、採礦業務因新型冠狀病毒疫情而關閉以及新型冠狀病毒疫情對我們客戶的影響所致。

財政年度第三季度之收益乃根據所達致之長期客戶銷售額得出。然而，鑒於新型冠狀病毒疫情突然爆發並因而產生極高的不確定性，該客戶於二零二零年二月通知本公司取消銷售訂單及向我們退還已購買之貨品。儘管本公司當時出於商業理由反對該做法，但隨著情況持續惡化且非人力能夠控制，本公司最終同意取消訂單之要求並將已售貨品退還予本公司。然而，由於內地交通網絡受到嚴格管制，尤其是本公司礦山經營所在之偏遠鄉村地區，於二零二零年初數月退還已售貨品實屬艱難。

鑒於上述情況，銷售及相關銷售成本已終止確認。本公司一直積極與客戶保持聯繫，以退還全部貨品或再次承接銷售訂單，惟兩種做法均不會遲於二零二零年七月底進行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

During the Year, the Group's gross profit was approximately HK\$17.9 million, representing a decrease of approximately 77.0% from approximately HK\$77.5 million as compared with that of the last year. During the Year, the Group's overall gross profit margin was approximately 25.7% (year ended 31 March 2019: 47.3%).

The decrease in gross profit margin was due to the failure to reach economies of scale after the decrease in revenue. The cost of depreciation were fixed which would not be affected by the decrease in revenue.

Selling and distribution expenses

During the Year, the Group's selling and distribution expenses were approximately HK\$3.4 million, representing a decrease of approximately 30.9% from approximately HK\$4.9 million as compared with that of the last year.

Administrative expenses

During the Year, the Group's administrative expenses were approximately HK\$37.0 million, representing an increase of approximately 13.3% from approximately HK\$32.7 million as compared to the last year.

Loss for the year

Consolidated loss of the Company amounted to approximately HK\$38.8 million for the Year (2019: consolidated profit in the sum of approximately HK\$7.8 million).

For the Year, the Group has recorded a net loss attributable to equity holders of the Company of approximately HK\$35.2 million, as compared to profits of approximately HK\$0.03 million recorded at the last year. This was mainly due to the temporary closure of the mining operation of the Group in early 2020 as well as the adverse impact to our customers due to Novel Coronavirus epidemic and also the slow down of the gold mining operations resulting from the environmental inspections and demand for environmental improvement by the government in Mainland China.

毛利及毛利率

於本年度，本集團之毛利約為17,900,000港元，較去年之約77,500,000港元減少約77.0%。於本年度，本集團之整體毛利率約為25.7%（截至二零一九年三月三十一日止年度：47.3%）。

毛利率下跌乃由於在收益減少後未能達致規模經濟效益所致。而折舊成本屬固定成本，並無受收益減少所影響。

銷售及分銷開支

於本年度，本集團之銷售及分銷開支約為3,400,000港元，較去年之約4,900,000港元減少約30.9%。

行政開支

於本年度，本集團之行政開支約為37,000,000港元，較去年的約32,700,000港元增加約13.3%。

年內虧損

本公司於本年度的綜合虧損約為38,800,000港元（二零一九年：綜合溢利總額為約7,800,000港元）。

於本年度，本集團錄得本公司權益持有人應佔虧損淨額約35,200,000港元，而去年則錄得溢利約30,000港元。這主要由於本集團因新冠病毒疫情而於二零二零年初暫時關閉採礦業務以及對我們客戶造成的不利影響，以及中國內地政府實施的環境審核及環境改善要求導致金礦開採業務放緩所致。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Loss per share

Loss per share was approximately HK cents 2.35 for the Year (2019: earning of approximately HK cents 0.0).

Dividend

The Board does not recommend the payment of any dividend for the Year (2019: nil).

Liquidity, financial resources and funding

As at 31 March 2020, the Group had cash and cash equivalents amounted to approximately HK\$2.1 million (2019: approximately HK\$2.2 million) and net current liabilities amounted to approximately HK\$127.5 million (2019: net current liabilities of approximately HK\$96.9 million) whereas inventories of the Group amounted to approximately HK\$8.2 million (2019: approximately HK\$8.1 million).

As at 31 March 2020, the current ratio is approximately 0.17 (2019: approximately 0.24).

As at 31 March 2020, the Group's gearing ratio was approximately 52.0% (2019: approximately 49.3%), calculated based on total borrowings over total assets.

Borrowings

Borrowings information of the Group is set out in note 24 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.

As at 31 March 2020, 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.

每股虧損

本年度每股虧損約為2.35港仙(二零一九年：盈利約0.0港仙)。

股息

董事會並不建議派付本年度的任何股息(二零一九年：無)。

流動資金、財務資源及資金

於二零二零年三月三十一日，本集團持有現金及現金等值項目約2,100,000港元(二零一九年：約2,200,000港元)及流動負債淨額約127,500,000港元(二零一九年：流動負債淨額約96,900,000港元)，而本集團之存貨約為8,200,000港元(二零一九年：約8,100,000港元)。

於二零二零年三月三十一日，流動比率約為0.17(二零一九年：約0.24)。

於二零二零年三月三十一日，本集團之資本負債比率約為52.0%(二零一九年：約49.3%)，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24。

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。

於二零二零年三月三十一日，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 2020, the Group did not have any significant capital commitments (2019: nil).

Charge on the Group's assets

As at 31 March 2020, security over inventory as collateral for the Group's long term loans was released and that the financier received the Group's rights of payments from its customers as collateral of the Group's operating subsidiary, 潼關縣太洲礦業有限責任公司 Tongguan Taizhou Mining Company Limited* ("Taizhou Mining").

As at 31 March 2020, the security over inventories of the Group was released (2019: approximately HK\$19.5 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.

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.

* For identification purpose only

資本承擔

於二零二零年三月三十一日，本集團並無任何重大資本承擔(二零一九年：無)。

本集團之資產押記

於二零二零年三月三十一日，作為本集團長期貸款抵押品的存貨抵押已解除，而融資人已收到本集團自其客戶收取付款的權利，作為本集團營運附屬公司潼關縣太洲礦業有限責任公司(「太洲礦業」)的抵押品。

於二零二零年三月三十一日，本集團之存貨抵押已解除(二零一九年：約19,500,000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。

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。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

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 2020 and 31 March 2019.

Employees and remuneration policies

As at 31 March 2020, the Group had 65 employees (2019: 59) 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\$20.6 million (2019: approximately HK\$12.4 million). Details of employees' remuneration are set out in note 9 of the consolidated financial statements.

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.

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

於二零二零年三月三十一日及二零一九年三月三十一日，本集團並無任何重大或然負債。

僱員及薪酬政策

於二零二零年三月三十一日，本集團有65名僱員(二零一九年：59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20,600,000港元(二零一九年：約12,400,000港元)。有關僱員薪酬之詳情載於綜合財務報表附註9。

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。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

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.

PROSPECT

Looking forward to 2020, in the backdrop of the economy uncertainties by the China-US trade dispute, the continual effect of Novel Coronavirus epidemic and other macroeconomic and policy factors, the Group is expected to face a number of challenges ahead in 2020. 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 8,489 meters of various tunnels, excavation of approximately 679 meters of slope supporting, excavation of approximately 1,018 meters of ore chute as well as excavation of approximately 2,547 meters for track laying and ditches.

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。

前景

展望二零二零年，在中美貿易糾紛、新型冠狀病毒疫情的持續影響以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，本集團預期在二零二零年面臨眾多挑戰。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8,489米、斜坡道掘進約679米、溜礦井掘進約1,018米及鋪設軌道和水溝開挖約2,547米等礦業開發工程。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

During the Year, the Group's total expenditure for the mine development and mineral exploration amounted to approximately HK\$61.0 million and approximately HK\$0 respectively.

於本年度，本集團礦區開發及礦產勘探的總開支分別為約61,000,000港元及約0港元。

Ore Mining

During the Year, the aggregate expenditure on the ore mining operation of the Group was approximately HK\$11.9 million.

礦石開採

於本年度，本集團礦石開採業務的總開支約為11,900,000港元。

RESOURCES AND RESERVES

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

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：

1. As of 31 March 2020, using a gold cut-off grade of 1.0 gram per tonne, the indicated resource and inferred resource of the Group were:

1. 截至二零二零年三月三十一日，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：

| | | 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 | 13,967 |
| Inferred resource | 推斷資源量 | 1,555 | 6.6 | 10,260 |

2. As at 31 March 2020, under a cut-off grade of 1.9 gram per tonne, the estimated probable reserves of the Group were:

2. 截至二零二零年三月三十一日，根據1.9克黃金／噸邊界品位計算，本集團估計預可採儲量為：

| | | 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 | 1,554 | 5.74 | 8,919 |

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 62, 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 45, 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, 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，62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滄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，45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滄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 45, 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.

汪宏音女士 (「汪女士」)

汪女士，45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。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Guo Wei (“Mr. Guo”)

Mr. Guo, aged 65, 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.

獨立非執行董事

郭瑋先生 (「郭先生」)

郭先生，65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 64, 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 had been head of department in Southwest Securities International Securities Limited (Stock Exchange Stock Code: 812). He 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，64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)。彼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 38, 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 honours 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). Mr. Cheng was appointed as an independent non-executive director of Ye Xing Group Holdings Limited (Stock Exchange Stock code: 1941) on 17 February 2020. 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 62, 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.

Ms. Eva Lee (“Ms. Lee”)

Ms. Lee was appointed as the company secretary of the Company (the “**Company Secretary**”) on 20 February 2020. She is admitted as a solicitor in Hong Kong and focusing on capital markets and corporate finance work. Ms. Lee graduated from the London School of Economic and Political Science with Masters of Laws (Distinction).

張偉雄先生 (「張先生」)

張先生，38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。張先生於二零二零年二月十七日獲委任為燁星集團控股有限公司(聯交所上市股份代號：1941)的獨立非執行董事。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，62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。

李綺華女士 (「李女士」)

李女士於二零二零年二月二十日獲委任為本公司的公司秘書(「**公司秘書**」)。彼取得香港律師資格，專注於資本市場及公司財務事務。李女士畢業於倫敦政治經濟學院，取得法律(榮譽)碩士學位。

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 6 to 12 of this report. Possible risks and uncertainties that the Group may be facing are set out in the Report of the Directors on pages 17 to 20 of this report and the Corporate Governance Report on pages 35 to 52 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6頁至第12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17頁至第20頁之董事會報告及本報告第35頁至第52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 in particular, the Xiao Qinling mountains where the Company's mine operates, have received the attention for protection from the highest level of the country leadership. 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.

Occurrence of Novel Coronavirus Epidemic

The recent occurrence of Novel Coronavirus epidemic in Mainland China since January 2020, has increased uncertainties to the economy in Mainland China in the coming year, which has already been weakened by the US-China trade tension. If the development of Novel Coronavirus epidemic persists or intensifies, the economy in Mainland China and Hong Kong may be materially and adversely affected.

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。尤其是本公司礦山經營所在地小秦嶺山脈的保護已受到國家最高領導層的關注。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。

新型冠狀病毒疫情爆發

近期自二零二零年一月起於中國內地爆發的新型冠狀病毒疫情為來年已受中美貿易緊張局勢削弱之中國內地經濟增添不確定性。倘新型冠狀病毒疫情持續發展或加劇，中國內地及香港經濟或會受到重大不利影響。

REPORT OF THE DIRECTORS 董事會報告

In such event, health safety risks during the occurrence of the Novel Coronavirus may also lead to labour shortage, increase in wages of the workers and/or closure or interruption of our gold mines, delaying the work progress of our gold mining operation as a result. It has and may continue to affect the operation of our customers which in turn would affect on our sales. We may see reduced orders as a result. These adverse impacts, if materialise and persist for a substantial period, may significantly and adversely affect our business operation and financial performance.

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 fund raising soon to significantly alleviate the current liability risks. Furthermore, the Group was received a financial support commitment from a major shareholder to cover the most needed financial obligation. 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.

在此情況下，新型冠狀病毒持續期間的健康安全風險亦可能導致勞工短缺、工人工資增加及／或金礦關閉或受阻，致使金礦開採業務工作進度出現延遲。我們客戶的經營已經並將繼續受到影響，並可能繼而影響我們的銷售額，而我們的訂單或會因而有所減少。倘該等不利影響出現且長時間持續，我們的業務經營及財務表現或會受到重大不利影響。

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債狀態，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。此外，本集團已自一名主要股東獲取財務支持承諾，以承擔最需要的財務責任。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。

REPORT OF THE DIRECTORS 董事會報告

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、盡量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 62.

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 (2019: 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 184. 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 28 to the consolidated financial statements.

業績

本集團於本年度之業績載於第62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(二零一九年：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184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28。

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 27 and note 29(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 2020 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 30 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2020, 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27及附註29(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**」）已審閱本公司截至二零二零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30以及綜合權益變動表。

可供分派儲備

於二零二零年三月三十一日，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 58.6%.

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. Cheung Wai Hung

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58.6%。

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

張偉雄先生

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 13 to 16.

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13至16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 2020, 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

於二零二零年三月三十一日，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 2020, 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，於二零二零年三月三十一日，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") 馬乾洲(「馬先生」) | Beneficial owner 實益擁有人 | 200,730,224 — | — | 13.41% |
| | Interest of spouse 配偶權益 | 22,508,800 (Note 1) (附註1) — | — | 1.50% |
| Zhao Yuebing 趙悅冰 | Beneficial Owner 實益擁有人 | 22,508,800 — | — | 1.50% |
| | Interest of spouse 配偶權益 | 200,730,224 (Note 1) (附註1) — | — | 13.41% |
| Lee Shing 李誠 | Interest in a controlled corporation 受控制公司之權益 | 106,893,333 (Note 2) (附註2) | — | 7.14% |
| Yong Li Investments Limited 永利投資有限公司 | Beneficial owner 實益擁有人 | 106,893,333 | — | 7.14% |

REPORT OF THE DIRECTORS 董事會報告

| 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 |
| Wang Dong | Interest in a controlled corporation | 86,244,800 (Note 3) | – | 5.76% |
| 王棟 | 受控制公司之權益 | (附註3) | | |
| Midway International Holdings Limited | Beneficial owner | 86,244,800 | – | 5.76% |
| 中天國際股份有限公司 | 實益擁有人 | | | |
| Zhou Yong | Beneficial owner | 116,666,666 | – | 7.79% |
| 周勇 | 實益擁有人 | | | |
| Leung Heung Ying | Interest in a controlled corporation | 13,333,333 (Note 4) | – | 0.89% |
| 梁享英 | 受控制公司之權益 | (附註4) | | |
| | | – | 100,317,856 (Note 6) (附註6) | 6.70% |
| J. Thomson Asset Investment Limited | Beneficial owner | 13,333,333 (Note 4) | – | 0.89% |
| | 實益擁有人 | (附註4) | | |
| | | – | 100,317,856 (Note 6) (附註6) | 6.70% |

REPORT OF THE DIRECTORS 董事會報告

Notes:

1. 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.
2. These Shares were held by Yong Li Investments Limited, a company wholly and beneficially owned by Mr. Lee Shing.
3. These Shares were held by Midway International Holdings Limited, a company wholly and beneficially owned by Ms. Wang Dong.
4. 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.
5. 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 2020, 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. 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。
2. 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。
3. 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。
4. 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。
5. 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，於二零二零年三月三十一日，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

The share option scheme (the “Share Option Scheme”) was adopted by the Company on 4 March 2009 and was lapsed on 19 November 2019. The Company shall review the Share Option Scheme in due course.

Movement of the share options granted by the Company pursuant to the Share Option Scheme during the year are as follows:

購股權計劃

本公司於二零零九年三月四日採納購股權計劃（「購股權計劃」），該計劃於二零一九年十一月十九日失效。本公司將適時檢討購股權計劃。

本公司於本年度根據購股權計劃授出之購股權變動如下：

| Name or category of grantees | Date of grant of share options | Adjusted Exercise Price (HK\$) | Exercise Period | Number of share options | | | | Balance as at 31.03.2020 |
|---|--------------------------------|--------------------------------|--|--------------------------|-------------------------|---------------------------|-------------------------------------|-------------------------------|
| | | | | 購股權數目 | 購股權數目 | 購股權數目 | 購股權數目 | |
| | | | | Balance as at 01.04.2019 | Granted during the Year | Exercised during the Year | Share consolidation during the year | Balance as at 31.03.2020 |
| 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 | 於二零一九年四月一日之結餘 | 於本年度獲授出 | 於本年度獲行使 | 於本年度股份合併 | 於二零二零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 (lapsed) (已失效) | 35,540,100 | - | - | - | Nil 零 (lapsed) (已失效) |
| 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 (lapsed) (已失效) | 6,581,500 | - | - | - | Nil 零 (lapsed) (已失效) |
| Employees In aggregate 僱員合計 | 19/11/2009 | 1.71 | 19/11/2009-18/11/2019 (lapsed) (已失效) | 25,667,850 | - | - | - | Nil 零 (lapsed) (已失效) |
| Total 總計 | | | | 67,789,450 | - | - | - | Nil 零 (lapsed) (已失效) |

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 29(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 33 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29(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33。

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 33 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 40(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 2020 end up to the date of approval of this report.

董事認為於綜合財務報表附註33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40(iii)及本報告所披露者外，於二零二零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 McM (HK) CPA Limited.

McM (HK) CPA Limited was appointed as auditor to the Group on 3 April 2020 to fill the casual vacancy occasioned by the resignation of GI CPA Limited with effect from 2 April 2020. The reason for the change of auditor was that GI CPA Limited no longer intended to carry out accounting and audit services in Hong Kong and has ceased to be a certified public accountant and Public Interest Entity auditor with the Hong Kong Institute of Certified Public Accountants.

McM (HK) 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, 30 June 2020

核數師

本年度之綜合財務報表已經長盈(香港)會計師事務所有限公司審核。

長盈(香港)會計師事務所有限公司於二零二零年四月三日獲委任為本集團之核數師，以填補智盈會計師事務所有限公司於二零二零年四月二日起辭任造成之臨時空缺。變更核數師之原因為智盈會計師事務所有限公司不擬再於香港提供會計及審核服務，並已不再為香港會計師公會之執業會計師及公眾利益實體核數師。

長盈(香港)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，二零二零年六月三十日

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

Ms. Eva Lee was appointed as the Company Secretary on 20 February 2020 and 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 2020, 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

李綺華女士於二零二零年二月二十日獲委任為公司秘書，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。

截至二零二零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. Cheung Wai Hung

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 13 to 16 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

張偉雄先生

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13至16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 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 2020.

董事會於二零二零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, 10 Board meetings and one general meeting 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10次董事會會議及一次股東大會。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 | 10/10 | - | - | - | 1/1 |
| Ms. Ma Xiaona | 馬曉娜女士 | 10/10 | - | 2/2 | 1/1 | 1/1 |
| Ms. Wang Hongyin | 汪宏音女士 | 10/10 | - | - | - | 0/1 |
| Independent Non-executive Directors: | 獨立非執行董事： | | | | | |
| Mr. Guo Wei | 郭瑋先生 | 10/10 | 5/5 | 2/2 | 1/1 | 1/1 |
| Mr. Lam Albert Man Sum | 林聞深先生 | 10/10 | 5/5 | 2/2 | 1/1 | 0/1 |
| Mr. Cheung Wai Hung | 張偉雄先生 | 10/10 | 5/5 | - | - | 1/1 |

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:

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：

- 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;
- 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
Mr. Cheung Wai Hung

Five 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
張偉雄先生

於本年度內，審核委員會曾舉行五次會議。

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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 2020, the unaudited condensed consolidated financial statements for the three months ended 30 June 2019, for the six months ended 30 September 2019 and for the nine months ended 31 December 2019, 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 2020 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二零二零年三月三十一日止年度之經審核綜合財務報表、截至二零一九年六月三十日止三個月、截至二零一九年九月三十日止六個月及截至二零一九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。本集團截至二零二零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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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*)
Ms. Ma Xiaona
Mr. Lam Albert Man Sum

郭瑋先生(主席)
馬曉娜女士
林聞深先生

For the Year, the Nomination Committee held one meeting.

於本年度，提名委員會曾舉行一次會議。

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

Two 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 | 5 | 零至 1,000,000 港元 | 5 |
| HK\$1,000,001 to HK\$6,000,000 | 3 | 1,000,001 港元至 6,000,000 港元 | 3 |

- 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

於本年度，薪酬委員會曾舉行兩次會議。

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 | 1,200,000 |
| Non-audit services | 非審核服務 | — |

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 2019, for the six months ended 30 September 2019, for the nine months ended 31 December 2019 and for the year ended 31 March 2020, the Directors have adopted suitable accounting policies and applied them consistently. The financial statements for the year ended 31 March 2020 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。董事於編製截至二零一九年六月三十日止三個月、截至二零一九年九月三十日止六個月、截至二零一九年十二月三十一日止九個月及截至二零二零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。截至二零二零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債狀態，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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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)

致大唐滄金控股有限公司股東
(於開曼群島註冊成立之有限公司)

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 62 to 183, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, 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 (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

吾等已審核載於第62至183頁之大唐滄金控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零二零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 貴集團於二零二零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之披露要求妥為編製。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

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 to the consolidated financial statements which reveals that the Group incurred a loss of approximately HK\$38,776,000 for the year ended 31 March 2020 and as at 31 March 2020, the Group had net current liabilities of approximately HK\$175,300,000. In addition, the Group’s promissory notes, bonds and convertible bonds of approximately HK\$12,500,000, HK\$19,107,000 and HK\$21,396,000 respectively are subject to repayable on demand as disclosed in notes 26, 25 and 27 to the consolidated financial statements respectively. Based on the current liquidity position of the Group, the Group might have financial uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group will be able to successfully achieve the outcomes as set forth in note 1 to the consolidated financial statements to meet its overdue financial obligations from time to time. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

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，當中顯示 貴集團於截至二零二零年三月三十一日止年度產生虧損約38,776,000港元，而於二零二零年三月三十一日， 貴集團之流動負債淨額約為175,300,000港元。此外， 貴集團分別約12,500,000港元、19,107,000港元及21,396,000港元之承兌票據、債券及可換股債券須按要求償還（分別於綜合財務報表附註26、25及27披露）。根據 貴集團當前之流動資金狀況， 貴集團可能存在財務不確定性，令 貴集團之持續經營能力嚴重存疑。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 貴集團將能否成功達致綜合財務報表附註1所載之成果，以履行其不時逾期之財務責任。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。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

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

1 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(i), significant accounting judgements and estimates in note 4 and relevant disclosures made in notes 14 and 16 to the consolidated financial statements.

參閱附註3(i)的會計政策、附註4的重大會計判斷及估計，以及綜合財務報表附註14及16作出之相關披露。

As at 31 March 2020, 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\$657,679,000, HK\$46,578,000 and HK\$48,826,000 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.

於二零二零年三月三十一日，貴集團與黃金開採業務有關之物業、廠房及設備、採礦權相關資產及在建工程分別為約657,679,000港元、46,578,000港元及48,826,000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 impairment assessment included:

吾等就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；
- Engaging a valuation specialist to assist us to review the appropriateness of the value-in-use calculation methodology adopted by management, the accuracy of the calculations and the market data used;
- 委聘估值專家協助吾等檢討管理層所採納之使用價值計算法之適當性、計算及使用之市場數據之準確性；
- Assessing and challenging the reasonableness of key assumptions (including mining costs, gold prices and discount rate) based on the business and industry; and
- 根據業務及行業評估及質疑主要假設（包括開採成本、黃金價格及折讓率）之合理性；及
- Reviewing the appropriateness of the disclosures in the consolidated financial statements.
- 審閱在綜合財務報表中所作披露之適當性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

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 Assessment on the impact of current litigation cases which the Company or its subsidiary is being the defendant.

2 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。

Refer to significant accounting judgements and estimates in note 4 and relevant disclosure in note 38 to the consolidated financial statements.
參閱綜合財務報表附註4的重大會計判斷及估計及附註38的相關披露。

The Group is involved in certain litigations which the Company or its subsidiary is being named as defendant. The directors are of the opinion that a successful claim made against the Group under these litigations is remote and the Group has merits in the defence against these claims, accordingly no further provision for these litigations is necessary.
貴集團被捲入 貴公司或其附屬公司為被告的若干訴訟。董事認為，根據該等訴訟向 貴集團成功索償的可能性微乎其微，且 貴集團於抗辯該等索償上具有優勢，故毋須就該等訴訟計提進一步撥備。

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，原因是董事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 included:
吾等就對當前訴訟案件影響之評估進行之審核程序包括：

- Obtaining relevant legal documentations regarding those litigations from the legal team of the Group;
— 自 貴集團的法律團隊取得有關該等訴訟的相關法律文件；
- Discussing with the management and the Company's legal team on their views and seeking collaborative evidence that applied to substantiate the position of the Company;
— 與管理層及 貴公司的法律團隊就彼等意見展開討論，並尋求用於證實 貴公司狀況的合作憑證；
- Considering the contingency of such litigations and its potential financial impact that may have to cast on the consolidated financial statements;
— 考慮有關訴訟的偶然性及其可能對綜合財務報表產生的潛在財務影響；
- Challenging the basis for the Group's assessment that no provision is required for these litigations; and
— 質疑 貴集團對毋須就該等訴訟計提撥備的評估的依據；及
- Assessing the adequacy of the Group's disclosure as set out in note 38 to the consolidated financial statements.
— 評估 貴集團於綜合財務報表附註38所載披露之準確性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2019.

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.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

其他事宜

貴集團截至二零一九年三月三十一日止年度之綜合財務報表乃由另一名核數師進行審核，該核數師已於二零一九年六月二十七日就該等報表發出無保留意見。

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。

董事及審核委員會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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, 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 judgement 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.

董事及審核委員會就綜合財務報表 須承擔之責任 *(續)*

審核委員會協助本公司董事履行其監督 貴集團財務報告程序之責任。

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

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.

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

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 the Audit Committee 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 the Audit Committee 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.

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。

吾等與審核委員會溝通(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。

吾等亦向審核委員會提交聲明，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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with the Audit Committee, 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.

McM (HK) CPA Limited

Certified Public Accountants

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number: P06633

3rd Floor,

Parklane Building,

233 Queen's Road Central,

Hong Kong

Hong Kong, 30 June 2020

核數師就審核綜合財務報表須承擔 之責任 *(續)*

從與審核委員會溝通之事項中，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。

長盈(香港)會計師事務所有限公司

執業會計師

盧家麒

審核項目董事

執業證書號碼：P06633

香港

皇后大道中 233 號

柏聯樓

3樓

香港，二零二零年六月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

| | | | 2020 二零二零年 | 2019 二零一九年 |
|--|----------------------|-------------|------------------------|------------------------|
| | | | HK\$'000 千港元 | HK\$'000 千港元 |
| | | Notes 附註 | | |
| Revenue | 收益 | 6 | 69,643 | 163,829 |
| Cost of sales | 銷售成本 | | (51,776) | (86,308) |
| Gross profit | 毛利 | | 17,867 | 77,521 |
| Other income and expenses, net | 其他收入及開支，淨額 | 7 | (2,843) | 3,663 |
| Selling and distribution expenses | 銷售及分銷開支 | | (3,360) | (4,866) |
| Administrative expenses | 行政開支 | | (37,043) | (32,695) |
| Operating results | 經營業績 | | (25,379) | 43,623 |
| Finance costs | 融資成本 | 8 | (13,850) | (28,013) |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | 9 | (39,229) | 15,610 |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 10 | 453 | (7,849) |
| (Loss)/profit for the year | 年度(虧損)/溢利 | | (38,776) | 7,761 |
| (Loss)/profit for the year attributable to: | 年度(虧損)/溢利歸屬於： | | | |
| Equity holders of the Company | 本公司權益持有人 | | (35,239) | 33 |
| Non-controlling interests | 非控股權益 | | (3,537) | 7,728 |
| | | | (38,776) | 7,761 |
| | | | HK Cents 港仙 | HK Cents 港仙 |
| (Loss)/earnings per share | 每股(虧損)/盈利 | | | |
| Basic | 基本 | 13(a) | (2.35) | -* |
| Diluted | 攤薄 | 13(b) | (2.35) | -* |

* 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 2020 截至二零二零年三月三十一日止年度

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| (Loss)/profit for the year | 年度(虧損)/溢利 | (38,776) | 7,761 |
| Other comprehensive income for the year, net of tax: | 年度其他全面收益， 扣除稅項： | | |
| <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 | (23,922) | (23,984) |
| Total comprehensive expense for the year | 年度全面開支總額 | (62,698) | (16,223) |
| Total comprehensive (expense)/ income attributable to: | 全面(開支)/收入總額 歸屬於： | | |
| Equity holders of the Company | 本公司權益持有人 | (58,174) | (24,903) |
| Non-controlling interests | 非控股權益 | (4,524) | 8,680 |
| | | (62,698) | (16,223) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 March 2020 於二零二零年三月三十一日

| | | | 2020 二零二零年 | 2019 二零一九年 |
|--|-----------------|--------------|-----------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| NON-CURRENT ASSETS | | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 657,679 | 675,291 |
| Right-of-use assets | 使用權資產 | 15 | 584 | – |
| Mining rights related assets | 採礦權相關資產 | 16 | 46,578 | 50,305 |
| Construction in progress | 在建工程 | 14 | 48,826 | 51,433 |
| | | | 753,667 | 777,029 |
| CURRENT ASSETS | | 流動資產 | | |
| Inventories | 存貨 | 18 | 8,251 | 8,158 |
| Promissory notes | 承兌票據 | 19 | 2,000 | 4,000 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收賬項 | 20 | 14,044 | 16,555 |
| Cash and cash equivalents | 現金及現金等值項目 | 21 | 2,141 | 2,196 |
| | | | 26,436 | 30,909 |
| CURRENT LIABILITIES | | 流動負債 | | |
| Trade and other payables | 應付貿易賬款及其他應付賬項 | 23 | 61,186 | 31,691 |
| Lease liabilities | 租賃負債 | 22 | 555 | – |
| Promissory notes | 承兌票據 | 26 | 12,500 | 12,500 |
| Tax payables | 應付稅項 | | 60,256 | 63,537 |
| Bonds | 債券 | 25 | 19,107 | 18,589 |
| Interest-bearing borrowings | 計息借貸 | 24 | 300 | 1,507 |
| Convertible bonds | 可換股債券 | 27 | 21,396 | 18,655 |
| | | | 175,300 | 146,479 |
| NET CURRENT LIABILITIES | 流動負債淨額 | | (148,864) | (115,570) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 604,803 | 661,459 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 March 2020 於二零二零年三月三十一日

| | | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Trade and other payables | 應付貿易賬款及 其他應付賬項 | 23 | 802 | - |
| Lease liabilities | 租賃負債 | 22 | 74 | - |
| Interest-bearing borrowings | 計息借貸 | 24 | 364,872 | 359,230 |
| Deferred tax liabilities | 遞延稅項負債 | 36 | 1,435 | 1,888 |
| | | | 367,183 | 361,118 |
| NET ASSETS | 資產淨值 | | 237,620 | 300,341 |
| CAPITAL AND RESERVES | 資本及儲備 | | | |
| Share capital | 股本 | 28 | 89,807 | 89,807 |
| Reserves | 儲備 | 30 | 115,064 | 173,261 |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔 權益 | | 204,871 | 263,068 |
| Non-controlling interests | 非控股權益 | | 32,749 | 37,273 |
| TOTAL EQUITY | 權益總額 | | 237,620 | 300,341 |

The financial statements on pages 62 to 183 were approved and authorised for issue by the board of directors on 30 June 2020 and are signed on its behalf by:

第62至183頁之財務報表於二零二零年六月三十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 2020 截至二零二零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 interests | 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 |
| As at 1 April 2019 | 於二零一九年四月一日 | 89,807 | 1,842,983 | (13,371) | 26,703 | 12,543 | (1,695,597) | 263,068 | 37,273 | 300,341 |
| Adjustments on initial application of HKFRS 16 | 首次應用香港財務報告準則第 16號之調整 | - | - | - | - | - | (23) | (23) | - | (23) |
| Restated balance as at 1 April 2019 | 於二零一九年四月一日之經重 列結餘 | 89,807 | 1,842,983 | (13,371) | 26,703 | 12,543 | (1,695,620) | 263,045 | 37,273 | 300,318 |
| Lapse of share options | 購股權失效 | - | - | - | (26,703) | - | 26,703 | - | - | - |
| Loss for the year | 年度虧損 | - | - | - | - | - | (35,239) | (35,239) | (3,537) | (38,776) |
| Other comprehensive expense | 其他全面開支 | | | | | | | | | |
| Exchange differences arising from translation of financial statements of overseas subsidiaries | 因換算海外附屬公司財務報表 所產生之匯兌差額 | - | - | (22,935) | - | - | - | (22,935) | (987) | (23,922) |
| Changes for the year | 年度變動 | - | - | (22,935) | (26,703) | - | (8,536) | (58,174) | (4,524) | (62,698) |
| As at 31 March 2020 | 於二零二零年三月三十一日 | 89,807 | 1,842,983 | (36,306) | - | 12,543 | (1,704,156) | 204,871 | 32,749 | 237,620 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 March 2020 截至二零二零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 interests | 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 |
| As at 1 April 2018 | 於二零一八年四月一日 | 89,807 | 1,842,983 | 11,565 | 26,703 | 12,543 | (1,695,630) | 287,971 | 28,593 | 316,564 |
| Profit for the year | 年度溢利 | - | - | - | - | - | 33 | 33 | 7,728 | 7,761 |
| Other comprehensive (expense)/income: | 其他全面(開支)/收入: | | | | | | | | | |
| Exchange differences arising from translation of financial statements 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) | 952 | (23,984) |
| Changes for the year | 年度變動 | - | - | (24,936) | - | - | 33 | (24,903) | 8,680 | (16,223) |
| As at 31 March 2019 | 於二零一九年三月三十一日 | 89,807 | 1,842,983 | (13,371) | 26,703 | 12,543 | (1,695,597) | 263,068 | 37,273 | 300,341 |

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

| | | 2020 二零二零年 | 2019 二零一九年 |
|--|----------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| | | Notes 附註 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | 來自經營活動的現金流量 | | |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | (39,229) | 15,610 |
| Adjustments for: | 就以下各項作出調整： | | |
| Depreciation on property, plant and equipment and mining rights related assets | 物業、廠房及設備以及採礦權相關資產的折舊 | 33,135 | 34,568 |
| Finance costs | 融資成本 | 13,850 | 28,013 |
| Gain on waiver of interest of borrowings | 豁免借款利息的收益 | (1) | (396) |
| Depreciation of right-of-use assets | 使用權資產折舊 | 565 | - |
| Exchange difference | 匯兌差額 | - | 3 |
| Impairment losses on other receivables | 其他應收賬項減值虧損 | 2,438 | - |
| Provisions written back | 撥備撥回 | (1,662) | (293) |
| Bank interest income | 銀行利息收入 | 48 | - |
| Written off of other receivables | 撇銷其他應收賬項 | - | 5 |
| Gain on waiver of former director's remuneration | 豁免前董事薪酬的收益 | - | (3,141) |
| Gain on waiver of other payables | 豁免其他應付賬項的收益 | - | (1,432) |
| Impairment losses on promissory notes | 承兌票據減值虧損 | 2,000 | - |
| Operating result before working capital changes | 於營運資金變動前的經營業績 | 11,144 | 72,937 |
| Changes in inventories | 存貨變動 | 642 | 10,553 |
| Changes in deposits, prepayments and other receivables | 按金、預付款項及其他應收賬項變動 | 2,873 | 6,432 |
| Changes in trade and other payables | 應付貿易賬款及其他應付賬項變動 | 35,308 | (53,878) |
| Cash generated from operations | 經營業務產生之現金 | 49,967 | 36,044 |
| Oversea taxation paid | 已付海外稅項 | - | - |
| Interest element of lease rentals paid | 已付租金之利息部分 | (93) | - |
| Interest paid | 已付利息 | (8) | - |
| Net cash generated from operating activities | 自經營活動產生之現金淨額 | 49,866 | 36,044 |

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------------------------|-------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生之現金流量 ACTIVITIES | | | |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | | (59,281) | (114,068) |
| Expenditure incurred on mining rights related assets | 採礦權相關資產產生之開支 | | (824) | (720) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | | - | 23 |
| Payment for promissory notes | 支付承兌票據 | | - | (4,000) |
| Expenditure incurred on construction in progress | 在建工程產生之開支 | | (855) | - |
| Interest received | 已收利息 | | 48 | - |
| Net cash used in investing activities | 投資活動所用之現金淨額 | | (60,912) | (118,765) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動之現金流量 ACTIVITIES | | | |
| Proceeds from borrowings raised | 來自所籌得借款的所得款項 | 37 | 39,114 | 95,018 |
| Repayment of borrowings | 償還借款 | 37 | (26,084) | (38,053) |
| Repayment of convertible bonds | 償還可換股債券 | 37 | (1,204) | (1,204) |
| Principal element of lease payment | 租賃付款之本金部分 | 37 | (543) | - |
| Net cash from financing activities | 融資活動所得現金淨額 | | 11,283 | 55,761 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等值項目 增加/(減少)淨額 | | 237 | (26,960) |
| Cash and cash equivalents at 1 April | 於四月一日之現金及現金等值項目 | | 2,196 | 22,377 |
| Effect of foreign exchange rate changes, net | 匯率變動之影響淨額 | | (292) | 6,779 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 於三月三十一日之現金及 現金等值項目 | 21 | 2,141 | 2,196 |

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 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 the functional currency of the Company, with values rounded to the nearest thousand. The functional currency of the Group’s operating subsidiary, Tunggau Taizhou Mining Company Limited (“Taizhou Mining”) is Renminbi (“RMB”).

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。本集團之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」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE INFORMATION (Continued)

Going concern assumption

For the year ended 31 March 2020, the Group incurred a loss of approximately HK\$38,776,000 and as at 31 March 2020, the Group had net current liabilities of approximately HK\$175,300,000. In contrast, the Group's promissory notes, bonds and convertible bonds of approximately HK\$12,500,000, HK\$19,107,000 and HK\$21,396,000 respectively are subject to repayable on demand as disclosed in notes 26, 25 and 27 to the consolidated financial statements respectively. Based on the current liquidity position of the Group, the Group might have financial uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group. The validity of the Group to operate as a going concern is dependent upon the successful outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) renew or extend the existing borrowings, complete debt financing or obtain new credit line, at a level sufficient to finance the working capital requirements and financial obligations of the Group. Having considered the above scenarios, the directors considered that it is appropriate to adopt the going concern in preparing these consolidated financial statements. In order to strengthen the Group's capital base and liquidity in the foreseeable future, the Group has taken the following measures:

- the directors of the Company have been taking various cost control measures to tighten the costs of operations and implementing various strategies to enhance the Group's revenue;
- negotiating with bankers and lenders to extend the repayment terms of borrowings; and

1. 公司資料(續)

持續經營假設

截至二零二零年三月三十一日止年度，本集團產生虧損約38,776,000港元，而於二零二零年三月三十一日，本集團之流動負債淨額約為175,300,000港元。相比之下，本集團分別約12,500,000港元、19,107,000港元及21,396,000港元之承兌票據、債券及可換股債券須按要求償還(分別於綜合財務報表附註26、25及27披露)。根據本集團當前之流動資金狀況，本集團可能存在財務不確定性，令本集團之持續經營能力嚴重存疑。於編製該等財務報表時，本公司董事已審慎考慮本集團現時及預期未來流動資金之影響。本集團持續經營基準的有效性取決於本集團能否成功(i)自營運獲得盈利及正面現金流量；及(ii)續期或延長現有借款期限、完成債務融資或取得新的信貸額度，以獲取足夠資金滿足本集團的營運資金需求及財務責任。經考慮上述情況後，董事認為採納持續經營基準編製該等綜合財務報表乃屬適當。為加強本集團於可見將來的資本基礎及流動資金，本集團已採取以下措施：

- 本公司董事一直採取多項成本控制措施以收緊經營成本，並實施不同策略，以期提升本集團之收益；
- 與銀行及貸款人磋商，延長借款之還款期限；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE INFORMATION (Continued)

Going concern assumption (Continued)

- a substantial shareholder of the Company agreed to provide financial support to the Group to meet its liabilities as and when they fall due.

Based on the cash flow projections of the Group and having taken into account the available financial resources of the Group together with the above measures, the directors have concluded that the Group is able to continue as a going concern and to meet their financial liabilities as and when they fall due for the next twelve months. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

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.

1. 公司資料(續)

持續經營假設(續)

- 本公司一名主要股東同意向本集團提供財務支持，讓本集團能於到期時償還其負債。

根據本集團之現金流量預測並經計及本集團可得之財務資源以及上述措施，董事已得出本集團能夠繼續以持續經營基準經營業務及在未來十二個月於金融負債到期時償還有關負債之結論。倘本集團無法繼續以持續經營基準經營業務，則綜合財務報表將作出調整，以將本集團資產之價值調整至其可收回金額、為任何可能產生之進一步負債計提撥備以及將非流動資產及負債分別重新分類為流動資產及負債。該等潛在調整之影響並無反映於該等綜合財務報表內。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

1. CORPORATE INFORMATION (Continued)

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.

2. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16 Leases, and a number of amendments to HKFRSs that are first effective for annual periods beginning on or after 1 April 2019.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

1. 公司資料(續)

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。

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一項新訂香港財務報告準則，即香港財務報告準則第16號租賃，以及多項香港財務報告準則之修訂，該等新訂準則及修訂於二零一九年四月一日或之後開始之年度期間首次生效。

除香港財務報告準則第16號外，上述變動概無對本集團本期間或過往期間業績及財務狀況之編製或呈列方式造成重大影響。

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。

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)

Adoption of HKFRS 16

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

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)

採納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號租賃及相關詮釋、香港(國際財務報告詮釋委員會)詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)詮釋第15號經營租賃—優惠及香港(準則詮釋委員會)詮釋第27號評估涉及租賃法律形式交易之內容。香港財務報告準則第16號就承租人引入單一會計模式，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下之租賃及低價值資產租賃除外。

香港財務報告準則第16號項下出租人會計處理方法大致與香港會計準則第17號相同。出租人將繼續按照與香港會計準則第17號類似之原則將租賃分類為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人之租賃並無影響。出租人會計規定乃轉承自香港會計準則第17號，其大致上維持不變。

香港財務報告準則第16號亦引入額外之定性及定量披露規定，以便財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量之影響。

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)

Adoption of HKFRS 16 (Continued)

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

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)

採納香港財務報告準則第16號 (續)

本集團自二零一九年四月一日起首次應用香港財務報告準則第16號。本集團選擇採用經修訂追溯方法，因而將有關首次應用之累計影響確認為對二零一九年四月一日權益期初結餘之調整。比較資料不予重列，並繼續根據香港會計準則第17號予以呈報。

有關過往會計政策變動之性質和影響以及所採用之過渡性選擇之進一步詳情載列如下：

(a) *租賃之新定義*

租賃定義之變動主要與控制權之概念有關。香港財務報告準則第16號根據客戶是否在某一時段內控制已識別資產之使用而界定租賃，其可由指定使用量釐定。當客戶有權指示已識別資產之用途以及從該用途中獲得絕大部分經濟利益時，即表示控制權已轉移。

本集團僅就於二零一九年四月一日或之後訂立或變更之合約應用香港財務報告準則第16號有關租賃之新定義。就於二零一九年四月一日之前訂立之合約而言，本集團採用過渡性實際權宜方法，繼續沿用先前對現有安排是否屬租賃或包含租賃所作之評估。因此，先前根據香港會計準則第17號評估為租賃之合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排之合約則繼續入賬列為尚待履行之合約。

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)

Adoption of HKFRS 16 (Continued)

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 12.87%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

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)

採納香港財務報告準則第16號 (續)

(b) 承租人會計處理方法及過渡性影響

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃之規定。取而代之，本集團作為承租人時須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃之租賃，惟短期租賃及低價值資產租賃獲豁免除外。

就先前分類為經營租賃之租賃確認租賃負債時，本集團已應用於首次應用日期相關集團實體之增量借款利率。所應用加權平均增量借款利率為12.87%。

為方便過渡至香港財務報告準則第16號，本集團於首次應用香港財務報告準則第16號當日應用以下確認豁免及可行權宜方法：

- (i) 選擇不對剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內屆滿(即租期於二零二零年三月三十一日或之前屆滿)之租賃應用香港財務報告準則第16號有關確認租賃負債及使用權資產之規定；

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)

Adoption of HKFRS 16 (Continued)

(b) Lessee accounting and transitional impact (Continued)

- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in a similar economic environment. Specifically, discount rate for certain leases of properties was determined on a portfolio basis;
- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;
- (iv) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (v) relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

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)

採納香港財務報告準則第16號(續)

(b) 承租人會計處理方法及過渡性影響(續)

- (ii) 就類似經濟環境內相似類別相關資產具有類似剩餘租期之租賃組合應用單一折現率。具體而言，若干物業租賃之折現率乃按組合釐定；
- (iii) 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租選擇權的租賃的租期；
- (iv) 於首次應用日期計量使用權資產時撇除初始直接成本；及
- (v) 應用香港會計準則第37號作為減值檢討之替代方法，以評估租賃是否屬過於繁重。

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)

Adoption of HKFRS 16 (Continued)

(b) Lessee accounting and transitional impact (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

The following table reconciles the operating lease commitments as disclosed in note 31 as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

| | | HK'000 千港元 |
|--|---------------------------------|---------------|
| Operating lease commitments at 31 March 2019 as disclosed in the Group's consolidated financial statements | 本集團綜合財務報表披露之於二零一九年三月三十一日之經營租賃承擔 | 1,304 |
| Discounted using the Group's incremental borrowing rate and lease liabilities recognised at 1 April 2019 | 使用本集團於二零一九年四月一日確認之增量借款利率及租賃負債折現 | 1,172 |
| Of which are: | 其中： | |
| Current lease liabilities | 流動租賃負債 | 543 |
| Non-current lease liabilities | 非流動租賃負債 | 629 |
| Lease liabilities recognised at 1 April 2019 | 於二零一九年四月一日確認之租賃負債 | 1,172 |

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)

採納香港財務報告準則第16號 (續)

(b) 承租人會計處理方法及過渡性影響 (續)

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團會首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

下表載列於二零一九年三月三十一日之經營租賃承擔(見附註31所披露)與於二零一九年四月一日已確認之租賃負債期初結餘之對賬：

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)

Adoption of HKFRS 16 (Continued)

(b) Lessee accounting and transitional impact (Continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 March 2019.

Refundable rental deposits paid, if any, are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group’s consolidated statement of financial position:

| Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16 | 受採納香港財務報告準則第16號影響之綜合財務狀況表項目 | Carrying amount | Recognition | Carrying amount |
|---|-----------------------------|------------------------|-------------|-----------------------|
| | | as at 31 March 2019 | of leases | as at 1 April 2019 |
| | | 於二零一九年三月三十一日之賬面值 | 租賃確認 | 於二零一九年四月一日之賬面值 |
| | | HK\$'000 | HK\$'000 | HK'000 |
| | | 千港元 | 千港元 | 千港元 |
| Asset | 資產 | | | |
| Right-of-use assets | 使用權資產 | - | 1,149 | 1,149 |
| Liabilities | 負債 | | | |
| Lease liabilities | 租賃負債 | - | 1,172 | 1,172 |

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)

採納香港財務報告準則第16號 (續)

(b) 承租人會計處理方法及過渡性影響 (續)

先前分類為經營租賃之租賃之相關使用權資產已按等同於餘下租賃負債之已確認金額之金額確認，並按於二零一九年三月三十一日之綜合財務狀況表確認之租賃有關之任何預付或應計租賃款項金額作出調整。

可退回已付租賃按金(如有)根據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」)入賬，初步按公平值計量。於初步確認時對公平值之調整被視為額外租賃付款，並計入使用權資產成本。

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表產生之影響：

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)

Adoption of HKFRS 16 (Continued)

(c) *Impact of the financial results and cash flows of the Group*

After the initial recognition of right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported loss from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element (note 37). These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the statement of cash flows (note 37).

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial result and cash flows for the year ended 31 March 2020, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2020 with the actual 2019 corresponding amounts which were prepared under HKAS 17.

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)

採納香港財務報告準則第16號(續)

(c) *對本集團財務業績及現金流量之影響*

於二零一九年四月一日首次確認使用權資產及租賃負債後，本集團作為承租人須確認未償還租賃負債餘額之累計利息開支，以及使用權資產之折舊，而非按過往的政策以直線法於租賃期內確認在經營租賃下產生的租金開支。與年內採用香港會計準則第17號的結果相比，這對本集團綜合損益表中報告的經營虧損產生正面影響。

在現金流量表中，本集團作為承租人須將根據資本化租賃支付的租金分為本金部分及利息部分(附註37)。該等部分乃分別分類為融資現金流出及經營現金流出。儘管總現金流量不受影響，但採納香港財務報告準則第16號而導致現金流量表內現金流量之呈列方式發生重大變動(附註37)。

下表顯示採納香港財務報告準則第16號對本集團截至二零二零年三月三十一日止年度之財務業績及現金流量之估計影響，方法為調整該等綜合財務報表中根據香港財務報告準則第16號所呈報之金額以計算根據香港會計準則第17號應確認之估計假設金額(倘該被取代準則而非香港財務報告準則第16號於二零一九年繼續適用)，以及將二零二零年之該等假設金額與二零一九年根據香港會計準則第17號編製之實際相應金額進行比較。

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)

Adoption of HKFRS 16 (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

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)

採納香港財務報告準則第16號 (續)

(c) 對本集團財務業績及現金流量之影響 (續)

| | | 2020 二零二零年 | | | | 2019 二零一九年 |
|--|--|---|---|---|--|---|
| | | Deduct: Estimated amounts related to operating lease as if under HKAS 17 (note 1) 扣除：有關 經營租賃之 估計金額 二零二零年 之假設金額 （猶如根據 香港會計準則 第17號） 香港會計準則 第17號 | | | | Compared to amounts reported for 2019 under HKAS 17 與 二零一九年 根據香港 會計準則 第17號呈報 之金額比較 |
| Amounts reported under HKFRS 16 | Add back: HKFRS 16 depreciation and interest expense | Hypothetical amounts for 2020 as if under HKAS 17 | Hypothetical amounts for 2020 as if under HKAS 17 | Hypothetical amounts for 2020 as if under HKAS 17 | Hypothetical amounts for 2020 as if under HKAS 17 | |
| 根據香港 財務報告準則 第16號呈報 之金額 HK\$'000 千港元 | 加回：香港 財務報告 準則第16號 下之折舊及 利息開支 HK\$'000 千港元 | （猶如根據 香港會計準則 第17號） （附註1） HK\$'000 千港元 | （猶如根據 香港會計準則 第17號） HK\$'000 千港元 | （猶如根據 香港會計準則 第17號） HK\$'000 千港元 | 與 二零一九年 根據香港 會計準則 第17號呈報 之金額比較 HK\$'000 千港元 | |
| Consolidated financial result for year ended 31 March 2020 impacted by the adoption of HKFRS 16: | 受採納香港財務報告準則第16號影響之截至二零二零年三月三十一日止年度之綜合財務業績： | | | | | |
| Operating results | 經營業績 | (25,379) | 565 | (636) | (25,450) | 43,623 |
| Finance costs | 融資成本 | (13,850) | 93 | - | (13,757) | (28,013) |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | (39,229) | 658 | (636) | (39,207) | 15,610 |
| (Loss)/profit for the year | 年內(虧損)/溢利 | (38,776) | 658 | (636) | (38,754) | 7,761 |

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)

Adoption of HKFRS 16 (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

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)

採納香港財務報告準則第16號 (續)

(c) 對本集團財務業績及現金流量之影響 (續)

| | | 2020 二零二零年 | | | 2019 二零一九年 |
|---|---|---|---|--|--|
| | | Estimated amounts related to operating leases as if under HKAS 17 (note 1) 有關經營租賃 之估計金額 | Hypothetical amounts for 2020 as if under HKAS 17 二零二零年 之假設金額 (猶如根據香港 會計準則 第17號) | Compared to amounts reported for 2019 under HKAS 17 與二零一九年 根據香港會計 準則第17號 呈報之金額比較 | |
| | | Amounts reported under HKFRS 16 根據香港財務 報告準則 第16號呈報 之金額 HK\$'000 千港元 | Amounts reported under HKAS 17 (note 1) 猶如根據香港 會計準則 第17號 (附註1) HK\$'000 千港元 | Amounts for 2020 as if under HKAS 17 二零二零年 之假設金額 (猶如根據香港 會計準則 第17號) HK'000 千港元 | Amounts reported for 2019 under HKAS 17 與二零一九年 根據香港會計 準則第17號 呈報之金額比較 HK'000 千港元 |
| Line items in the consolidated cash flow statement for year ended 31 March 2020 impacted by the adoption of HKFRS 16: | 受採納香港財務報告準則第16號影響之截至二零二零年三月三十一日止年度之綜合現金流量表項目： | | | | |
| Cash generated from operations | 經營業務產生之現金 | 49,967 | (636) | 49,331 | 37,734 |
| Interest element of lease rentals paid | 已付租賃租金之利息部分 | (93) | 93 | - | - |
| Net cash generated from operating activities | 自經營活動產生之現金淨額 | 49,866 | (543) | 46,323 | 37,734 |
| Capital element of lease rentals paid | 已付租賃租金之資本部分 | (543) | 543 | - | - |
| Net cash from financing activities | 融資活動所得現金淨額 | 11,283 | 543 | 11,826 | 55,761 |

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)

Adoption of HKFRS 16 (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2020 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2020. This estimate assumes that there were no difference between rentals and cash flows and that all of the new leases entered into in 2020 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2020. Any potential net tax effect is ignored.

(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 on or before 1 April 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|---|--|
| HKAS 1 and HKAS 8 Definition of Material (amendments) | 1 April 2020 |
| HKAS 39, HKFRS 7 and HKFRS 9 Hedge accounting (amendments) | 1 April 2020 |
| HKFRS 3 Definition of a Business (amendments) | 1 April 2020 |
| HKFRS 17 Insurance Contracts (new standard) | 1 April 2021 |
| HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) | To be determined |

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)

採納香港財務報告準則第16號(續)

(c) 對本集團財務業績及現金流量之影響(續)

附註1：「有關經營租賃之估計金額」指與在香港會計準則第17號於二零二零年仍然適用之情況下會分類為經營租賃之租賃有關之二零二零年現金流量之金額估計。該估計假設，在香港會計準則第17號於二零二零年仍然適用之情況下，租金與現金流量之間並無差異，且於二零二零年訂立的全部新租賃將根據香港會計準則第17號分類為經營租賃。任何潛在淨稅務影響均忽略不計。

(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二零一九年四月一日或之前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。

| | 於該日或之後 開始的會計 期間生效 |
|---|-------------------------|
| 香港會計準則第1號及香港會計準則第8號重大的定義(修訂) | 二零二零年 四月一日 |
| 香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號對沖會計(修訂) | 二零二零年 四月一日 |
| 香港財務報告準則第3號業務的定義(修訂) | 二零二零年 四月一日 |
| 香港財務報告準則第17號保險合約(新準則) | 二零二一年 四月一日 |
| 香港財務報告準則第10號及香港會計準則第28號投資者與其聯營公司或合營企業之間的資產出售或注資(修訂) | 待定 |

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)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 April 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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3號的修訂對業務的定義作出澄清並提供額外指引。有關修訂澄清，一組綜合活動及資產須包括至少一項投入及一項實質過程，並一同對創造產出能力作出顯著貢獻，方可被視為一項業務。業務即使未包括創造產出的所有必要投入及過程仍可存續。有關修訂撤除有關市場參與者是否有能力收購有關業務並繼續生產產出的評核。相反，將重點放於獲收購投入及獲收購實質過程是否一同對創造產出能力作出顯著貢獻。有關修訂亦已將產出的定義縮窄，以集中於向客戶提供的商品或服務、投資收入或一般活動之其他收入。此外，有關修訂提供有關評核獲收購過程是否具有實質性的指引，並引入可選的公平值集中度測試，以就獲收購活動及資產組別是否為業務進行簡化評核。本集團預期由二零二零年四月一日起以未來適用法採納有關修訂。由於有關修訂於未來應用於在首次應用日期或其後所發生的交易或其他事件，故本集團將不會於過渡日期受該等修訂影響。

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

(Continued)

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 April 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

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9號、香港會計準則第39號及香港財務報告準則第7號之修訂乃針對銀行同業拆息改革對財務報告的影響。有關修訂提供暫時性補救措施，可於更替現有利率基準前存在不確定性的期間能繼續使用對沖會計處理。此外，有關修訂要求公司向投資者提供有關直接受該等不確定性影響的對沖關係之額外資料。有關修訂於二零二零年四月一日或之後開始之年度期間生效，並允許提早應用。預期有關修訂不會對本集團的財務報表造成任何重大影響。

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂處理香港財務報告準則第10號與香港會計準則第28號(二零一一年)之間對於處理投資者與其聯營公司或合營企業之間的資產出售或注資之規定不一致的情況。該等修訂規定，投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，則須全額確認收益或虧損。就涉及並不構成業務之資產的交易而言，交易所產生之收益或虧損於投資者之損益中確認，惟僅以非關連投資者於該聯營公司或合營企業的權益為限。有關修訂將獲事先應用。香港會計師公會已於二零一六年一月廢除香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂的先前強制生效日期，而新的強制生效日期將於完成對聯營公司及合營企業之會計處理進行更廣泛的檢討後釐定。然而，有關修訂現時可供採納。

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)

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 April 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention.

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 consolidated financial statements.

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

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)

香港會計準則第1號及香港會計準則第8號之修訂為重大提供新定義。新定義列明，倘遺漏、錯誤陳述或掩蓋資料可合理預期將影響一般用途財務報表的主要使用者基於該等財務報表所作出之決定，則有關資料屬重大。該等修訂澄清，重大性將視乎有關資料之性質或重要性而定。倘錯誤陳述資料可合理預期將影響主要使用者所作出之決定，則有關錯誤陳述屬重大。本集團預期自二零二零年四月一日起事先採納該等修訂。該等修訂預期將不會對本集團之財務報表造成任何重大影響。

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。

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綜合財務報表附註4披露。

於編製該等綜合財務報表時應用之重大會計政策載列如下：

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

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.

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.

3. 重大會計政策概要(續)

(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。

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。

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)

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.

(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

3. 重大會計政策概要(續)

(a) 綜合基準(續)

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。

(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

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)

- 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.

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.

3. 重大會計政策概要(續)

(b) 業務合併(續)

- 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。

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。

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)

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.

(c) Revenue and other income

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 is recognised when control of the gold has transferred, being when the gold had been dispatched to the buyer's specific location (delivery). Following delivery, the buyer has full discretion over the manner of distribution and price to sell the gold, has the primary responsibility when on selling the gold and bears the risks of obsolescence and loss in relation to the gold. A receivable is recognised by the Group when the gold 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.

3. 重大會計政策概要(續)

(b) 業務合併(續)

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。

(c) 收益及其他收入

本集團於產品或服務的控制權按本集團預期有權收取的承諾代價金額(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。

來自銷售黃金之收益乃於黃金之控制權轉移時(即黃金已付運至買方指定的地點(交付)時)確認。交付後，買方可全權決定銷售黃金的分銷方式及價格、於銷售黃金時承擔主要責任，並承擔與黃金相關的過時及損失風險。當黃金交付予買方時，本集團確認應收款項，原因為收取代價之權利於此時間點成為無條件，僅須待時間過去方可收取款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue and other income (Continued)

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.

(d) Property, plant and equipment

Property, plant and equipment 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)

(c) 收益及其他收入(續)

利息收入於其應計時按實際利率確認。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(可撥回)而不作信貸減值的金融資產,實際利率適用於資產的總賬面值。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)。

(d) 物業、廠房及設備

物業、廠房及設備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)

(d) 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.
- 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)

(d) 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。
- 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)

(e) 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.

(f) 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.

(g) 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)

(e) 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。

(f) 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。攤銷乃按實際產量所佔礦石之估計總探明及可能儲量使用生產單位法計提撥備。

(g) 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)

(g) 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.

(h) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. 重大會計政策概要(續)

(g) 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。

(h) 租賃

租賃之定義

倘合約為換取代價而於一段時間內給予可使用可識別資產之控制權，則合約屬或包含租賃。

本集團作為承租人

本集團於合約開始時評估合約是否屬或包含租賃。除短期租賃(定義為租期為12個月或以下之租賃)及低價值資產租賃外，本集團就其作為承租人之所有租賃安排確認使用權資產及相應租賃負債。

於開始日期，本集團按當日尚未支付租賃付款之現值計量租賃負債。租賃付款按租賃隱含之利率折現。倘未能輕易釐定該利率，則本集團使用其增量借款利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leases (Continued)

Lease liabilities

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate.

The lease liability is presented as a separate line in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. 重大會計政策概要(續)

(h) 租賃(續)

租賃負債

租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、視乎指數或比率而定之可變租賃付款及剩餘價值擔保下預期支付之金額。租賃付款亦包括本集團將合理確定行使購買權之行使價及終止租賃之罰款(倘租期反映本集團行使終止選擇權)。

租賃負債於綜合財務狀況表內呈列為獨立項目。

租賃負債透過增加賬面值以反映租賃負債之利息(使用實際利率法)及減少賬面值以反映已付之租賃付款，從而進行其後計量。

倘出現以下情況，則會重新計量租賃負債：

- 租期有所變更或行使購買權之評估出現變動，在此情況下，租賃負債於重新評估日期使用經修訂折現率折現經修訂租賃付款予以重新計量；
- 租賃付款因保證剩餘價值之預期付款變動而有所改變，在此情況下，相關租賃負債使用初始折現率折現經修訂租賃付款予以重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leases (Continued)

Right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated on a straight-line basis over the shorter period of lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

(i) Impairment of tangible and intangible assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

3. 重大會計政策概要(續)

(h) 租賃(續)

使用權資產

相關使用權資產按相等於租賃負債之金額計量，並按照於綜合財務狀況表內確認該租賃之任何相關預付或應計租賃付款作出調整。

使用權資產其後按成本減累計折舊及減值虧損計量，並於租期與相關資產可使用年期之較短期間內按直線法折舊。倘租賃將相關資產之所有權轉移，或倘使用權資產之成本反映本集團預期行使購買權，則相關使用權資產於相關資產之可使用年期內折舊。

本集團於綜合財務狀況表內將使用權資產呈列為獨立項目。

(i) 有形及無形資產之減值

擁有不確定可使用年期或尚未可供使用之無形資產會每年及於當任何事件發生或情況改變顯示其賬面值可能無法收回時進行減值檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of tangible and intangible assets (Continued)

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

(j) 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)

(i) 有形及無形資產之減值(續)

其他非金融資產之賬面值於各報告日期檢討有否減值跡象，倘資產出現減值，則作為開支透過綜合損益表撇減至其估計可收回金額，除非相關資產按重新估值之金額列賬，則減值虧損被視為重估減幅。可收回金額按個別資產釐定，除非資產並無產生很大程度上獨立於其他資產或資產組別之現金流入。倘屬此情況，可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣之時間價值及資產／現金產生單位(已計量減值)之特定風險之稅前折現率計算。

(j) 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)

(k) 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)

(k) 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)

(k) 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 consolidated statement of financial position 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)

(k) 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，並於綜合財務狀況表報告其淨額。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)

(k) 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)

(k) 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)

(k) 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.

(l) Financial instruments

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)

(k) 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。

(l) 金融工具

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)

(I) 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 payables

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 bonds that contain an equity component

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of 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)

(I) 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債券

倘可換股債券的持有人有權選擇將債券轉換為權益股本，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，此等債券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)

(I) Financial instruments (Continued)

Financial liabilities (Continued)

(iii) *Convertible bonds 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 bonds 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 bonds is converted or redeemed.

If the bonds 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 bonds is redeemed, the capital reserve is released directly to retained profits.

3. 重大會計政策概要(續)

(I) 金融工具(續)

金融負債(續)

(iii) 包含權益部分的可換股債券(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債券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，直至債券被轉換或贖回為止。

倘債券被轉換，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。倘債券被贖回，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 consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(n) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, 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，並將淨額列入綜合財務狀況表內。

(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本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) 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.

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) 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Segment reporting (Continued)

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.

(u) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 重大會計政策概要(續)

(t) 分部呈報(續)

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。

(u) 政府補貼

政府補貼於本集團合理確認將遵守政府補貼隨附之條件，且將收到補貼時，方會確認。

有關收入之政府補貼為遞延收入及於期內於損益確認為與擬作補償之成本相匹配之收入。

用作已產生開支或虧損之補償或作為本集團即時財務資助而並無未來相關成本之應收政府補貼，於應收政府補貼期間於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, if any. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. 重大會計政策概要(續)

(v) 金融資產減值

本集團就按攤銷成本或按公平值計入其他全面收益計量之債務工具投資之預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映有關金融工具初始確認以來信貸風險之變化。

本集團一直就貿易應收賬項(如有)確認全期預期信貸虧損。該等金融資產之預期信貸虧損乃基於本集團之過往信貸虧損經驗使用撥備矩陣估計，並就債務人特定因素、整體經濟狀況以及對於報告日期狀況之目前及預測方向(包括貨幣時間值，如適用)之評估作出調整。

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。另一方面，若金融工具之信貸風險自初始確認以來並未顯著上升，本集團按12個月預期信貸虧損之相同金額計量該金融工具之虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能之違約事件將產生之預期信貸虧損。相反，12個月預期信貸虧損指金融工具於報告日期後12個月內可能發生之違約事件預計產生之該部分全期預期信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

信貸風險大幅增加

評估金融工具之信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約之風險與金融工具於初始確認日期發生違約之風險。作出評估時，本集團會考慮合理且有依據之定量及定性資料，包括過往經驗及無須不必要成本及努力即可獲取之前瞻性資料。所考慮之前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智囊團及其他類似組織之本集團債務人經營所在行業之未來前景，以及與本集團核心業務相關之實際及預測經濟資料之各種外部來源。

具體而言，評估信貸風險自初始確認以來是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級之實際或預期顯著惡化；
- 特定金融工具信貸風險之外部市場指標顯著惡化；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人履行債務責任之能力顯著下降；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

信貸風險大幅增加(續)

- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融工具之信貸風險顯著上升；
- 債務人之監管、經濟或技術環境有實際或預計之重大不利變動，導致債務人履行債務責任之能力顯著下降。

不論上述評估之結果如何，除非本集團有合理且具有理據之資料證明並非如此，本集團認定若自合約付款逾期超過30天，則金融資產之信貸風險自初始確認後已大幅增加。

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具之信貸風險自初始確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有較低違約風險；
- (ii) 債務人有很強的能力履行近期之合約現金流量義務；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

信貸風險大幅增加(續)

- (iii) 經濟及商業環境之長期不利變動有可能但未必會降低借款人履行合約現金流量義務之能力。

倘資產外部信貸評級為國際通用之「投資評級」或倘外部評級不可得，而資產內部評級為「表現出色」，則本集團認為該金融資產為低信貸風險。表現出色指交易對手財務狀況強勁且並無逾期款項。

就財務擔保合約而言，本集團成為不可撤銷承諾一方之日期被視為就評估金融工具減值之初始確認日期。於評估信貸風險自財務擔保合約初始確認起是否有顯著增加時，本集團會考慮指定債務人將違約之風險之變動。

本集團定期監控用以識別信貸風險有否顯著增加之標準之有效性，並修訂標準(倘適用)以確保標準能夠於金額逾期前識別信貸風險顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

違約之定義

本集團認為下列情況就內部信貸風險管理而言構成違約事件，此乃由於過往經驗顯示符合以下任何一項條件之應收款項一般無法收回。

- 對手方違反財務契諾；或
- 內部產生或取自外部來源之資料顯示債務人不太可能向其債權人（包括本集團）償還全部款項（並不計及本集團持有之任何抵押品）。

不論上述分析如何，本集團認為，倘金融資產逾期超過90天，則已發生違約，除非本集團有合理且可作為依據之資料顯示一項更滯後之違約標準更為合適，則另作別論。

出現信貸減值之金融資產

當發生一項或多項損害金融資產之估計未來現金流量之事件時，該項金融資產則出現信貸減值。金融資產出現信貸減值之證據包括以下事件之可觀察數據：

- 發行人或對手方出現重大財政困難；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

出現信貸減值之金融資產(續)

- 違反合約，如拖欠或逾期事件；
- 對手方之貸款人因有關對手方財政困難之經濟或合約原因而向對手方提供貸款人在其他情況下不予考慮之減免；或
- 對手方很有可能破產或進行其他財務重組；或
- 因財政困難而導致該項金融資產失去活躍市場。

撇銷政策

倘有資料顯示債務人陷入嚴重財政困難，且並無實際可能可收回款項(包括對手方已進行清盤或進入破產程序，或(就貿易應收賬項而言)有關款項逾期超過兩年(以較早發生者為準))時，本集團則撇銷金融資產。於適當時計及法律意見後，已撇銷之金融資產仍可根據本集團之收回程序被強制執行。收回之任何款項於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (prior to 1 January 2019).

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

計量及確認預期信貸虧損

預期信貸虧損之計量為違約概率、違約損失(即倘出現違約時之損失的程度)及違約風險之函數。違約概率及違約損失乃根據歷史數據進行評估，並按上文所述之前瞻性資料予以調整。就金融資產而言，違約風險為有關資產於報告日期之賬面總值；而就財務擔保合約而言，違約風險包括於報告日期提取之金額，連同日後預期於違約日期(根據歷史趨勢、本集團對債務人日後特定融資需要的理解以及其他相關前瞻性資料釐定)前提取之任何額外金額。

就金融資產而言，預期信貸虧損乃按根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額估計，並按原有實際利率折現。就應收租賃款項而言，用以釐定預期信貸虧損之現金流量與根據香港財務報告準則第16號(自二零一九年一月一日起)及香港會計準則第17號(於二零一九年一月一日前)用於計量應收租賃款項之現金流量一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3. 重大會計政策概要(續)

(v) 金融資產減值(續)

計量及確認預期信貸虧損(續)

就財務擔保合約而言，由於本集團僅須於債務人違約之情況下根據獲擔保文書之條款付款，故預期虧損撥備乃預期為就產生之信貸虧損補償持有人之付款減本集團預期自持有人、債務人或任何其他人士收取之任何金額。

倘本集團已於先前報告期間就金融工具按相等於全期預期信貸虧損之金額計量虧損撥備，但於當前報告期間釐定不再符合全期預期信貸虧損之條件，則本集團於當前報告期間按相等於12個月預期信貸虧損之金額計量虧損撥備，惟使用簡易方法之資產除外。

本集團就所有金融工具於損益中確認減值收益或虧損，並按虧損撥備賬對其賬面值作出相應調整，惟按公平值計入其他全面收益計量之債務工具投資的虧損撥備則於其他全面收益確認，並累計於投資重估儲備，且不會扣減有關金融資產於財務狀況表中之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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 note 1 to the consolidated financial statements.

3. 重大會計政策概要(續)

(w) 報告期後事項

提供有關本集團於報告期末之狀況或顯示持續經營假設並不合適之額外資料的報告期後事項屬調整事項，並已於綜合財務報表內反映。並非調整事項之報告期後事項於重大情況下在綜合財務報表附註披露。

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附註1。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Renewal of the Group's exploration permits

As detailed in note 16 to the consolidated financial statements, certain of the Group's mining right permits had been expired or to be expired within one year. The renewal of such are subject to the discretion of relevant government authorities. Based on past experience, the directors are of the opinion that these permits would be renewed successfully. Should the renewal of these permits were unsuccessful, impairment on relevant property, plant and equipment and mining rights related assets arise.

(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(續)

應用會計政策時的重大判斷(續)

(b) 續訂本集團的勘探許可證

如綜合財務報表附註16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。根據過往經驗，董事認為該等許可將成功續期。倘未能成功重續該等許可，相關物業、廠房及設備以及採礦權相關資產將出現減值。

(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 and promissory notes

Management regularly reviews the impairment of other receivables and promissory notes to ensure appropriate impairment loss for other receivables and promissory notes are recognised in consolidated statement of profit or loss.

ECL on other receivables and promissory notes

Where differences between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to change in facts and circumstances, a material impairment loss may arise.

During the year ended 31 March 2020, allowance for impairment losses under ECL of approximately HK\$2,438,000 (2019: Nil) and HK\$2,000,000 (2019: Nil) were made for the Group's other receivables and promissory notes respectively.

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) 其他應收賬項及承兌票據減值

管理層定期檢討其他應收賬項及承兌票據之減值，以確保於綜合損益表內就其他應收賬項及承兌票據確認適當減值虧損。

其他應收賬項及承兌票據之預期信貸虧損

倘根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間出現差額，則按於初始確認時釐定的實際利率折現。倘未來現金流量低於預期或因事實及情況變化而下調，則可能產生重大減值虧損。

截至二零二零年三月三十一日止年度，已根據預期信貸虧損分別就本集團之其他應收賬項及承兌票據計提減值虧損撥備約2,438,000港元(二零一九年：無)及2,000,000港元(二零一九年：無)。

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)

(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.

As at 31 March 2020, the carrying amount of the Group's property, plant and equipment was approximately HK\$657,679,000 (2019: HK\$675,291,000).

(c) Impairment of property, plant and equipment and mining and exploration assets

The carrying value of property, plant and equipment and 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(i) 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.

During the year ended 31 March 2020, no impairment losses (2019: Nil) was made on the Group's property, plant and equipment and mining and exploration assets.

4. 重大會計判斷及估計(續)

估計不明朗因素的主要來源(續)

(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。

於二零二零年三月三十一日，本集團之物業、廠房及設備之賬面值為約657,679,000港元(二零一九年：675,291,000港元)。

(c) 物業、廠房及設備以及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(i)所披露之會計政策收回物業、廠房及設備以及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。

截至二零二零年三月三十一日止年度，概無就本集團之物業、廠房及設備以及開採及勘探資產計提減值虧損(二零一九年：無)。

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)

(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 judgements 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.

(e) Provision for claims on litigations

When accounting for provision for claims on litigations against the Group, the Group has taken internal and external advice in considering known claims and actions made by or against the Group. It carefully assesses the likelihood of success of a claim or action. Assessments and estimations on provisions are made for claims or actions against the Group on the basis of likely outcome, but no provisions are made for those which in the view of management are unlikely to succeed.

No provision (2019: Nil) was made in the consolidated financial statements in relation to claims on litigations.

4. 重大會計判斷及估計(續)

估計不明朗因素的主要來源(續)

(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。

(e) 訴訟索償撥備

在對本集團之訴訟索償撥備作出會計處理時，本集團於考慮其所作出或面對之已知索償及訴訟時已聽取內外部建議，謹慎評估一項索償或訴訟成功之可能性。本集團根據很可能產生之結果，對所面對之索償或訴訟計提之撥備作出評估及估計，惟並無對管理層認為不大可能發生者計提撥備。

概無於綜合財務報表內作出有關訴訟索償之撥備(二零一九年：無)。

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)

(e) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

4. 重大會計判斷及估計(續)

估計不明朗因素的主要來源(續)

(e) 物業、廠房及設備以及使用權資產之減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定一項資產是否出現減值時，本集團須運用判斷並作出估計，尤其是在評估下列各項時：(1)有否發生或出現可能影響資產價值的事件或任何跡象；(2)資產之賬面值可否由可收回金額支持(就使用價值之情況而言，則為未來現金流量之淨現值(乃根據資產之持續使用情況估計))；及(3)於估計可收回金額(包括現金流量預測)時將予應用之適當重要假設以及合適折現率。在不可能估計個別資產(包括使用權資產)之可收回金額的情況下，本集團則估計資產所屬現金產生單位之可收回金額。改變假設及估計(包括現金流量預測之折現率或增長率)可能對減值測試中所採用之淨現值造成重大影響。

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 (loss)/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(虧損)/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 2020

5. 分部資料(續)

按經營分部劃分之分部資料呈列如下：

截至二零二零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： | | | | |
| Revenue for external customers | 來自外部客戶之收益 | 69,643 | - | - | 69,643 |
| Gross profit | 毛利 | 17,867 | - | - | 17,867 |
| Other income and expenses, net | 其他收入及開支，淨額 | 1,595 | (4,438) | - | (2,843) |
| Operating expenses | 經營費用 | (22,575) | (17,828) | - | (40,403) |
| Segment results | 分部業績 | (3,113) | (22,266) | - | (25,379) |
| Finance costs | 融資成本 | (8,874) | (4,976) | - | (13,850) |
| Loss before tax | 除稅前虧損 | (11,987) | (27,242) | - | (39,229) |
| Income tax credit | 所得稅抵免 | - | 453 | - | 453 |
| Net loss for the year | 年度虧損淨額 | (11,987) | (26,789) | - | (38,776) |
| Segment assets | 分部資產 | 776,932 | 322,347 | (319,176) | 780,103 |
| Segment liabilities | 分部負債 | (686,351) | (470,219) | 614,087 | (542,483) |
| Capital expenditure | 資本開支 | (60,960) | (543) | - | (61,503) |
| Depreciation and amortisation | 折舊及攤銷 | (33,135) | (565) | - | (33,700) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

5. SEGMENT INFORMATION (Continued)

Year ended 31 March 2019

5. 分部資料(續)

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： | | | | |
| Revenue 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 | 11 | - | 34,568 |

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:

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：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 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) | 69,643 | 163,829 |
| 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) | 753,064 | 776,999 |
| Hong Kong | 香港 | 603 | 30 |
| | | 753,667 | 777,029 |

Revenue of approximately HK\$70 million (2019: HK\$164 million) which arose from sales to the Group's largest customer. There is one (2019: one) customer contributed 10% or more to the Group's revenues for 2020.

向本集團之最大客戶進行銷售產生之收益約70,000,000港元(二零一九年: 164,000,000港元)。於二零二零年，有一名(二零一九年: 一名)客戶貢獻本集團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:

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))：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 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 | 69,643 | 163,829 |

7. OTHER INCOME AND EXPENSES, NET

7. 其他收入及開支，淨額

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Gain on waiver of interest on interest-bearing borrowings | 豁免計息借貸利息的收益 | 1 | 396 |
| Bank interests income | 銀行利息收入 | 48 | - |
| Provisions written back | 撥備撥回 | 1,662 | 293 |
| Government grant | 政府補貼 | 45 | 18 |
| Exchange loss, net | 匯兌虧損淨額 | - | (3) |
| Gain on waiver of former director's emoluments | 豁免前董事薪酬的收益 | - | 3,141 |
| Impairment losses on other receivables | 其他應收賬項減值虧損 | (2,438) | - |
| Other losses, net | 其他虧損，淨額 | (161) | (1,609) |
| Written off of other receivables | 撇銷其他應收賬項 | - | (5) |
| Gain on waiver of other payables | 豁免其他應付賬項的收益 | - | 1,432 |
| Impairment losses on promissory notes | 承兌票據減值虧損 | (2,000) | - |
| | | (2,843) | 3,663 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

8. FINANCE COSTS

8. 融資成本

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|---------|----------------------------------|----------------------------------|
| Interest on bonds | 債券利息 | 518 | 515 |
| Interest on convertible bonds | 可換股債券利息 | 3,945 | 3,455 |
| Interest on borrowings | 借款利息 | 9,285 | 24,043 |
| Interest on lease liabilities | 租賃負債利息 | 93 | – |
| Others | 其他 | 9 | – |
| Finance costs | 融資成本 | 13,850 | 28,013 |

There is no capitalisation of borrowing cost during the years ended 31 March 2020 and 2019.

截至二零二零年及二零一九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. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging the following:

9. 除稅前(虧損)/溢利

本集團之除稅前(虧損)/溢利乃在扣除下列各項後列賬：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Cost of inventories sold | 已售存貨成本 | 51,776 | 86,308 |
| Auditors' remuneration** | 核數師酬金** | 1,765 | 1,600 |
| Amortisation of mining rights related assets* | 採礦權相關資產攤銷* | 1,208 | 3,946 |
| Depreciation on property, plant and equipment* | 物業、廠房及設備折舊* | 31,927 | 30,621 |
| Depreciation on right-of-use assets | 使用權資產折舊 | 565 | - |
| Impairment losses on other receivables | 其他應收賬項之減值虧損 | 2,438 | - |
| Written off of other receivables | 撇銷其他應收賬項 | - | 5 |
| Impairment losses on promissory notes | 承兌票據之減值虧損 | 2,000 | - |
| 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 | 20,295 | 12,362 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 371 | 487 |
| Staff costs | 員工成本 | 20,666 | 12,849 |

* Approximately HK\$1,208,000 (2019: HK\$3,946,000) are included in cost of sales.

** Approximately HK\$565,000 (2019: HK\$600,000) was incurred for the audit of the subsidiaries.

* 約1,208,000港元(二零一九年：3,946,000港元)計入銷售成本。

** 約565,000港元(二零一九年：600,000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 (CREDIT)/EXPENSE

10. 所得稅(抵免)／開支

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 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 |
| Deferred tax | 遞延稅項 | | |
| Credited to profit or loss (Note 36) | 計入損益(附註36) | (453) | (370) |
| Income tax (credit)/expense | 所得稅(抵免)／開支 | (453) | 7,849 |

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 2020 and 2019.

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%.

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.

由於截至二零二零年及二零一九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。

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%。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

10. INCOME TAX (CREDIT)/EXPENSE (Continued)

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.

No EIT has been made in the consolidated financial statements as the Group did not have any assessable profits subject to EIT for the year ended 31 March 2020.

The reconciliation between the income tax (credit)/expense and accounting (loss)/profit at applicable tax rates:

10. 所得稅(抵免)/開支(續)

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。

由於本集團截至二零二零年三月三十一日止年度並無產生任何須繳納企業所得稅之應課稅溢利，故並無於綜合財務報表就企業所得稅作出撥備。

所得稅(抵免)/開支與按適用稅率計算之會計(虧損)/溢利兩者之對賬如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | (39,229) | 15,610 |
| Tax at the applicable tax rate in Hong Kong | 按香港適用稅率計算之稅項 | (6,473) | 2,576 |
| Tax effect of non-deductible expenses | 不可扣稅開支之稅務影響 | 4,626 | 6,670 |
| Tax effect of non-taxable income | 毋須課稅收入之稅務影響 | (430) | (820) |
| Tax effect of tax losses not recognised | 不獲確認之稅項虧損之稅務影響 | 1,798 | - |
| 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 | 26 | (577) |
| Income tax (credit)/expense | 所得稅(抵免)/開支 | (453) | 7,849 |

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 contributions | Total |
|---|-------------------------|-----------------------------------|---|----------|
| | | Fees in kind | | |
| | | 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 | 截至二零二零年三月三十一日止年度 | | | |
| 31 March 2020 | | | | |
| Executive directors: | 執行董事： | | | |
| Li Dahong | 李大宏 | 2,820 | 18 | 2,838 |
| Ma Xiaona | 馬曉娜 | 1,660 | 18 | 1,678 |
| Wang Hong Yin | 汪宏音 | 400 | 18 | 418 |
| | | 4,880 | 54 | 4,934 |
| Independent non-executive directors: | 獨立非執行董事： | | | |
| Cheung Wei Hung (ii) | 張偉雄 (ii) | 320 | - | 320 |
| Guo Wei | 郭瑋 | 320 | - | 320 |
| Lam Albert Man Sum | 林聞深 | 320 | - | 320 |
| | | 960 | - | 960 |
| | | 5,840 | 54 | 5,894 |

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)

| | | Fees | Salaries, allowances and benefits | Retirement benefit scheme contributions | Total |
|---|------------------|----------|-----------------------------------|---|----------|
| | | | in kind | | |
| | | | 薪金、津貼及實物利益 | 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 |
| For the year ended | 截至二零一九年三月 | | | | |
| 31 March 2019 | 三十一日止年度 | | | | |
| Executive directors: | 執行董事： | | | | |
| Li Dahong | 李大宏 | 2,627 | – | 18 | 2,645 |
| Ma Xiaona | 馬曉娜 | 1,660 | – | 18 | 1,678 |
| Wang Hong Yin | 汪宏音 | 400 | – | 18 | 418 |
| | | 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 | – | – | 191 |
| Jiang Quanming (i) | 姜全明 (i) | 53 | – | – | 53 |
| Guo Wei | 郭瑋 | 320 | – | – | 320 |
| Lam Albert Man Sum | 林聞深 | 320 | – | – | 320 |
| | | 884 | – | – | 884 |
| | | 5,571 | – | 54 | 5,625 |

(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.

11. 董事薪酬及五名最高薪僱員(續)

(a) 董事(續)

| | Fees | Salaries, allowances and benefits | Retirement benefit scheme contributions | Total |
|--|----------|-----------------------------------|---|----------|
| | | in kind | | |
| | | 薪金、津貼及實物利益 | 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 |

| | | | | | |
|---|------------------|-------|---|----|-------|
| For the year ended | 截至二零一九年三月 | | | | |
| 31 March 2019 | 三十一日止年度 | | | | |
| Executive directors: | 執行董事： | | | | |
| Li Dahong | 李大宏 | 2,627 | – | 18 | 2,645 |
| Ma Xiaona | 馬曉娜 | 1,660 | – | 18 | 1,678 |
| Wang Hong Yin | 汪宏音 | 400 | – | 18 | 418 |
| | | 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 | – | – | 191 |
| Jiang Quanming (i) | 姜全明 (i) | 53 | – | – | 53 |
| Guo Wei | 郭瑋 | 320 | – | – | 320 |
| Lam Albert Man Sum | 林聞深 | 320 | – | – | 320 |
| | | 884 | – | – | 884 |
| | | 5,571 | – | 54 | 5,625 |

(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。

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 three (2019: four) directors whose remuneration are included above. During the year ended 31 March 2020, there are three (2019: Nil) highest paid individuals of the Group had been included in the following table due to the same remuneration of the last two individuals. The remunerations of the remaining three (2019: one) individuals were as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 1,768 | 507 |
| Retirement scheme contributions | 退休計劃供款 | 18 | 18 |
| | | 1,786 | 525 |

Their remunerations of the remaining individuals were within the following band:

| | | Number of individuals 人數 | |
|--------------------------------|-------------------------------|-----------------------------|---------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| HK\$ Nil to HK\$1,000,000 | 零港元至 1,000,000 港元 | 1 | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001 港元至 1,500,000 港元 | 1 | - |

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.

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三名（二零一九年：四名）董事，彼等之酬金已載於上文。截至二零二零年三月三十一日止年度，由於最後兩名人士之薪酬相同，故下表涵蓋本集團三名（二零一九年：無）最高薪人士。餘下三名（二零一九年：一名）人士之酬金如下：

餘下人士之酬金處於以下範圍：

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

12. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2020 and 2019.

12. 股息

截至二零二零年及二零一九年三月三十一日止年度，本公司並無派付或擬派股息。

13. (LOSS)/EARNINGS PER SHARE

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

13. 每股(虧損)/盈利

本公司權益持有人應佔每股基本及攤薄(虧損)/盈利乃按以下資料為基準計算：

(a) Basic

| | | 2020 二零二零年 | 2019 二零一九年 |
|--|------------------------|---------------|---------------|
| (Loss)/profit attributable to the equity holders of the Company (HK\$'000) | 本公司權益持有人應佔(虧損)/溢利(千港元) | (35,239) | 33 |
| 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 | 1,496,782 |
| Basic (loss)/earnings per share (HK cents) | 每股基本(虧損)/盈利(港仙) | (2.35) | —* |

(a) 基本

* Represent amount less than HK cents 0.01.

* 代表金額少於0.01港仙。

(b) 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 2020 and 2019, the Company has 2 categories of dilutive potential ordinary shares: share options (Note 29(ii)) and convertible bonds (Note 27).

(b) 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。於截至二零二零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29(ii))及可換股債券(附註27)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

13. (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

For the share options, a calculation performed 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.

For the year ended 31 March 2020, the share options have been lapsed.

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

The computation of diluted (loss)/earnings per share for the years ended 31 March 2020 and 2019 did not assume the conversion of convertible bonds because the conversion will have an anti-dilutive effect.

13. 每股(虧損)/盈利(續)

(b) 攤薄(續)

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，才會有攤薄效應。

截至二零二零年三月三十一日止年度，購股權已失效。

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(虧損)/溢利已作出調整以抵銷可換股債券之利息開支。

計算截至二零二零年及二零一九年三月三十一日止年度之每股攤薄(虧損)/盈利並無假設可換股債券獲轉換，原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 properties | Plant and machinery | Furniture, fixtures and office equipment 傢俬、裝置及辦公設備 | Motor vehicles | Sub-total | Construction in progress | Total |
|--------------------------------------|----------------------------|-----------------|---------------------|--|----------------|-----------|--------------------------|----------|
| | | 礦產物業 | 廠房及設備 | 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 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 and 1 April 2019 | 於二零一九年三月三十一日 及二零一九年四月一日 | 902,008 | 15,946 | 210 | 3,229 | 921,393 | 51,433 | 972,826 |
| Additions | 添置 | 57,216 | - | - | - | 57,216 | 855 | 58,071 |
| Exchange realignment | 匯兌調整 | (60,715) | (1,073) | (7) | (217) | (62,012) | (3,462) | (65,474) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 898,509 | 14,873 | 203 | 3,012 | 916,597 | 48,826 | 965,423 |
| Accumulated depreciation | 累計折舊 | | | | | | | |
| 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 on 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 and 1 April 2019 | 於二零一九年三月三十一日 及二零一九年四月一日 | 231,952 | 12,780 | 210 | 1,160 | 246,102 | - | 246,102 |
| Charge for the year | 本年度支出 | 31,054 | 393 | - | 480 | 31,927 | - | 31,927 |
| Exchange realignment | 匯兌調整 | (18,145) | (867) | (7) | (92) | (19,111) | - | (19,111) |
| As 31 March 2020 | 於二零二零年三月三十一日 | 244,861 | 12,306 | 203 | 1,548 | 258,918 | - | 258,918 |
| Carrying amount: | 賬面值： | | | | | | | |
| At 31 March 2020 | 於二零二零年三月三十一日 | 653,648 | 2,567 | - | 1,464 | 657,679 | 48,826 | 706,505 |
| 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 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Impairment assessment

During the year, the Group had appointed an independent professional valuer, Ravia Global Appraisal Advisory Limited, to assess the recoverable amounts of the Group's property, plant and equipment and mining rights related assets, in particular of those employed in the gold mining segment, and no impairment loss (2019: Nil) was recognised. The recoverable amount has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 12% (2019: 12%) per annum. The growth rate used to extrapolate the cash flows of the group of cash-generating units beyond the five-year period is 0% (2019: 0%) per annum which based on past performance and its expectations in relation to market development. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation is based on the past performance. The directors believed that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

15. RIGHT-OF-USE ASSET

The movements in right-of-use assets are as follows:

| | | Leased properties 租賃物業 HK\$'000 千港元 |
|---|--|--|
| Right-of-use assets | 使用權資產 | |
| Impact on initial application of HKFRS 16 at 1 April 2019 (note 2) | 於二零一九年四月一日初步應用香港財務 報告準則第16號之影響(附註2) | 1,149 |
| Depreciation charge for the year | 年度折舊費用 | (565) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 584 |

14. 物業、廠房及設備(續)

減值評估

年內，本集團委任獨立專業估值師瑞豐環球評估諮詢有限公司，以評估本集團之物業、廠房及設備以及採礦權相關資產之可收回金額，尤其是於金礦開採業所用者，且並無確認任何減值虧損(二零一九年：無)。可收回金額已根據其使用價值計算釐定，該計算乃採用基於高級管理層所批准五年期間財政預算之現金流量預測。現金流量預測所用折現率為每年12%(二零一九年：12%)。用於推算五年期間後現金產生單位組別之現金流量之增長率為每年0%(二零一九年：0%)，乃根據過往表現及其對市場發展之預期得出。使用價值計算之其他主要假設涉及估計現金流入／流出(包括預算收益及毛利率)，有關估計建基於過往表現。董事認為，任何該等假設之任何合理可能變動不會導致總賬面值超過總可收回金額。

15. 使用權資產

使用權資產之變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

15. RIGHT-OF-USE ASSET (Continued)

Depreciation charge on the right-of-use assets is recognised using the straight-line method over a period of 1 to 2 years.

For both years, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 1 year to 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

15. 使用權資產(續)

使用權資產之折舊費用於一至兩年期間內使用直線法確認。

本集團於該兩年間均就其業務租賃辦公室。租賃合約按固定租期1年至2年訂立。租賃條款乃按個別基礎磋商，包括各種不同條款及條件。於釐定租期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可予執行的期間。

除出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他契據。租賃資產不得用於借貸擔保。

| | | 2020 二零二零年 HK\$'000 千港元 |
|--|------------------|----------------------------------|
| Interest expense on lease liabilities (included in finance costs) | 租賃負債利息開支(計入融資成本) | 93 |

Lease liabilities of approximately HK\$629,000 are recognised with related right-of-use assets of approximately HK\$584,000 as at 31 March 2020.

於二零二零年三月三十一日，已確認租賃負債約629,000港元及相關使用權資產約584,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

16. MINING RIGHTS RELATED ASSETS

16. 採礦權相關資產

| | | HK\$'000 千港元 |
|-----------------------------------|----------------------------|-----------------|
| Cost | 成本 | |
| At 1 April 2018 | 於二零一八年四月一日 | 68,996 |
| Additions | 添置 | 720 |
| Exchange realignment | 匯兌調整 | (4,468) |
| At 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日 及二零一九年四月一日 | 65,248 |
| Additions | 添置 | 824 |
| Exchange realignment | 匯兌調整 | (4,392) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 61,680 |
| Accumulated amortisation | 累計攤銷 | - |
| At 1 April 2018 | 於二零一八年四月一日 | 11,894 |
| Provision during the year | 年度撥備 | 3,947 |
| Exchange realignment | 匯兌調整 | (898) |
| At 31 March 2019 and 1 April 2019 | 於二零一九年三月三十一日 及二零一九年四月一日 | 14,943 |
| Provision during the year | 年度撥備 | 1,208 |
| Exchange realignment | 匯兌調整 | (1,049) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 15,102 |
| Carrying amounts | 賬面值 | |
| At 31 March 2020 | 於二零二零年三月三十一日 | 46,578 |
| At 31 March 2019 | 於二零一九年三月三十一日 | 50,305 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

16. MINING RIGHTS RELATED ASSETS (Continued)

Impairment assessment

During the year, the Group had appointed an independent professional valuer, Ravia Global Appraisal Advisory Limited, to assess the recoverable amounts of the Group's property, plant and equipment and mining rights related assets, in particular of those employed in the gold mining segment, and no impairment loss (2019: Nil) was recognised. The recoverable amount has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 12% (2019: 12%) per annum. The growth rate used to extrapolate the cash flows of the group of cash-generating units beyond the five-year period is 0% (2019: 0%) per annum which based on past performance and its expectations in relation to market development. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation is based on the past performance. The directors believed that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Mining rights related assets represent the cost of exploration permits and mining rights permits.

The Group's exploration permit and mining right permit with no. of T611200805020066667 and C6100002014084120135479 were renewed on 9 October 2018 and 20 October 2019 for a period of two and one year(s), respectively.

The renewal of mining right permit with certificate No. C6100002010124120103609, which covers an area of 0.04 square kilometers, is still under processing. Based on past experience, 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. The directors are not in a position to quantify or estimate the impact thus incurred if the renewal was unsuccessful.

16. 採礦權相關資產(續)

減值評估

年度本集團委任獨立專業估值師瑞豐環球評估諮詢有限公司，以評估本集團之物業、廠房及設備以及採礦權相關資產之可收回金額，尤其是於金礦開採業所用者，且並無確認任何減值虧損(二零一九年：無)。可收回金額已根據其使用價值計算釐定，該計算乃採用基於高級管理層所批准五年期間財政預算之現金流量預測。現金流量預測所用折現率為每年12%(二零一九年：12%)。用於推算五年期間後現金產生單位組別之現金流量之增長率為每年0%(二零一九年：0%)，乃根據過往表現及其對市場發展之預期得出。使用價值計算之其他主要假設涉及估計現金流入/流出(包括預算收益及毛利率)，有關估計建基於過往表現。董事認為，任何該等假設之任何合理可能變動不會導致總賬面值超過總可收回金額。

採礦權相關資產指開採許可證及採礦權許可證之成本。

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二零一九年十月二十日續期兩年及一年。

證書編號為C6100002010124120103609的採礦權許可證(覆蓋面積為0.04平方公里)現仍在辦理續期手續。根據過往經驗，董事認為，本集團將會成功重續該採礦權許可證。然而，有關政府機關對是否批准該重續擁有酌情權。董事現時無法量化或估計因未能成功重續而產生的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

17. INTERESTS IN SUBSIDIARIES

Company

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|------------|----------------------------------|----------------------------------|
| Unlisted shares, at cost | 非上市股份，按成本值 | 10 | 10 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 120,743 | 120,500 |
| | | 120,753 | 120,510 |

Notes:

(a) Particulars of the Company's subsidiaries are as follows:

Particulars of the Company's subsidiaries as at 31 March 2020 are follows:

| Company name 公司名稱 | Place and date of incorporation/ establishment/ Type of Company 註冊成立/成立地點及 日期/公司類型 | 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 Limited liability Company 英屬處女群島 二零零七年十月二日 有限責任公司 | 1 ordinary share of US\$1 1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 鎳金礦業亞洲有限公司 | Hong Kong 9 November 2005 Limited liability Company 香港 二零零五年十一月九日 有限責任公司 | 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 Sino foreign equity joint venture 中國 二零零四年二月五日 中外合營企業 | 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 ("Taizhou Mining") 潼關縣太洲礦業有限責任公司 ([太洲礦業]) | PRC 29 June 2004 Domestic Company 中國 二零零四年六月二十九日 境內公司 | Registered and paid-up capital RMB10,000,000 人民幣10,000,000元 | - | 72 | Exploration, mining and mineral processing in the PRC 註冊資本及繳足股本在中國探 礦、採礦及礦物加工 |
| T G Capital Limited 鎳金資本有限公司 | Hong Kong 30 August 2018 Limited liability Company 香港 二零一八年八月三十日 有限責任公司 | HK\$10,000 10,000港元 | 100 | - | Investment holding in Hong Kong 在香港投資控股 |

17. 附屬公司權益

本公司

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|----------------------------------|----------------------------------|
| Unlisted shares, at cost | 10 | 10 |
| Amounts due from subsidiaries | 120,743 | 120,500 |
| | 120,753 | 120,510 |

附註：

(a) 本公司附屬公司之詳情如下：

於二零二零年三月三十一日本公司附屬公司之詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

17. INTERESTS IN SUBSIDIARIES (Continued)

Company (Continued)

Notes: (Continued)

- (b) The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

The following table shows information on a subsidiary Taizhou Mining that have non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

| Name 名稱 | | Taizhou Mining 太洲礦業 | |
|--|-----------------------|----------------------------------|--------------------------------|
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK'000 千港元 |
| Principal place of business/country of establishment | 主要營業地點及成立國家 | PRC 中國 | PRC 中國 |
| % of ownership interests/voting rights hold by NCI | 非控股權益所持有之所有權權益／投票權百分比 | 28% | 28% |
| At 31 March: | 於三月三十一日： | | |
| Non-current assets | 非流動資產 | 753,064 | 776,999 |
| Current assets | 流動資產 | 23,868 | 23,520 |
| Current liabilities | 流動負債 | (97,650) | (75,942) |
| Non-current liabilities | 非流動負債 | (588,700) | (615,062) |
| Net assets | 淨資產 | 90,582 | 109,515 |
| Accumulated NCI | 累計非控股權益 | 21,903 | 25,259 |
| Year ended 31 March: | 截至三月三十一日止年度： | | |
| Revenue | 收益 | 69,643 | 163,829 |
| (Loss)/profit | (虧損)／溢利 | (11,987) | 27,752 |
| (Loss)/profit allocated to NCI | 分配至非控股權益之 (虧損)／溢利 | (3,356) | 7,771 |

17. 附屬公司權益 (續)

本公司 (續)

附註：(續)

- (b) 應收附屬公司款項為無抵押、免息及須按
要求償還。

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太洲礦業。
概要財務資料指集團內公司間抵銷前金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

18. INVENTORIES

18. 存貨

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|-----|----------------------------------|----------------------------------|
| Raw material | 原材料 | 65 | 195 |
| Work in progress | 在製品 | 1,429 | 7,963 |
| Finished goods | 製成品 | 6,757 | - |
| | | 8,251 | 8,158 |

The carrying amount of inventories that were carried at cost amounted to approximately HK\$8,251,000 (2019: HK\$8,158,000).

存貨賬面值按成本或可變現淨值之較低者入賬，為約8,251,000港元(二零一九年：8,158,000港元)。

The cost of inventories recognised as expense and included in 'cost of sales' amounted to approximately HK\$51,776,000 (2019: HK\$86,308,000).

存貨成本確認為開支並計入「銷售成本」約為51,776,000港元(二零一九年：86,308,000港元)。

As at 31 March 2019, the Group's inventory of approximately HK\$19,473,000 were pledged as collateral with a financier pursuant to the terms and conditions as mutually agreed between Taizhou Mining and the financier. During the year ended 31 March 2020, the security arrangement was changed and the Group's inventories were no longer being pledged as collateral, as detailed in note 24 to the consolidated financial statements.

於二零一九年三月三十一日，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。截至二零二零年三月三十一日止年度，抵押安排已變更及本集團不再質押存貨作為抵押品，詳情載於綜合財務報表附註24。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

19. PROMISSORY NOTES

19. 承兌票據

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|------|----------------------------------|----------------------------------|
| Promissory notes | 承兌票據 | 2,000 | 4,000 |

On 29 September 2018, the Group had subscribed HK\$ denominated promissory notes with principal value of HK\$4,000,000 issued by an independent third party ("Issuer"). The promissory notes are secured by shares of the Issuer, bear fixed interest at 4% per annum and to be due on 31 March 2019. The promissory notes are measured at amortised cost. No conversion right is attached to the promissory notes to be exercised by the Company.

During the year ended 31 March 2020, at the request of the Issuer, the due date of promissory notes was extended to 31 August 2020. The Group measures loss allowances for promissory notes at an amount equal to lifetime ECL. An impairment loss of HK\$2,000,000 (2019: Nil) was recognised during the year ended 31 March 2020.

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（「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%計算利息及將於二零一九年三月三十一日到期。承兌票據按攤銷成本計量。承兌票據並無附帶任何轉換權讓本公司行使。

於截至二零二零年三月三十一日止年度，根據發行人要求，承兌票據之到期日延長至二零二零年八月三十一日。本集團按相等於全期預期信貸虧損之金額就承兌票據計量虧損撥備。減值虧損2,000,000港元（二零一九年：零）於截至二零二零年三月三十一日止年度確認。

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:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|----------------------------------|
| Deposits | 按金 | 210 | 301 |
| Prepayments | 預付款項 | 7,888 | 6,569 |
| Other receivables | 其他應收賬項 | 5,946 | 9,685 |
| | | 14,044 | 16,555 |

The fair values of deposits, prepayments and other receivables approximate their carrying amounts.

During the year ended 31 March 2020, impairment loss under 12m ECL of approximately HK\$2,438,000 had been provided to other receivables (2019: Nil).

21. CASH AND CASH EQUIVALENTS

As at 31 March 2020, approximately HK\$2,101,000 (2019: HK\$1,980,000) of the Group's cash and bank balances were denominated in RMB which is subject to exchange control restrictions imposed by the Government of the PRC.

However, under the PRC's foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulation, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign business.

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：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|----------------------------------|
| Deposits | 按金 | 210 | 301 |
| Prepayments | 預付款項 | 7,888 | 6,569 |
| Other receivables | 其他應收賬項 | 5,946 | 9,685 |
| | | 14,044 | 16,555 |

按金、預付款項及其他應收賬項之公平值與其賬面值相若。

於截至二零二零年三月三十一日止年度內，12個月預期信貸虧損項下之減值虧損約2,438,000港元已向其他應收賬項計提撥備(二零一九年：零)。

21. 現金及現金等值項目

於二零二零年三月三十一日，本集團約2,101,000港元(二零一九年：1,980,000港元)之現金及銀行結餘均以人民幣計值，並須受中國政府所施加之外匯管制規限。

然而，根據《中國外匯管理條例》及《結匯、售匯及付匯管理暫行規定》，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

22. LEASE LIABILITIES

At transition, lease liabilities were measured at the present value of the remaining leases payments, discounted at the Group's incremental borrowing rate, and the aggregate effect is as follows:

22. 租賃負債

於過渡時，租賃負債按剩餘租賃付款之現值並以本集團之增量借款利率折現進行計量，總計影響如下：

| | | HK\$'000 千港元 |
|---|---------------------|-----------------|
| At 1 April 2019 (Note 2) | 於二零一九年四月一日(附註2) | 1,172 |
| Lease payments made during the year | 年內支付之租賃付款 | (636) |
| Interest on lease liabilities | 租賃負債利息 | 93 |
| At 31 March 2020 | 於二零二零年三月三十一日 | 629 |
| Represented by: | 呈列為： | |
| Amount classified under current liabilities | 流動負債項下分類之金額 | 555 |
| Amount classified under non-current liabilities | 非流動負債項下分類之金額 | 74 |
| At 31 March 2020 | 於二零二零年三月三十一日 | 629 |

The directors considered the Group's incremental borrowing rate to be appropriate in view of the market environment and economic conditions under which each remaining lease operates.

鑒於各項餘下租賃運作所處之市場環境及經濟狀況，董事認為本集團之增量借款利率屬合適。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

23. TRADE AND OTHER PAYABLES

23. 應付貿易賬款及其他應付賬項

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------|---------|----------------------------------|----------------------------------|
| Current portion | 即期部分 | | |
| Advance from customers | 客戶墊款 | 343 | 368 |
| Trade payables | 應付貿易賬款 | 26,907 | 1,165 |
| Accruals | 應計費用 | 8,869 | 2,920 |
| Other payables | 其他應付賬項 | 16,384 | 17,892 |
| Salary and benefits payables | 應付薪金及福利 | 8,683 | 9,346 |
| | | 61,186 | 31,691 |
| Non-current portion | 非即期部分 | | |
| Other payables | 其他應付賬項 | 802 | - |
| | | 61,988 | 31,691 |

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：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------|-------|----------------------------------|----------------------------------|
| Over 90 days | 90日以上 | 26,907 | 1,165 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

24. INTEREST-BEARING BORROWINGS

24. 計息借貸

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| The Group's interest-bearing borrowings were repayable as follows: | 本集團須償還的計息借貸如下： | | |
| 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 | 300 | 1,507 |
| Amount due after one year | 於一年後到期之款項 | 364,872 | 359,230 |
| | | 365,172 | 360,737 |

During the years ended 31 March 2019 and 2020, the Group's interest-bearing borrowings are arranged at interest rates ranging 4.35% to 20% (2019: 5% to 30%). As at 31 March 2019, the Group's interest-bearing borrowings were secured by its inventories. The security terms was changed during the year ended 31 March 2020 under which security over the Group's inventories was released and replaced by the Group's rights of collection from its customers as collateral.

During the year ended 31 March 2020, the Group entered into a security arrangement and transferred the rights of collection of the Group's trade receivables to a financier under which all the significant risks and rewards relating to these receivables had been passed to the financier and the Group would not recognise the carrying amounts of trade receivables. Such trade receivables would offset against the carrying amount of the borrowings obtained from the financier.

The above borrowings are carried at amortised cost and the carrying amounts of interest-bearing borrowings approximate to their fair value.

截至二零一九年及二零二零年三月三十一日止年度，本集團的計息借貸按利率4.35%至20%（二零一九年：5%至30%）計息。於二零一九年三月三十一日，本集團的計息借貸由其存貨作抵押。截至二零二零年三月三十一日止年度，抵押條款已變更，據此，本集團存貨的抵押已解除並以本集團自其客戶收取付款的權利取代作為抵押品。

截至二零二零年三月三十一日止年度，本集團訂立一份抵押安排並將收取本集團貿易應收賬項的權利轉讓予融資人，據此，該等應收賬項相關的所有重大風險及回報已轉移予融資人，而本集團將不再確認貿易應收賬項賬面值。有關貿易應收賬項將與自融資人獲得的借貸賬面值進行抵銷。

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

25. BONDS

On 30 April 2008, the Company issued convertible bonds with an aggregate value of HK\$806,400,000 (the “2008 CB”) 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. Upon the maturity of the 2008 CB on 30 April 2013, the 2008 CB became bonds and payable on demand. The outstanding bonds is charged at 5% per annum and as of 31 March 2020. The bonds remained outstanding.

Movements of the bonds are set out below:

| | | 2020 二零二零年 total 總計 HK\$'000 千港元 | 2019 二零一九年 total 總計 HK\$'000 千港元 |
|--------------------|----------------|---|---|
| At 1 April | 於四月一日 | 18,589 | 18,074 |
| Interest charged | 利息支出 | 518 | 515 |
| At 31 March | 於三月三十一日 | 19,107 | 18,589 |

The fair value of the bonds at 31 March 2020 amounted to approximately HK\$19,107,000 (2019: HK\$18,589,000).

As disclosed in note 40(a) to the consolidated financial statements, there were claims and a winding-up petition made against the Company for the settlement of bonds, these claims and winding-up petition were remain unresolved as at the approval date of these consolidated financial statements.

25. 債券

於二零零八年四月三十日，本公司發行總值806,400,000港元之可換股債券（「二零零八年可換股債券」）（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。於二零一三年四月三十日二零零八年可換股債券到期後，二零零八年可換股債券成為債券並須按要求付款。尚未償還之債券會每年按5%收費，而截至二零二零年三月三十一日，有關債券仍未償還。

債券之變動載列如下：

| | | 2020 二零二零年 total 總計 HK\$'000 千港元 | 2019 二零一九年 total 總計 HK\$'000 千港元 |
|--------------------|----------------|---|---|
| At 1 April | 於四月一日 | 18,589 | 18,074 |
| Interest charged | 利息支出 | 518 | 515 |
| At 31 March | 於三月三十一日 | 19,107 | 18,589 |

於二零二零年三月三十一日債券之公平值約為19,107,000港元（二零一九年：18,589,000港元）。

如綜合財務報表附註40(a)所披露，本公司就償還債券面臨索償及清盤呈請，且於批准該等綜合財務報表當日，該等索償及清盤呈請仍未解決。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

26. PROMISSORY NOTES

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|------|----------------------------------|----------------------------------|
| Promissory notes | 承兌票據 | 12,500 | 12,500 |

The carrying amount of promissory notes represents the outstanding balance of two tranches of zero coupon promissory notes of approximately HK\$7,500,000 each. No repayment was made by the Group following a partial settlement of approximately HK\$2,500,000 made since the year ended 31 March 2011. As disclosed in note 38(i) to the consolidated financial statements, a legal dispute in relation to the promissory notes arose and unresolved as at 31 March 2020.

承兌票據之賬面值指未償還之兩期零息承兌票據結餘每期約7,500,000港元。自截至二零一一年三月三十一日止年度結付約2,500,000港元之部分款項後，本集團並無支付其他還款。誠如綜合財務報表附註38(i)所披露，於二零二零年三月三十一日發生一宗與承兌票據相關之法律糾紛，且尚未解決。

27. CONVERTIBLE BONDS

On 10 April 2017, the Company issued convertible bonds ("CBs") with face value of HK\$30,095,000 to independent third parties. Holders of the CBs will have the right to convert the CBs, on whole or in part (in multiples of HK\$150,000), of the principal amount of the CBs into the Conversion Shares at the Conversion Price of HK\$0.3 for the period commencing from the date of the issue of the CBs up to the close of business on the day falling 14 days prior to the 16 July 2022.

The CBs bear interest of 4% per annum and payable in arrears quarterly on 31 March, 30 June, 30 September and 31 December in each year.

Upon the issuance, the value of the CBs has been split into the liability element and an equity component of HK\$15,073,000 and HK\$15,022,000 respectively.

27. 可換股債券

於二零一七年四月十日，本公司發行面值為30,095,000港元之可換股債券（「可換股債券」）予獨立第三方。可換股債券之持有人將有權於可換股債券發行之日起至二零二二年七月十六日前第14日當日營業時間結束止之期間內，按換股價0.3港元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。

可換股債券按年利率4%計息，而利息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。

於發行後，可換股債券之價值已分攤為負債部分及權益部分，分別為15,073,000港元及15,022,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

27. CONVERTIBLE BONDS (Continued)

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 1 April 2019 | 於二零一九年四月一日 | 18,655 | 12,543 | 31,198 |
| Effective interest expenses | 實際利息開支 | 3,945 | - | 3,945 |
| Payment of interest | 利息付款 | (1,204) | - | (1,204) |
| At 31 March 2020 | 於二零二零年三月三十一日 | 21,396 | 12,543 | 33,939 |

The interest charged for the year is calculated by applying an effective interest rate of 21.58% to the liability component of the CBs.

During the years ended 31 March 2020 and 2019, none of the CBs were redeemed, converted or purchased and cancelled.

In August 2018, a claim made against the Company in relation to the CBs had been filed to High Court remain unresolved, as at 31 March 2020, details of which are set out in note 38(ii) to the consolidated financial statements.

Since the Company breached a condition thereto the subscription agreement of the CBs as a result of a certain litigations made against the Company, the liability component of the CBs becomes payable on demand and was classified as current liabilities as at 31 March 2020 and 2019.

27. 可換股債券(續)

可換股債券之負債及權益部分於本年度之變動載列如下：

於本年度收取之利息乃按對可換股債券之負債部分應用實際利率21.58%計算。

截至二零二零年及二零一九年三月三十一日止年度，概無贖回、轉換或購買及註銷可換股債券。

於二零一八年八月，針對本公司有關可換股債券之索償已向高等法院提呈，且於二零二零年三月三十一日仍未解決，有關詳情載於綜合財務報表附註38(ii)。

由於本公司因其面臨若干訴訟而導致違反有關認購可換股債券協議之條款，故可換股債券之負債部分須按要求付款，並於二零二零年及二零一九年三月三十一日分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

28. SHARE CAPITAL

28. 股本

| | | 2020 二零二零年 | | 2019 二零一九年 | |
|------------------------|---------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| | | 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 | 2,666,666,666 | 160,000 | 40,000,000,000 | 160,000 |
| 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 | 2,666,666,666 | 160,000 |
| Issued and fully paid: | 已發行及繳足： | | | | |
| At 1 April | 於四月一日 | 1,496,782,160 | 89,807 | 22,451,732,406 | 89,807 |
| Share consolidation | 股份合併 | - | - | (20,954,950,246) | - |
| At 31 March | 於三月三十一日 | 1,496,782,160 | 89,807 | 1,496,782,160 | 89,807 |

On 6 March 2019, the Company completed the consolidation of 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.

於二零一九年三月六日，本公司完成合併本公司股份，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

29. 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.

29. 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

29. 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 and was lapsed on 19 November 2019.

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.

29. 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並已於二零一九年十一月十九日失效。

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

29. 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:

29. 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

29. 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 share options granted and exercised for the years ended 31 March 2020 and 2019.

4,519,266 outstanding share options were lapsed during the year ended 31 March 2020 as a result of the expiry of the Share Option Scheme (2019: Nil).

As at 31 March 2020, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was Nil (2019: 4,519,296), representing Nil (2019: 0.30%) of the total number of shares of the Company in issue at that date.

29. 僱員福利(續)

(ii) 購股權計劃(續)

截至二零二零年及二零一九年三月三十一日止年度，概無授出及行使購股權。

因購股權計劃屆滿，4,519,266份尚未行使之購股權已於截至二零二零年三月三十一日止年度失效(二零一九年：無)。

於二零二零年三月三十一日，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零(二零一九年：4,519,296股)，佔本公司於該日已發行股份總數之零(二零一九年：0.30%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

30. 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 66 and 67.

(b) The Company

30. 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66及67頁之綜合權益變動表內呈列。

(b) 本公司

| | | Share premium | Convertible bonds reserve | Share option reserve | Accumulated losses | Total |
|--|---------------------|---------------|---------------------------|----------------------|--------------------|----------|
| | | 股份溢價 | 可換股債券儲備 | 購股權儲備 | 累計虧損 | 合計 |
| | | 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 |
| As at 1 April 2018 | 於二零一八年四月一日 | 1,842,983 | 12,543 | 26,703 | (1,892,227) | (9,998) |
| Loss for the year | 年度虧損 | - | - | - | (19,677) | (19,677) |
| As at 31 March 2019 | 於二零一九年三月三十一日 | 1,842,983 | 12,543 | 26,703 | (1,911,904) | (29,675) |
| Adjustments on initial application of HKFRS 16 | 初步應用香港財務報告準則第16號之調整 | - | - | - | (23) | (23) |
| Restated balance as at 1 April 2019 | 於二零一九年四月一日經重列結餘 | 1,842,983 | 12,543 | 26,703 | (1,911,927) | (29,698) |
| Lapse of share options | 購股權失效 | - | - | (26,703) | 26,703 | - |
| Loss for the year | 年度虧損 | - | - | - | (24,844) | (24,844) |
| As at 31 March 2020 | 於二零二零年三月三十一日 | 1,842,983 | 12,543 | - | (1,910,068) | (54,542) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

30. RESERVES (Continued)

(b) The Company (Continued)

(i) Share Premium

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.

(ii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(o) to the consolidated financial statements.

(iii) Convertible bonds reserve

The convertible bonds reserve represents the value of the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 3(l)(iii) to the consolidated financial statements.

(iv) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and other participants other than employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(q)(iv) to the consolidated financial statements.

30. 儲備(續)

(b) 本公司(續)

(i) 股份溢價

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。

(ii) 外幣換算儲備

外幣換算儲備包括所有換算海外業務之財務報表而產生之匯兌差額。該儲備乃根據綜合財務報表附註3(o)所載之會計政策處理。

(iii) 可換股債券儲備

可換股債券儲備指根據綜合財務報表附註3(l)(iii)就可換股債券採納之會計政策所確認,由本公司發行之可換股債券的未行使權益部份之價值。

(iv) 購股權儲備

購股權儲備指根據綜合財務報表附註3(q)(iv)就權益償付以股份為基礎的付款所採納的會計政策確認向本集團僱員及僱員以外的其他參與者授出的實際或估計未行使購股權的數目的公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31. LEASE COMMITMENTS

As at 31 March 2019, the total 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 |
|--|----------------|----------------------------------|
| Within one year | 一年內 | 636 |
| In the second to fifth year, inclusive | 第二至第五年(包括首尾兩年) | 668 |
| | | 1,304 |

32. FINANCIAL RISK MANAGEMENT

The Group's major financial assets and liabilities include promissory notes receivable, bank balances and cash, bonds, promissory notes payable, 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.

31. 租賃承擔

於二零一九年三月三十一日，本集團於不可撤銷經營租賃下之未來最低租賃付款總額如下：

32. 財務風險管理

本集團之主要金融資產及負債包括應收承兌票據、銀行結餘及現金、債券、應付承兌票據、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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. FINANCIAL RISK MANAGEMENT (Continued)

(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.

A reasonably possible increase of 5% in exchange rates between RMB and HK\$ respectively, with all other variables held constant, will lead to an decrease/increase of approximately HK\$690,000 of the Group's loss/profit before tax (2019: HK\$17,000).

32. 財務風險管理(續)

(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。

人民幣兌港元之匯率可能出現升值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虧損／溢利減少／增加約690,000港元(二零一九年：17,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. FINANCIAL RISK MANAGEMENT (Continued)

(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 2020, it is estimated that a general increase/decrease of 100 basis points (2019: 100 basis points) in interest rates, with all other variables held constant, would decrease/increase the Group's loss/profit before tax by approximately HK\$1,631,000 (2019: HK\$3,752,000).

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 (2019: 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 2019.

32. 財務風險管理(續)

(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。

於二零二零年三月三十一日，估計如利率普遍增加／減少100個基點(二零一九年：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虧損／溢利減少／增加約1,631,000港元(二零一九年：3,752,000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(二零一九年：100個基點)乃管理層對利率可能出現之合理變動之評估。分析乃以二零一九年之相同基準進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. 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 2020, it is estimated that an increase/decrease of RMB10/gram of gold price will lead to an increase/decrease of revenue of approximately HK\$1,996,000 (2019: HK\$3,900,000).

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.

32. 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。

截至二零二零年三月三十一日止年度，估計金價每上升／下降人民幣10元／克會導致收益增加／減少約1,996,000港元(二零一九年：3,900,000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

32. 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 policy in place to develop and maintain the Group's credit risk grading to categories exposures according to their degree of risk of default. The Group uses publicly available financial information and 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

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 |

32. 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，本集團已實施政策以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。本集團使用公開可用的財務資料及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。

本集團現時的信貸風險評級框架包括下列類別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit risk (Continued)

For deposits and other receivables, the directors make periodic collectively assessments as well as individual assessment on the recoverability of other receivables and deposits. ECL on of deposits and other receivables of approximately HK\$2,438,000 (2019: Nil) was recognised under 12m ECL model during the year ended 31 March 2020.

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.

An impairment loss of promissory notes of HK\$2,000,000 was recognised under lifetime ECL model during the year ended 31 March 2020.

(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.

32. 財務風險管理(續)

(d) 信貸風險(續)

就按金及其他應收賬項而言，董事定期對其他應收賬項及按金的可收回性進行集體評估及個別評估。於截至二零二零年三月三十一日止年度，根據12個月預期信貸虧損模式確認按金及其他應收賬項之預期信貸虧損為約2,438,000港元(二零一九年：無)。

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。

截至二零二零年三月三十一日止年度，根據全期預期信貸虧損模式確認承兌票據減值虧損2,000,000港元。

(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

32. FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity risk (Continued)

Specifically, for convertible bonds which contain a repayment on demand clause which can be exercised at the holder's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the holder was to invoke their unconditional rights to call the outstanding balance of convertible bonds with immediate effect.

The maturity analysis of the Group's financial liabilities based on contractual undiscounted cash flows is as follows:

32. 財務風險管理(續)

(e) 資金流通風險(續)

具體而言，對於帶有按要要求償還條款（可按持有人全權酌情行使）之可換股債券，有關分析顯示根據該實體可被要求付款之最早期限（即持有人援引其無條件權利即時追討可換股債券之未償還結餘時）得出之現金流出。

本集團金融負債基於合約未折現現金流量作出之到期日分析如下：

| | 2020 二零二零年 | | | | 2019 二零一九年 | | | |
|--|-----------------|------------------------------------|------------------------------|----------------|-----------------|------------------------------------|------------------------------|----------------|
| | Carrying amount | contractual undiscounted cash flow | Within one year or on demand | After one year | Carrying amount | contractual undiscounted cash flow | Within one year or on demand | After one year |
| | 賬面值 | 合約未折現金金流量總額 | 一年內或按要要求 | 超過一年 | 賬面值 | 合約未折現金金流量總額 | 一年內或按要要求 | 超過一年 |
| | 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 |
| Trade and other payables 應付貿易賬款及其他應付賬項 | 61,988 | 61,988 | 61,186 | 802 | 31,691 | 31,691 | 31,691 | - |
| Interest-bearing borrowings 計息借貸 | 365,172 | 374,457 | 300 | 374,157 | 360,737 | 385,793 | 1,638 | 384,155 |
| Promissory notes 承兌票據 | 12,500 | 12,500 | 12,500 | - | 12,500 | 12,500 | 12,500 | - |
| Bonds 債券 | 19,107 | 19,107 | 19,107 | - | 18,589 | 18,589 | 18,589 | - |
| Convertible bonds 可換股債券 | 21,396 | 21,396 | 21,396 | - | 18,655 | 34,059 | 34,059 | - |
| Lease liabilities 租賃負債 | 629 | 851 | 775 | 76 | - | - | - | - |
| | 480,792 | 490,299 | 115,264 | 375,035 | 442,172 | 482,632 | 98,477 | 384,155 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity risk (Continued)

The table that follows summarises the maturity analysis of convertible bonds with a repayment on demand clause based on agreed scheduled repayments. The amounts include interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the “on demand” time band in the maturity analysis above.

| | | At 31 March 2020 | | | | At 31 March 2019 | | | |
|-------------------|---------------|------------------|--------------|----------|---------------|------------------|--------------|----------|--------|
| | | 於二零二零年三月三十一日 | | | | 於二零一九年三月三十一日 | | | |
| | | Between 1 to | Between 2 to | | | Between 1 to | Between 2 to | | |
| | Within 1 year | 2 years | 5 years | Total | Within 1 year | 2 years | 5 years | Total | |
| | 一年內 | 一至二年 | 二至五年 | 總計 | 一年內 | 一至二年 | 二至五年 | 總計 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| Convertible bonds | 可換股債券 | 1,204 | 1,204 | 30,447 | 32,855 | 1,204 | 1,204 | 31,651 | 34,059 |

As disclosed in note 27 to the consolidated financial statements, the Company has breached a condition thereto the subscription of the convertible bonds as a result of certain litigations made against the Company, the outstanding balance of the convertible bonds became repayable on demand as at 31 March 2019 and 2020.

32. 財務風險管理(續)

(e) 資金流通風險(續)

下表概述帶有按要求償還條款之可換股債券根據經協定之定期還款安排作出的到期日分析。該等款項包括使用合約利率計算之利息款項。因此，該等金額均大於上文到期日分析中「按要求」時限組別內披露之金額。

如綜合財務報表附註27所披露，本公司因其面臨若干訴訟而導致違反有關認購可換股債券之條款，故可換股債券之未償還結餘須於二零一九年及二零二零年三月三十一日按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

32. 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 2020, approximately 64.39% of the Shares were in public hands.

(g) Fair value

The Carrying amount of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximately their respective fair value.

32. 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。截至二零二零年三月三十一日，公眾持有的股份約為64.39%。

(g) 公平值

本集團的金融資產及金融負債於綜合財務狀況表內反映之賬面值與其各自之公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

33. RELATED PARTY TRANSACTIONS

In addition to the directors listed in note 11 to the consolidated financial statements, the Group also identifies below related parties:

| Name | Relationship |
|--------------|---|
| Ma Qianzhou | Substantial shareholder of Taizhou Mining Director of Taizhou Mining |
| Zhao Yuebing | Director of Taizhou Mining |
| Zhou Yong | Shareholder of Grand T G Gold General manager of Taizhou Mining |

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:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Salaries and other short-term employee benefits | 薪金及其他短期僱員福利 | 6,074 | 5,631 |
| Other long-term benefits | 其他長期福利 | 65 | 57 |
| Total | 總計 | 6,139 | 5,688 |

33. 關連人士交易

除綜合財務報表附註11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 | 太洲礦業的主要股東 太洲礦業董事 |
| 趙悅冰 | 太洲礦業董事 |
| 周勇 | 大唐滄金的股東 太洲礦業總經理 |

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

33. RELATED PARTY TRANSACTIONS (Continued)

(b) Loans from related parties

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------|---------|----------------------------------|----------------------------------|
| At 1 April | 於四月一日 | 185,224 | 185,211 |
| Currency realignment | 匯兌調整 | 7,958 | (12,132) |
| Additions during the year | 年內增加 | 85,047 | 12,145 |
| At 31 March | 於三月三十一日 | 278,229 | 185,224 |

The above loans for the years ended 31 March 2020 and 2019 from Ms. Zhao Yuebing, Mr. Ma Qianzhou and Mr. Zhou Yong were included in interest-bearing borrowings.

The loans from related parties have the following terms and conditions:

33. 關連人士交易(續)

(b) 關連人士貸款

上述截至二零二零年及二零一九年三月三十一日止年度來自趙悅冰女士、馬乾洲先生及周勇先生之貸款計入計息借貸。

關連人士貸款的條款及條件如下：

| Name | 名稱/姓名 | At end of year 年末 HK\$'000 千港元 | At beginning of year 年初 HK\$'000 千港元 | Interest rate 利率 |
|--------------|-------|--|--|------------------------|
| 2020 | | | | |
| Zhao Yuebing | 趙悅冰 | 95,256 | 88,063 | 4.35% |
| Ma Qianzhou | 馬乾洲 | 105,469 | 97,161 | 4.35% |
| Zhou Yong | 周勇 | 77,504 | - | 4.35% |
| 2019 | | | | |
| Zhao Yuebing | 趙悅冰 | 88,063 | 84,770 | 5% |
| Ma Qianzhou | 馬乾洲 | 97,161 | 100,441 | 5% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

33. RELATED PARTY TRANSACTIONS (Continued)

(c) Amounts due to related parties

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------|-----|----------------------------------|----------------------------------|
| Ma Qianzhou | 馬乾洲 | 1,225 | 1,225 |

The above amounts are interest free, unsecured and repayable on demand. They are included in trade and other payables.

33. 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。

34. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Financial Assets — amortised cost | 金融資產 — 按攤銷成本 | | |
| Promissory notes | 承兌票據 | 2,000 | 4,000 |
| Deposits and other receivable | 按金及其他應收賬項 | 6,156 | 9,986 |
| Cash and cash equivalents | 現金及現金等值項目 | 2,141 | 2,196 |
| | | 10,297 | 16,182 |
| 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 | 61,988 | 31,691 |
| Promissory notes | 承兌票據 | 12,500 | 12,500 |
| Bonds | 債券 | 19,107 | 18,589 |
| Convertible bonds | 可換股債券 | 21,396 | 18,655 |
| Interest-bearing borrowings | 計息借貸 | 365,172 | 360,737 |
| | | 480,163 | 442,172 |

34. 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

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 本公司財務狀況表

| | | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Non-current Assets | 非流動資產 | | | |
| Interest in subsidiaries | 附屬公司權益 | 17 | 120,753 | 120,510 |
| Right-of-use assets | 使用權資產 | | 584 | – |
| | | | 121,337 | 120,510 |
| Current Assets | 流動資產 | | | |
| Promissory notes | 承兌票據 | | 2,000 | 4,000 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收賬項 | | 493 | 1,623 |
| Cash and cash equivalents | 現金及現金等值項目 | | 31 | 168 |
| | | | 2,524 | 5,791 |
| Current Liabilities | 流動負債 | | | |
| Accruals and other payables | 應計費用及其他應付賬項 | | 17,628 | 13,030 |
| Promissory notes | 承兌票據 | | 12,500 | 12,500 |
| Bonds | 債券 | | 19,107 | 18,589 |
| Convertible bonds | 可換股債券 | | 21,396 | 18,655 |
| Interest-bearing borrowings | 計息借貸 | | 300 | 1,507 |
| Lease liabilities | 租賃負債 | | 555 | – |
| | | | 71,486 | 64,281 |
| NET CURRENT LIABILITIES | 流動負債淨值 | | (68,962) | (58,490) |
| Total assets less current liabilities | 資產總值減流動負債 | | 52,375 | 62,020 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

35. 本公司財務狀況表(續)

| | | Notes | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------------|--------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| Non-current Liabilities | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | | 1,435 | 1,888 |
| Lease liabilities | 租賃負債 | | 74 | - |
| Interest bearing borrowings | 計息借貸 | | 15,601 | - |
| | | | 17,110 | 1,888 |
| NET ASSETS | 淨資產 | | 35,265 | 60,132 |
| Capital and Reserves | 股本及儲備 | | | |
| Share capital | 股本 | | 89,807 | 89,807 |
| Reserves | 儲備 | 30(b) | (54,542) | (29,675) |
| Total equity | 權益總額 | | 35,265 | 60,132 |

On behalf of the board of directors

代表董事會

Li Dahong

李大宏

Director

董事

Ma Xiaona

馬曉娜

Director

董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

36. DEFERRED TAX LIABILITIES

The balance comprise temporary difference attributable to:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------------------|-------------|----------------------------------|----------------------------------|
| Convertible Bonds | 可換股債券 | 1,435 | 1,888 |
| Movement: | 變動： | | |
| At 1 April | 於四月一日 | 1,888 | 2,258 |
| Credited to profit or loss (note 10) | 計入損益(附註 10) | (453) | (370) |
| At 31 March | 於三月三十一日 | 1,435 | 1,888 |

At the end of the reporting period the Group has unused tax losses of approximately HK\$10,897,000 (2019: Nil) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses due to the unpredictability of future profit streams. The unrecognised tax losses will expire in 2024.

36. 遞延稅項負債

結餘包括以下各項應佔之暫時性差額：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------------------|-------------|----------------------------------|----------------------------------|
| Convertible Bonds | 可換股債券 | 1,435 | 1,888 |
| Movement: | 變動： | | |
| At 1 April | 於四月一日 | 1,888 | 2,258 |
| Credited to profit or loss (note 10) | 計入損益(附註 10) | (453) | (370) |
| At 31 March | 於三月三十一日 | 1,435 | 1,888 |

於報告期末，本集團有可用作抵銷未來溢利之未動用稅項虧損約10,897,000港元(二零一九年：無)。由於無法預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。未獲確認之稅項虧損將於二零二四年屆滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 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.

37. 綜合現金流量表附註

(a) 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。

| | | 1 April 2019 二零一九年 四月一日 HK\$'000 千港元 | Cash flows 現金流量 HK\$'000 千港元 | Interest charges 利息費用 HK\$'000 千港元 | Exchange realignment 匯兌調整 HK\$'000 千港元 | 31 March 2020 二零二零年 三月三十一日 HK\$'000 千港元 |
|---------------------------------------|-------------|---|---------------------------------------|--|--|--|
| Bonds (note 25) | 債券(附註25) | 18,589 | - | 518 | - | 19,107 |
| Interest-bearing borrowings (note 24) | 計息借貸(附註24) | 360,737 | 13,030 | 9,285 | (17,880) | 365,172 |
| Convertible bonds (note 27) | 可換股債券(附註27) | 18,655 | (1,204) | 3,945 | - | 21,396 |
| Lease liabilities (note 22) | 租賃負債(附註22) | 1,172 | (636) | 93 | - | 629 |
| | | 399,153 | 11,190 | 13,841 | (17,880) | 406,304 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Reconciliation of liabilities arising from financing activities (Continued)

| | | 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 | Interest charges 利息費用 HK\$'000 千港元 | Exchange realignment 匯兌調整 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 25) | 債券(附註25) | 18,074 | — | 515 | — | 18,589 |
| Interest-bearing borrowings (note 24) | 計息借貸(附註24) | 295,802 | 56,965 | 24,043 | (16,073) | 360,737 |
| Convertible bonds (note 27) | 可換股債券(附註27) | 16,404 | (1,204) | 3,455 | — | 18,655 |
| | | 330,280 | 55,761 | 28,013 | (16,073) | 397,981 |

(b) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprises the following:

| | | 2020 二零二零年 HK\$'000 千港元 |
|-----------------------------|---------|----------------------------------|
| Within operating cash flows | 經營現金流量內 | 93 |
| Within financing cash flows | 融資現金流量內 | 543 |
| | | 636 |

These amounts relate to the following:

| | | 2020 二零二零年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|
| Lease rental paid | 已付租賃租金 | 636 |

37. 綜合現金流量表附註(續)

(a) 融資活動所產生負債的對賬(續)

(b) 租賃現金流出總額

計入現金流量表之租賃金額包括以下各項：

該等金額與下列項目有關：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

38. LITIGATION

As at 31 March 2020, 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 J. Thomson Asset Investment Limited.

The Plaintiff claims redemption of the promissory notes in the sum of HK\$12,500,000. The 2nd defendant claims that it is the beneficial owner of the promissory notes and claim repayment of the promissory notes.

The directors of the Company are of the opinion that such amount of HK\$12,500,000 was already reflected in the Group's consolidated financial statements as at 31 March 2020 and no further provision is required in this respect. 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 jeopardised if payment is made to either one party while the other is perusing.

- (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 of the approval date on these consolidated financial statements, the said sum of HK\$30,095,357 had been reflected in the Group's consolidated financial statements as at 31 March 2020. The directors are of the opinion that no further provision is required in this respect.

38. 訴訟

於二零二零年三月三十一日，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還款。

本公司董事認為，該12,500,000港元已在本集團於二零二零年三月三十一日之綜合財務報表內反映，且毋須就此進一步作出撥備。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。

- (ii) 二零一八年高等法院訴訟第1885號。梁享英(作為原告人)於二零一八年八月向本公司(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。

截至批准該等綜合財務報表日期，上述金額30,095,357港元已在本集團於二零二零年三月三十一日的綜合財務報表中反映。董事認為毋須就此進一步作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

38. LITIGATION (Continued)

- (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, 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, being the principal amount under a convertible bond issued by the Company on 4 January 2010, together with the interest accrued thereon.

The 1st Plaintiff and the 2nd Plaintiff have discontinued the legal action in relation to the claim against the Company on 26 July 2019. The Company had settled the said sum claims of HK\$500,000.

39. CAPITAL COMMITMENTS

As at 31 March 2020, the Group did not have any significant capital commitments (2019: Nil).

38. 訴訟(續)

- (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。

第一原告人及第二原告人已於二零一九年七月二十六日停止了有關針對本公司之訴訟之法律行動。本公司已就上述訴訟賠償500,000港元。

39. 資本承擔

於二零二零年三月三十一日,本集團並無任何重大資本承擔(二零一九年:無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

40. EVENTS AFTER THE REPORTING PERIOD

(a) Litigation

Mr. Lee Sing Leung Robin (“Robin Lee”) claims against the Company for the amount of HK\$8.78 million, being the principal amount of HK\$5 million under a trench of convertible bond No. 54 dated 21 August 2009 (became bonds of the Company after its maturity on 30 April 2013) issued by the Company (“CB 54”) together with interest accrued thereon in the Statutory Demand (the “SD”).

However, in an ongoing High Court Miscellaneous Proceedings No. 1398 of 2018 between the Company and a company namely Mayson Associates Limited (“Mayson”) about the dispute of the identity of the legal and beneficial owner of CB 54, Robin Lee took a conflicting position and affirmed that Mayson and its sole shareholder i.e. Mr. Kwok Wai Tak (“Mr. Kwok”) are respectively the legal and beneficial owner of CB 54.

In any event, the directors of the Company are of the opinion that because of the inconsistent positions, the above legal proceedings were in progress whose final outcomes cannot be determined at present. The Group cannot make settlement regarding CB 54 before the true identity of the rightful owner of CB 54 can be ascertained.

A Winding-up petition was filed by Mr. Lee Sing Leung, to the High Court of Hong Kong on June 2020 related to its CB 54, claiming the amount about HKD8.78 million in aggregate against the Company in the capacity of the registered holder of CB 54.

40. 報告期後事項

(a) 訴訟

李盛良先生(「李盛良」)向本公司索賠8,780,000港元，即本公司於二零零九年八月二十一日所發行一期可換股債券第54號(「可換股債券第54號」)(於二零一三年四月三十日到期後成為本公司債券)的本金額5,000,000港元連同其於法定要求償債書(「法定要求償債書」)所載的應計利息。

然而，在一宗仍在進行、本公司與一間公司Mayson Associates Limited(「Mayson」)有關可換股債券第54號的法定及實益擁有人身份的糾紛的高等法院雜項訴訟二零一八年第1398號中，李盛良的立場矛盾，並確認Mayson及其唯一股東(即Kwok Wai Tak先生(「Kwok先生」))分別為可換股債券第54號的法定及實益擁有人。

無論如何，本公司董事認為由於立場前後矛盾，故上述法律訴訟仍在進行中，其最終結果目前尚無法確定。在可換股債券第54號合法擁有人的真實身份得以確定之前，本集團無法就可換股債券第54號償還款項。

李盛良先生於二零二零年六月因應其可換股債券第54號向香港高等法院提出清盤呈請，以可換股債券第54號之登記持有人的身份向本公司提出合共8,780,000港元的索償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

40. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(a) Litigation (Continued)

The Group has already sought legal advices and taken the position that the above winding-up petition is being invalid, after taking into account various factors including but not limited to Case Number: HCMP1398/2018 on the disputes of the identity whom should the CB 54 be payable, which the hearing has been fixed on 31 July 2020, and therefore the Company is of the view that such winding-up petition does not have valid ground.

(b) Epidemic of Coronavirus Disease 2019 (the “COVID-19 outbreak”)

Since early 2020, the COVID-19 outbreak has spread across the PRC and other countries and it has affected the business and economic activities of the Group to some extent.

During the year ended 31 March 2020, the mining operating was suspended temporarily due to COVID-19 outbreak at the beginning of 2020 and will resume to normal until notified by the government.

The overall financial effect cannot be reliably estimated as of the approval date on these consolidated financial statements. The Group will closely monitor the development of the COVID-19 outbreak and continue to evaluate its impact on the business, the financial position and operating results of the Group.

41. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorised for issue on 30 June 2020.

40. 報告期後事項(續)

(a) 訴訟(續)

本集團已尋求法律意見，並經計及多項因素(包括但不限於案件編號：HCMP1398/2018，有關可換股債券第54號付款的應收款人身份誰屬的糾紛，相關聆訊已定於二零二零年七月三十一日進行)後認為上述清盤呈請屬無效，因此，本公司認為有關清盤呈請並無充分理據。

(b) 二零一九冠狀病毒病疫情(「COVID-19 疫情」)

自二零二零年初以來，COVID-19 疫情已在中國及其他國家蔓延，並在一定程度上影響了本集團的業務及經濟活動。

截至二零二零年三月三十一日止年度，採礦業務於二零二零初因COVID-19 疫情而暫時停止營運，直至政府通知方會恢復正常。

於批准該等綜合財務報表日期未能可靠估計整體財務影響。本集團將密切監控COVID-19 疫情的發展及持續評估其對本集團業務、財務狀況及經營業績的影響。

41. 批准綜合財務報表

綜合財務報表已於二零二零年六月三十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 | | | | |
|-------------------------------|------------|--|----------|----------|----------|-----------------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 | 二零二零年 |
| | | 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 | 112,374 | 131,658 | 215,446 | 163,829 | 69,643 |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | 22,520 | 9,622 | 46,117 | 15,610 | (39,229) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | (2,294) | (8,032) | (11,948) | (7,849) | 453 |
| (Loss)/profit for the year | 年度(虧損)/溢利 | 20,226 | 1,590 | 34,169 | 7,761 | (38,776) |
| Attributable to: | 以下各方應佔： | | | | | |
| Equity holders of the Company | 本公司權益持有人 | 11,114 | (9,779) | 15,290 | 33 | (35,239) |
| Non-controlling interests | 非控股權益 | 9,112 | 11,369 | 18,879 | 7,728 | (3,537) |
| | | 20,226 | 1,590 | 34,169 | 7,761 | (38,776) |

ASSETS AND LIABILITIES

資產及負債

| | | At 31 March 於三月三十一日 | | | | |
|-------------------|-----|------------------------|-----------|-----------|-----------|------------------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 | 二零二零年 |
| | | 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 | 788,901 | 710,114 | 812,450 | 807,938 | 780,103 |
| Total liabilities | 總負債 | (701,864) | (634,760) | (495,887) | (507,597) | (542,483) |
| Total equity | 總權益 | 87,037 | 75,354 | 316,563 | 300,341 | 237,620 |



GRAND T G GOLD HOLDINGS LIMITED
大唐潼金控股有限公司*