



Interim Report 中期業績報告 2013

CVM

CVM Minerals Limited 南亞礦業有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立的有限公司)

Stock Code 股份代號：705

23° 真寶

JENBO

23度恒温天然珍稀矿泉水

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CORPORATE INFORMATION

公司資料

BoARD of D IRECTo RS

Executive Directors

Mr. Ji Kuang (*Executive Chairman*)
Mr. Lim Ooi Hong (*Vice Chairman*)
Mr. Leung Wai Kwan (*Group Chief Executive Officer*)
Mr. Liang Hai Yang
Mr. Li Zi Cong (resigned on 6 September 2013)

Independent Non-executive Directors

Ms. Wong Choi Kay
Mr. Chong Lee Chang
Mr. Tony Tan

Co MpANy SECRETARy

Ms. Chan So Mei

Au DIT Co MMITTEE

Ms. Wong Choi Kay (*Chairperson*)
Mr. Chong Lee Chang
Mr. Tony Tan

REMuNERATIo N Co MMITTEE

Ms. Wong Choi Kay (*Chairperson*)
Mr. Lim Ooi Hong
Mr. Chong Lee Chang

No MINATIo N Co MMITTEE

Mr. Chong Lee Chang (*Chairman*)
Ms. Wong Choi Kay
Mr. Lim Ooi Hong

Au Tho RISED REpRESENTATIVES

Mr. Leung Wai Kwan
Ms. Chan So Mei

LEg AL ADVISERS

As to Hong Kong Law
Michael Li & Co.
Richards Butler
in association with Reed Smith LLP

As to Malaysian Law
Tan, Goh & Associates

As to Indonesian Law
Wibowo Hadiwijaya & Co

Au DITo R

Baker Tilly Hong Kong Limited
Certified Public Accountants

董事會

執行董事

嵇匡先生 (*執行主席*)
Lim Ooi Hong先生 (*副主席*)
梁維君先生 (*集團行政總裁*)
梁海洋先生
李子聰先生 (*於二零一三年九月六日辭任*)

獨立非執行董事

Wong Choi Kay女士
Chong Lee Chang先生
Tony Tan先生

公司秘書

陳素薇小姐

審核委員會

Wong Choi Kay女士 (*主席*)
Chong Lee Chang先生
Tony Tan先生

薪酬委員會

Wong Choi Kay女士 (*主席*)
Lim Ooi Hong先生
Chong Lee Chang先生

提名委員會

Chong Lee Chang先生 (*主席*)
Wong Choi Kay女士
Lim Ooi Hong先生

授權代表

梁維君先生
陳素薇小姐

法律顧問

香港法律
李智聰律師事務所
齊伯禮律師行
(禮德律師行聯營)

馬來西亞法律
Tan, Goh & Associates

印尼法律
Wibowo Hadiwijaya & Co

核數師

天職香港會計師事務所有限公司
執業會計師

PRINCIPAL BANKERS

Bank Kerjasama Rakyat Malaysia Berhad

RHB Bank Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank (Hong Kong) Limited
China Citic Bank International

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE AND BRANCH OFFICE IN HONG KONG

Suite 5103A, 51st Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

HEAD OFFICE AND PRINCIPAL OFFICE IN MALAYSIA

3rd Floor, Wisma Ho Wah Genting
No. 35, Jalan Maharajalela
50150 Kuala Lumpur
Malaysia

SMELTER ADDRESS IN MALAYSIA

Lot P.T. 14133, Kamunting Raya
Industrial Estate Phase III
Mukim Assam Kumbang
34000 Taiping
State of Perak
Malaysia

MINERAL WATER BOTTLING PLANT IN THE PEOPLE'S REPUBLIC OF CHINA

(Long Chuan Shen Long Mineral Water Company Limited)[#]
DaMiao Village, Longmu Town,
Longchuan HeYuan,
GuangDong, China

STOCK CODE

705

LISTING DATE

22 December 2008

COMPANY WEBSITE

www.cvmminerals.com

主要往來銀行

馬來西亞人民銀行
(Bank Kerjasama Rakyat Malaysia Berhad)
RHB Bank Berhad
HSBC Bank Malaysia Berhad
渣打銀行(香港)有限公司
中信銀行(國際)

股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716舖

註冊辦事處及香港分辦事處

香港
灣仔
港灣道18號
中環廣場
51樓5103A室

馬來西亞總辦事處及主要辦事處

3rd Floor, Wisma Ho Wah Genting
No. 35, Jalan Maharajalela
50150 Kuala Lumpur
Malaysia

馬來西亞冶煉廠地址

Lot P.T. 14133, Kamunting Raya
Industrial Estate Phase III
Mukim Assam Kumbang
34000 Taiping
State of Perak
Malaysia

中華人民共和國礦泉水裝瓶廠

龍川升龍礦泉水有限公司
中國廣東省
河源市龍川縣
龍母鎮大廟村

股份代號

705

上市日期

二零零八年十二月二十二日

公司網址

www.cvmminerals.com

[#] the English Translations of Chinese names or words in this interim report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Bu SINESS REVIEW

The perak Magnesium Smelter in the State of perak, Malaysia (the “Smelter”)

Maintenance and improvement works carried out in stages during the previous financial year is still ongoing although much work has been done. This slower than expected maintenance work is due to the Group’s limited cash resources and the improvement works have yet to reach the expected satisfactory level. However, the slow maintenance work and continuous improvement did not fully halt the operation of the entire Smelter. In fact the revenue generated for the six months ended 30 June 2013 compared to six months ended 30 June 2012 increased by approximately 31.52%.

業務回顧

馬來西亞霹靂州鎂冶煉廠(「冶煉廠」)

於上一個財政年度分階段進行的保養及改善工程仍在進行當中，惟大部份工程經已完成。保養工程進度較預期緩慢，乃由於本集團的現金資源有限及改善工程未如理想所致。然而，緩慢的保養工程及持續的改善工程並無令整間冶煉廠完全停止運作。事實上，截至二零一三年六月三十日止六個月產生的收入較截至二零一二年六月三十日止六個月增加約31.52%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Presently, Refining workshop is still in operation amid maintenance work is still required at this area due to the rust and application of anti-rust in the entire workshop which can be very expensive, will be applied in stages. Other workshops, namely the Dolomite Infeeding, Rotary Kiln and Reduction workshops are kept in abeyance in order to keep the operating cost low. Improvement works are still being carried out in these areas to ensure it can meet the operation cost required by the Group. Due to the reasons stated above, the Board felt that it is more economically viable for the Smelter to temporary change its manufacturing process by concentrating in refining magnesium crown to produce magnesium ingots instead of processing the extracted dolomite to produce magnesium ingots.

The Smelter managed to refine and sold 150,600 KG of magnesium ingots for the six months ended 30 June 2013 despite the tough economic condition and other limitations faced. The turnover recorded by the Smelter for the six months ended 30 June 2013 was approximately HK\$6.30 million (six months ended 30 June 2012: approximately HK\$4.79 million).

As mentioned above, no dolomite was extracted from the Group's dolomite concession area (six months ended 30 June 2012: Nil).

The Mineral Water Bottling plant in Guangdong province, people's Republic of China (the "Bottling plant")

The Group had ventured into the extraction and bottling of mineral water business after obtaining shareholders' approval in April 2012. Various marketing and promotional activities are being carried out to enhance the existing image of the brand. A new packaging design for the bottles had been developed to improve the status and elevate the brand to the higher end of the market as profit margins are better. The Bottling Plant reported much improved sales of approximately HK\$3.41 million for the six months ended 30 June 2013 (six months ended 30 June 2012: HK\$601,700).

Pursuant to the terms of the acquisition, one of the vendors of the Bottling Plant and Mr. Chu Yuk Lung will guarantee that the audited profit during the guaranteed period of twelve months commencing from the effective date of the acquisition i.e. 18 April 2012 shall not be less than RMB30.0 million. The audited accounts to determine the outcome of any compensation to be paid has been available and the principal amount of the convertible bonds has been deducted in accordance with the terms of the acquisition. Please refer to the Company's announcements on 18 April 2013 and 30 August 2013 for further details.

目前，精煉車間仍舊運作，惟因此區出現銹蝕現象，故仍須進行保養工程。整個車間將分階段安裝防銹設施，有關設施的費用可能相當高昂。其他工場（即白雲石進料工場、迴轉窯及還原工場）暫時停止運作，以維持低營運成本。此等區域的改善工程仍在進行當中，確保能達到本集團規定的營運成本。基於上述原因，董事會認為，從經濟角度出發，暫時將冶煉廠的生產工序由集中提煉提取所得的白雲石以供生產鎂錠，改為集中精煉鎂球以供生產鎂錠實屬更切實可行的做法。

儘管冶煉廠面對艱鉅的經濟環境及其他限制，惟於截至二零一三年六月三十日止六個月仍能精煉及銷售150,600公斤的鎂錠。截至二零一三年六月三十日止六個月，冶煉廠錄得營業額約6,300,000港元（截至二零一二年六月三十日止六個月：約4,790,000港元）。

誠如上文所述，並無自本集團的白雲石專營範圍內提取白雲石（截至二零一二年六月三十日止六個月：無）。

中華人民共和國廣東省礦泉水裝瓶廠（「裝瓶廠」）

於二零一二年四月取得股東批准後，本集團涉足提取及裝瓶礦泉水業務。本集團正舉辦各種市場推廣活動，以加強現有品牌形象。本集團已為瓶身構思新的包裝設計，務求提高品牌地位及將品牌推上高端市場，以賺取更高利潤。截至二零一三年六月三十日止六個月，裝瓶廠錄得銷售增長約3,410,000港元（截至二零一二年六月三十日止六個月：601,700港元）。

根據收購事項的條款，裝瓶廠的其中一名賣方及朱浴龍先生保證，自收購事項生效日期（即二零一二年四月十八日）起計的十二個月保證期內，經審核溢利將不少於人民幣30,000,000元。就釐定任何須予支付的賠償金額而編製的經審核賬目經已落實，可換股債券的本金額已根據收購事項的條款扣除。有關進一步詳情請參閱本公司日期為二零一三年四月十八日及二零一三年八月三十日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Exploration of Resources in Aceh province and yogyakarta province in Indonesia

PT. Commerce Venture Iron Ore (“**pTCV Iron**”) and PT. Commerce Venture Coal (“**pTCV Coal**”), both indirectly held non-wholly owned subsidiaries of the Company, are undertaking various feasibility studies in relation to the mining and extraction of coal, iron ore and manganese in Indonesia.

PTCV Coal holds exploration mining permits for (i) coal exploration in an area of 10,000 hectares in Beutong and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 7 October 2013 (“**permit 1**”); and (ii) manganese exploration in an area of 3,710 hectares in Bakongan Subdistrict, South Aceh Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 28 January 2014 (“**permit 2**”).

PTCV Iron holds exploration mining permits for (i) coal exploration in an area of 9,825 hectares in Kuala and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 5 March 2014 (“**permit 3**”); and (ii) iron ore exploration in an area of 450 hectares in Pananggalan Subdistrict, Subulussalam City, Nanggroe Aceh Darussalam Province of Indonesia, valid until 14 December 2012 (“**permit 4**”).

Permit 4 had expired in the last financial year of 31 December 2012 and the Group submitted applications to the relevant local authorities for extension of the Permit. But the Group recently received a letter from the relevant local authorities dated 5 September 2013 informing the Group that the Permit could not be extended or renewed due to environmental issues surrounding the relevant exploration activities location and the local authority will reconsider the renewal application if the situation has improved. Please refer to the Company’s announcement dated 6 September 2013 for further details.

Based on Indonesian Mining Law (Law No. 4 of 2009), an exploration mining permit for coal can be given for a maximum period of 7 years while an exploration mining permit for iron ore or manganese can only be given for a maximum period of 8 years. Production operation mining permits are guaranteed to be granted for undertaking the production operation stage activity which may be valid for up to 20 years and may be extended two times for 10 years each time. In the opinion of the Directors of the Company, applications for extension will be granted to the Group ultimately without material additional costs.

於印尼亞齊省及 yogyakarta 省勘探資源

本公司間接非全資附屬公司PT. Commerce Venture Iron Ore (“**pTCV Iron**”)與PT. Commerce Venture Coal (“**pTCV Coal**”)正就在印尼開採及提取煤炭、鐵礦石及錳進行多項可行性研究。

PTCV Coal持有的勘探開採許可證可(i)於印尼 Nanggroe Aceh Darussalam省 Nagan Raya Regency的 Beutong及Tadu Raya分區進行煤炭勘探，涉及面積10,000公頃，有效期至二零一三年十月七日(「**1號許可證**」)；及(ii)於印尼 Nanggroe Aceh Darussalam省 South Aceh Regency的 Bakongan分區進行錳勘探，涉及面積3,710公頃，有效期至二零一四年一月二十八日(「**2號許可證**」)。

PTCV Iron持有的勘探開採許可證可(i)於印尼 Nanggroe Aceh Darussalam省 Nagan Raya Regency的 Kuala及Tadu Raya分區進行煤炭勘探，涉及面積9,825公頃，有效期至二零一四年三月五日(「**3號許可證**」)；及(ii)於印尼 Nanggroe Aceh Darussalam省 Subulussalam市 Pananggalan分區進行鐵礦石勘探，涉及面積450公頃，有效期至二零一二年十二月十四日(「**4號許可證**」)。

4號許可證已於截至二零一二年十二月三十一日止的上一個財政年度屆滿，本集團已向相關地方政府機關申請為該許可證續期。然而，本集團最近接獲相關地方政府機關所發出日期為二零一三年九月五日的函件，通知本集團該許可證因相關勘探活動地區周邊的環境問題而不獲批續領，而地方政府機關將於情況有所改善時重新考慮續領申請。有關進一步詳情請參閱本公司日期為二零一三年九月六日的公告。

根據印尼開採法律(二零零九年第4號法律)，煤炭的勘探開採許可證給予的最長期限為七年，而鐵礦石或錳的勘探開採許可證給予的最長期限僅為八年。生產經營開採許可證乃對進行生產經營活動授予保證，該許可證有效期最長為20年，可續期兩次，每次10年。本公司董事認為，本集團的續期申請最終將獲批而毋須產生重大額外費用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PT. Laksbang Mediatama (“**pTLM**”), an indirectly held non-wholly owned subsidiary of the Company, has been granted a production operation mining permit for manganese in an area of 195 hectares in the Jatimulyo Village, Girimulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia, (“**Mining area**”). The permit is used for mining activities including construction, mining, processing and refining or smelting as well as hauling and sales of manganese in the Mining area. The production operation mining permit is valid for a period of 10 years from 24 February 2011 and is capable of being extended for two further terms of 10 years each at the maximum. PTLM has been undertaking various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

The Company had announced on 19 October 2012 and also the status update in its Announcement of Final Results for the financial year ended 31 December 2012 on 28 March 2013 that the legal representative of PTLM was not contactable and the board of directors of PTLM will be re-nominated. In the meantime, as the Group is actively working towards resolving this issue, it has decided to slow down all exploration activities of PTLM.

However, after much consideration and to the best interest of the Group and its shareholders, the Board decided to concentrate its limited cash resources on other subsidiaries of the Group in order to generate more positive cash flow. Since other subsidiaries of the Group are in operation and their potential markets are still active, the Board believes that it is more economically viable to allocate the limited cash resources to these subsidiaries rather than allocating the cash for exploration which will only yield positive results after a plant is constructed which require more cash and time resources.

Nevertheless, PTLM will remain in a state of readiness to restart exploration as soon as these issues are resolved. The Company is currently actively monitoring the status but the process will be slow due to the reasons stated above. Further announcement(s) will be made by the Company on any significant progress as and when appropriate in compliance with the relevant Listing Rules.

本公司間接非全資附屬公司PT. Laksbang Mediatama (“**pTLM**”)已獲授錳生產經營開採許可證，該地區位於印尼Daerah Istimewa Yogyakarta省Kulon Progo Regency的Girimulyo分區Jatimulyo村，涉及面積195公頃（「**礦區**」）。該許可證乃用作採礦活動，包括建築、採礦、選礦及提煉或冶煉以及運輸及銷售礦區的錳。生產經營開採許可證有效期自二零一一年二月二十四日起計為期10年，最多可續期兩次，每次10年。PTLM一直就在礦區開採及勘探錳進行多項可行性研究。

本公司已於二零一二年十月十九日公告，並於二零一三年三月二十八日在其截至二零一二年十二月三十一日止財政年度的全年業績公告中更新事態發展，本公司無法聯絡PTLM的法律代表及將重新提名PTLM的董事會。與此同時，由於本集團正積極嘗試解決此問題，故決定減慢PTLM所有勘探活動的進度。

然而，經過周詳考慮，並為求符合本集團及其股東的最佳利益，董事會決定將其有限的現金資源集中於本集團其他附屬公司，以增加正面現金流量。由於本集團其他附屬公司正在營運當中，彼等的潛在市場亦仍然活躍，董事會認為，從經濟角度出發，與其將現金分配至僅於廠房建成後方會產生正面業績，並且需要更多金錢及時間資源的勘探工作，將有限的現金資源分配予該等附屬公司實屬更切實可行的做法。

儘管如此，PTLM將維持準備狀態，俾能於此等問題獲得解決後盡快恢復勘探工作。本公司正積極監察有關情況，惟由於上述原因，處理進度緩慢。本公司將於適當時候就任何重大進展另行刊發公告，以遵守相關上市規則之規定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital raising exercise

The Company had announced on 30 July 2013 that the Company had entered into a Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placees for up to 268,030,000 new Shares at a price of HK\$0.168 per Placing Share, for and on behalf of the Company. Net proceeds of which will be used for the Group's general working capital.

The share placement was completed on 2 September 2013. Please refer to the Company's announcements dated 30 July 2013 and 2 September 2013 for further details.

outlook

The Smelter will continue intensifying its refining process and marketing efforts for the second half of the financial year to capture new demand from customers. Besides these areas, the Smelter will work towards lowering its operating cost, streamline its workforce and improve research and development on more efficient processing methods. We hope that improvements in these areas will improve our profit margins for the remaining period of the current financial year.

Improvement in the quality of lifestyle and higher disposable income in the PRC as well as an awareness of healthy living by consuming mineral water are some of the factors the Group anticipates will propel the Bottling Plant to show better results for the future. We will continue to invest in more promotion and advertising activities to bring awareness of the Group's brand to the consumers. In the second half of the financial year, the Group intends to intensify its investment into a new production line for sparkling water products and place more emphasis on expanding into the premium sector of the natural mineral water business.

In the meantime, if there is an opportunity to venture into any profitable growth areas, the Group is ever ready to look into these ventures for its long term growth plans.

集資活動

本公司於二零一三年七月三十日宣佈，本公司與配售代理訂立配售協議，據此，配售代理已同意代表本公司盡力按每股配售股份0.168港元之價格向獨立承配人配售最多268,030,000股新股份。所得款項淨額將用作本集團之一般營運資金。

股份配售於二零一三年九月二日完成。有關進一步詳情，請參閱本公司日期為二零一三年七月三十日及二零一三年九月二日之公告。

展望

於本財政年度下半年，冶煉廠將繼續加強其精煉過程及營銷力度，以把握客戶的新需求。此外，冶煉廠將致力降低營運成本、精簡人手及提升研發更有效精煉方法的研發工作。本集團期望此等範疇的改善措施有助本集團於本財政年度餘下期間改善利潤率。

中國國民生活質素改善、可支配收入增加，以及因關注健康生活而飲用礦泉水等各項因素，均促使本集團期望裝瓶廠可於未來締造更佳業績。本集團將繼續投資於更多宣傳及廣告活動，讓廣大消費者認識本集團品牌。於本財政年度下半年，本集團計劃增加投資有氣水產品的新生產線，並更專注於擴展天然礦泉水業務至高端領域。

與此同時，本集團已蓄勢待發，於任何有利可圖的業務範疇探尋商機，制訂長遠發展計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Events After Reporting period

1. On 26 June 2013, the Directors proposed to implement the Share Consolidation on the basis that every 4 issued and unissued Shares of HK\$0.025 each will be consolidated into one Consolidated Share of HK\$0.10 each. The Directors also proposed on the same date to change the board lot size for trading in the Consolidated Shares of the Company from 4,000 Consolidated Shares to 12,000 Consolidated Shares upon the Share Consolidation becoming effective. Please refer to the Company's announcement and circular dated 26 June 2013 and 12 July 2013 respectively for further details relating to the Share Consolidation and change in board lot size. The Share Consolidation was passed by the Shareholders as an ordinary resolution at the extraordinary general meeting of the Company held on 29 July 2013 and the Share Consolidation and change in board lot size has become effective from 30 July 2013 and 13 August 2013 respectively.
2. On 30 July 2013 after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placees for up to 268,030,000 new Shares at a price of HK\$0.168 per Placing Share, for and on behalf of the Company. The Board is pleased to announce that all conditions of the Placing have been fulfilled. The Placing was completed on 2 September 2013. Please refer to the Company's announcements dated 30 July 2013 and 2 September 2013 for further details in relation to the said placing of new shares under general mandate.

FINANCIAL REVIEW

Turnover and other revenue

The Group's turnover for the six months ended 30 June 2013 was HK\$9,712,386 (six months ended 30 June 2012: HK\$5,393,429). The Group received interest income of HK\$5,744 from money deposited with approved financial institutions and no rental income from leasing of drilling machines for the six months ended 30 June 2013 (six months ended 30 June 2012: HK\$31,684 and HK\$61,396, respectively). The Group also recorded sales of scrap of HK\$92,064 and sundry income of HK\$91,732 (six months ended 30 June 2012: Nil and Nil respectively).

報告期後事項

1. 於二零一三年六月二十六日，董事建議實行股份合併，基準為將每4股每股面值0.025港元之已發行及未發行股份合併為一股每股面值0.10港元之合併股份。同日，董事亦建議於股份合併生效後，本公司合併股份之每手買賣單位將由4,000股合併股份更改為12,000股合併股份。有關股份合併及更改每手買賣單位之進一步詳情，請參閱本公司日期分別為二零一三年六月二十六日及二零一三年七月十二日之公告及通函。股份合併已於本公司於二零一三年七月二十九日舉行之股東特別大會上獲股東通過為一項普通決議案，而股份合併及更改每手買賣單位則分別自二零一三年七月三十日及二零一三年八月十三日起生效。
2. 於二零一三年七月三十日交易時段後，本公司與配售代理訂立配售協議，據此，配售代理已同意代表本公司盡力按每股配售股份0.168港元之價格向獨立承配人配售最多268,030,000股新股份。董事會欣然宣佈配售事項之所有條件已達成。配售事項已於二零一三年九月二日完成。有關上述根據一般授權配售新股份之進一步詳情，請參閱本公司日期為二零一三年七月三十日及二零一三年九月二日之公告。

財務回顧

營業額及其他收入

本集團截至二零一三年六月三十日止六個月的營業額為9,712,386港元(截至二零一二年六月三十日止六個月：5,393,429港元)。截至二零一三年六月三十日止六個月，本集團就存放於認可金融機構的存款收取利息收入5,744港元及並無就租賃鑽探機收取租金收入(截至二零一二年六月三十日止六個月：分別為31,684港元及61,396港元)。本集團亦錄得廢料銷售92,064港元及雜項收入91,732港元(截至二零一二年六月三十日止六個月：分別為零及零)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of sales

The cost of sales for the six months ended 30 June 2013 amounted to HK\$23,591,372 (six months ended 30 June 2012: HK\$27,756,702) which mainly includes staff costs, depreciation and amortisation. The decrease in the cost of sales is mainly due to decrease in all components of the cost of sales as a result of cost cutting measures undertaken by the Group.

Administrative expenses

The administrative expenses decreased by 15.3% to approximately HK\$14.95 million in the first half of 2013 from approximately HK\$17.66 million in the same period of 2012. This was mainly due to effective cost cutting measures carried out in the first half of this year as well as higher expenses incurred for professional parties on corporate exercises carried out during the same period in the preceding financial year.

Exploration, development and mining production activities

Geological exploration

As at 30 June 2013, the Group has 5 exploration rights, covering an area of approximately 24,180 hectares, namely two exploration rights for coal covering an area of approximately 19,825 hectares, one exploration right for iron ore covering an area of approximately 450 hectares and one exploration right for manganese covering an area of approximately 3,710 hectares, all of them are located in Aceh Province, Indonesia. The Group also has 1 production operation mining permit right for manganese covering an area of approximately 195 hectares in Yogyakarta Province, Indonesia.

At the date of this report, the permit for the exploration right for iron ore has not been renewed by the Authorities in Aceh Province.

During the six months ended 30 June 2013, the Group's geological exploration expenditure amounted to HK\$80,738 (six months ended 30 June 2012: approximately HK\$0.19 million) was incurred on general survey and geological survey for the above rights.

銷售成本

截至二零一三年六月三十日止六個月的銷售成本23,591,372港元(截至二零一二年六月三十日止六個月: 27,756,702港元)主要包括員工成本、折舊及攤銷。銷售成本減少主要由於銷售成本全部組成部份因本集團實行成本削減措施而有所下降所致。

行政開支

行政開支由二零一二年同期約17,660,000港元減少15.3%至二零一三年上半年約14,950,000港元, 主要由於本年度上半年的成本削減措施行之有效以及上個財政年度同期內進行企業行動而產生較高專業人士開支所致。

勘探、發展及礦務生產活動

地質勘探

於二零一三年六月三十日, 本集團擁有合共五個勘探權, 覆蓋範圍約24,180公頃(即兩個覆蓋範圍約19,825公頃的煤炭勘探權、一個覆蓋範圍約450公頃的鐵礦石勘探權及一個覆蓋範圍約3,710公頃的錳勘探權), 所有勘探權均位於印尼亞齊省。本集團亦擁有一個覆蓋範圍約195公頃的錳生產經營開採許可證, 位於印尼Yogyakarta省。

於本報告日期, 亞齊省當局尚未重續鐵礦石勘探權的許可證。

截至二零一三年六月三十日止六個月, 本集團的地質勘探支出為80,738港元(截至二零一二年六月三十日止六個月: 約190,000港元), 乃產生自上述權利的一般調查及地質調查。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mining of dolomite

As at 30 June 2013, the Group did not extract any dolomite from the dolomite hills. Hence, the accumulated dolomite extracted up to 30 June 2013 remained at 19,970 MT (Up to 30 June 2012: 19,064 MT).

The expenditure incurred on dolomite mining production activities for the six months ended 30 June 2013 was HK\$499,621 (six months ended 30 June 2012: approximately HK\$0.88 million).

Iron ore, coal and manganese

As the Group is still undertaking exploration of iron ore, coal and manganese, it has not undertaken any development or mining production activities in respect of these minerals in the six months ended 30 June 2013. The expenditure incurred on these activities was therefore nil (six months ended 30 June 2012: Nil).

Estimated Proved Reserves

The updated mineral reserves of the Group as at 30 June 2013 and 31 December 2012 were as follows:

開採白雲石

於二零一三年六月三十日，本集團概無從白雲山開採任何白雲石。因此，截至二零一三年六月三十日，累計白雲石輸出維持19,970公噸（截至二零一二年六月三十日：19,064公噸）。

截至二零一三年六月三十日止六個月，白雲石礦務生產活動產生的支出為499,621港元（截至二零一二年六月三十日止六個月：約880,000港元）。

鐵礦石、煤炭及錳

由於本集團仍正就鐵礦石、煤炭及錳進行勘探，故並無於截至二零一三年六月三十日止六個月就此等礦物進行任何開發或礦務生產活動。因此，用於此類活動的支出為零（截至二零一二年六月三十日止六個月：零）。

估計探明儲量

本集團於二零一三年六月三十日及二零一二年十二月三十一日之礦產儲量更新如下：

Minerals 礦產	Location 位置	Total Area 總面積	Reserves identified by Jo RC standard (000' tonnes) as at 30 June 2013 二零一三年 六月三十日 Jo RC 規則識別 之儲量(千噸)	Reserves identified by Jo RC standard (000' tonnes) as at 31 December 2012 二零一二年 十二月三十一日 Jo RC 規則識別 之儲量(千噸)
			proved 證實	proved 證實
Dolomite 白雲石	Lots: HS (D) 13756, PT 13404 and HS (D) 13757, PT 13405 Mukim: Sungai Siput District: Kuala Kangsar State: Perak Country: Malaysia 地段：HS (D) 13756, PT 13404 及 HS (D) 13757, PT 13405 區域：Sungai Siput 區：Kuala Kangsar 州：霹靂州 國家：馬來西亞	13 hectares 13公頃	19,970 ⁽¹⁾	19,970 ⁽¹⁾
Iron Ore 鐵礦石	City: Subulussalam Subdistrict: Penanggalan province: Nanggroe Aceh Darussalam Country: Indonesia 城市：Subulussalam 分區：Penanggalan 省：Nanggroe Aceh Darussalam 國家：印尼	450 hectares ⁽²⁾ 450公頃 ⁽²⁾	Under Exploration 勘探中	Under Exploration 勘探中

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Minerals 礦產	Location 位置	Total Area 總面積	Reserves identified by Jo RC standard (000' tonnes) as at 30 June 2013 二零一三年 六月三十日 Jo RC 規則識別 之儲量(千噸) proved 證實	Reserves identified by Jo RC standard (000' tonnes) as at 31 December 2012 二零一二年 十二月三十一日 Jo RC 規則識別 之儲量(千噸) proved 證實
Coal 煤炭	Subdistrict: Beutong & Tadu Raya Regency: Nagan Raya province: Nanggroe Aceh Darussalam Country: Indonesia 分區：Beutong 及 Tadu Raya 區：Nagan Raya 省：Nanggroe Aceh Darussalam 國家：印尼	10,000 hectares 10,000 公頃	Under Exploration 勘探中	Under Exploration 勘探中
Coal 煤炭	Subdistrict: Kuala & Tadu Raya Regency: Nagan Raya province: Nanggroe Aceh Darussalam Country: Indonesia 分區：Kuala 及 Tadu Raya 區：Nagan Raya 省：Nanggroe Aceh Darussalam 國家：印尼	9,825 hectares 9,825 公頃	Under Exploration 勘探中	Under Exploration 勘探中
Manganese 錳	Subdistrict: Bakongan Regency: South Aceh province: Nanggroe Aceh Darussalam Country: Indonesia 分區：Bakongan 區：South Aceh 省：Nanggroe Aceh Darussalam 國家：印尼	3,710 hectares 3,710 公頃	Under Exploration 勘探中	Under Exploration 勘探中
Manganese 錳	Village: Jatimulyo Subdistrict: Girimulyo Regency: Kulon Progo province: Daerah Istimewa Yogyakarta Country: Indonesia 村：Jatimulyo 分區：Girimulyo 區：Kulon Progo 省：Daerah Istimewa Yogyakarta 國家：印尼	195 hectares 195 公頃	Under Exploration 勘探中	Under Exploration 勘探中

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Notes:

附註：

(1) The average % of magnesium oxide (“Mgo”) and Magnesium (“Mg”) are as follows:

(1) 氧化鎂(「Mgo」)及鎂(「Mg」)所佔平均百分比如下：

South hill 南山	Above ground 地上	Below ground (30 metres depth) 地下 (30米深)
Average % of MgO MgO所佔平均百分比	19.17%	18.59%
Average % of Mg Mg所佔平均百分比	11.50%	11.15%
North hill 北山	Above ground 地上	Below ground (30 metres depth) 地下 (30米深)
Average % of MgO MgO所佔平均百分比	20.06%	19.10%
Average % of Mg Mg所佔平均百分比	12.04%	11.46%

(2) The Group recently received a letter from the relevant local authorities dated 5 September 2013 informing the Group that the Permit could not be extended or renewed due to environmental issues surrounding the relevant exploration activities location and the local authority will reconsider the renewal application if the situation has improved.

(2) 本集團最近接獲相關地方政府機關所發出日期為二零一三年九月五日的函件，通知本集團該許可證因相關勘探活動地區周邊的環境問題而不獲批續領，而地方政府機關將於情況有所改善時重新考慮續領申請。

Net foreign exchange losses

The net gains of HK\$121,927 (six months to 30 June 2012: net losses of HK\$111,845) on foreign exchange mainly represented the net realised losses on payments to suppliers and creditors in Malaysia and Indonesia offset against realised gains on money deposited by the Group with approved financial institutions in Malaysia.

Looking forward, the Group will be exposed to foreign currency risk primarily through exposures in sales and purchases that are denominated in foreign currencies other than the Group's functional currency (e.g. US Dollars, Ringgit Malaysia, Chinese Renminbi and Indonesian Rupiah). The Group did not use any financial instruments for any hedging purposes during the six months ended 30 June 2013.

Finance costs

The Group's finance costs mainly consisted of effective interest of approximately HK\$5.74 million (six months ended 30 June 2012: approximately HK\$4.46 million) for convertible bonds issued by the Company, interest expense of approximately HK\$11.94 million (six months ended 30 June 2012: approximately HK\$10.44 million) on loans from third parties and interest on the Group's bank loans of approximately HK\$18.75 million (six months ended 30 June 2012: approximately HK\$18.60 million).

外匯虧損淨額

外匯收益淨額 121,927 港元(截至二零一二年六月三十日止六個月：虧損淨額 111,845 港元)主要指本集團支付予馬來西亞及印尼供應商及債權人的已變現虧損淨額抵銷本集團存放於馬來西亞認可金融機構內存款的已變現收益。

展望未來，本集團將主要面臨以本集團功能貨幣以外的外幣(例如美元、馬來西亞令吉、中國人民幣及印尼盧比亞)為單位的買賣所帶來的匯兌風險。於截至二零一三年六月三十日止六個月，本集團並無使用任何金融工具進行任何對沖活動。

融資成本

本集團的融資成本主要包括本公司所發行可換股債券的實際利息約 5,740,000 港元(截至二零一二年六月三十日止六個月：約 4,460,000 港元)、來自第三方貸款的利息開支約 11,940,000 港元(截至二零一二年六月三十日止六個月：約 10,440,000 港元)及本集團銀行貸款的利息約 18,750,000 港元(截至二零一二年六月三十日止六個月：約 18,600,000 港元)。

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Loss before taxation

The Group incurred a loss before taxation of approximately HK\$68.63 million for the six months ended 30 June 2013 (six months ended 30 June 2012: approximately HK\$73.89 million) mainly as a result of loss from operations of approximately HK\$31.91 million (six months ended 30 June 2012: approximately HK\$40.07 million) and finance cost of approximately HK\$36.72 million (six months ended 30 June 2012: approximately HK\$33.82 million).

Loss from operations decreased by HK\$8.16 million as compared to the same period in the previous year mainly due to higher sales achieved, thus reducing gross loss incurred and lower administrative expenses as a result of cost cutting measures and less corporate exercises incurred.

Finance costs increased slightly by approximately HK\$2.90 million in the six months ended 30 June 2013 to approximately HK\$36.72 million from the same period last year.

Loss per share

The loss per share for the six months ended 30 June 2013 reduced to 1.28 HK cents (six months ended 2012: 1.93 HK cents) as the loss attributable to owners of the Company decreased to approximately HK\$68.03 million from approximately HK\$72.92 million incurred for the same period last year.

Liquidity and financial resources

Net current liabilities of the Group stood at approximately HK\$665.54 million as at 30 June 2013 (31 December 2012: approximately HK\$562.01 million). Included in current liabilities were secured bank loans and finance lease creditors of approximately HK\$421.08 million (31 December 2012: approximately HK\$434.67 million). These borrowings from Bank Kerjasama Rakyat Malaysia Berhad (“**Bank Rakyat**”) bears an interest rate of 8.6% per annum as at 30 June 2013 (31 December 2012: 8.6% p.a.) based on the floating rate of Bank Rakyat’s base financing rate plus 2% per annum. The Group had a gearing ratio of approximately negative 11.34 (which is calculated on the basis of total finance leases, borrowings and convertible bonds over total equity attributable to owners of the Company) as at 30 June 2013 due to the substantial decrease in total equity attributable to owners of the Company. The gearing ratio was approximately 57.01 as at 31 December 2012.

除稅前虧損

本集團於截至二零一三年六月三十日止六個月產生除稅前虧損約68,630,000港元(截至二零一二年六月三十日止六個月:約73,890,000港元),主要由於產生經營虧損約31,910,000港元(截至二零一二年六月三十日止六個月:約40,070,000港元)及融資成本約36,720,000港元(截至二零一二年六月三十日止六個月:約33,820,000港元)所致。

經營虧損較去年同期減少8,160,000港元,乃主要由於銷售額增加導致毛損減少,以及實行成本削減措施及減少企業行動導致行政開支減少所致。

融資成本由去年同期輕微上升約2,900,000港元至截至二零一三年六月三十日止六個月約36,720,000港元。

每股虧損

由於本公司擁有人應佔虧損由去年同期約72,920,000港元減少至約68,030,000港元,故截至二零一三年六月三十日止六個月的每股虧損減少至1.28港仙(截至二零一二年止六個月:1.93港仙)。

流動資金及財務資源

於二零一三年六月三十日,本集團的流動負債淨額約為665,540,000港元(二零一二年十二月三十一日:約562,010,000港元)。流動負債包括有抵押銀行貸款及融資租賃債項約421,080,000港元(二零一二年十二月三十一日:約434,670,000港元)。於二零一三年六月三十日,此等由Bank Kerjasama Rakyat Malaysia Berhad(「**Bank Rakyat**」)提供的借款年利率為8.6厘(二零一二年十二月三十一日:8.6厘),即Bank Rakyat的基本融資利率加2厘的浮動年利率。本集團於二零一三年六月三十日的資產負債比率約為負11.34(按融資租賃、借款及可換股債券總額除本公司擁有人應佔權益總額計算),此乃由於本公司擁有人應佔權益總額大幅減少所致。於二零一二年十二月三十一日的資產負債比率約為57.01。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's bank and cash balances as at 30 June 2013 was approximately HK\$3.89 million (31 December 2012: approximately HK\$1.08 million). The Group's prepayments, deposits and other receivables amounted to approximately HK\$6.48 million (31 December 2012: approximately HK\$11.56 million).

Total equity attributable to owners of the Company had turned negative to HK\$62.08 million as at 30 June 2013 from a positive HK\$12.67 million as at 31 December 2012 mainly due to huge accumulated losses in the previous years which have more than offset the balance in the stockholders' balance.

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

- (i) The Directors review the Group's cash position regularly and if need be, will re-negotiate with the unsecured third parties to restructure the repayment terms;
- (ii) Subsequent to the end of the reporting financial period, the Company had announced on 30 July 2013 that the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placers for up to 268,030,000 new Shares at a price of HK\$0.168 per Placing Share, for and on behalf of the Company (details of which please refer to the announcement of the Company dated 30 July 2013);
- (iii) The Group is seeking investors or strategic partners for the Group's projects in Indonesia.

Capital expenditure

The carrying amount of the Group's property, plant and equipment, and interest in leasehold land held for own use under operating lease as at 30 June 2013 had decreased by 5.72% and 3.96% respectively to approximately HK\$467.23 million and approximately HK\$9.69 million respectively (31 December 2012: approximately HK\$495.56 million and HK\$10.09 million respectively) mainly due to six months depreciation and amortization charge on the assets.

於二零一三年六月三十日，本集團的銀行及現金結餘約為3,890,000港元(二零一二年十二月三十一日：約1,080,000港元)。本集團的預付款項、按金及其他應收款項約為6,480,000港元(二零一二年十二月三十一日：約11,560,000港元)。

本公司擁有人應佔權益總額由二零一二年十二月三十一日的正數12,670,000港元轉為二零一三年六月三十日的負數62,080,000港元，主要由於過往年度累計的巨額虧損超出股權持有人結餘內可供抵銷的金額所致。

董事已採取及／或將會採取下列行動減輕本集團所面臨的流動資金問題：

- (i) 董事定期審閱本集團的現金狀況，並將於有需要時與無抵押第三方重新磋商以重組還款條款；
- (ii) 於財務報告期末後，本公司於二零一三年七月三十日宣佈，本公司與配售代理訂立配售協議，據此，配售代理已同意代表本公司盡力按每股配售股份0.168港元之價格向獨立承配人配售最多268,030,000股新股份(有關詳情請參閱本公司日期為二零一三年七月三十日之公告)；
- (iii) 本集團正就其在印尼的項目物色投資者或策略夥伴。

資本開支

於二零一三年六月三十日，本集團物業、廠房及設備的賬面值減少5.72%至約467,230,000港元，根據經營租賃持作自用租賃土地權益的賬面值減少3.96%至約9,690,000港元(二零一二年十二月三十一日：分別約495,560,000港元及10,090,000港元)，此乃主要由於資產於本六個月內的折舊及攤銷開支所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Charge on assets

The bank loans are granted to the Group's wholly owned subsidiary, CVM Magnesium Sdn Bhd ("CVMSB") and secured by way of:

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

human resources

As at 30 June 2013, the Group had a total of approximately 164 employees (31 December 2012: 174 employees). Total staff costs (including Directors' remuneration) for the financial year ended 30 June 2013 were approximately HK\$6.54 million (six months ended 30 June 2012: HK\$11.6 million) representing approximately 16.17% (six months ended 30 June 2012: 26.00%) of the Group's total cost of sales and administrative expenses. Employees are remunerated based on their performance, experience and industry practice. Bonuses are rewarded based on individual staff performance and in accordance with the Group's overall remuneration policies. The Group's management reviewed the remuneration policies and packages on a regular basis and had streamlined the workforce during the first half of this year.

資產抵押

授予本集團全資附屬公司CVM Magnesium Sdn Bhd (「CVMSB」)的銀行貸款按以下方式作出擔保：

- (i) 就CVMSB所持土地及在其上興建的廠房設立法定押記；
- (ii) 轉讓來自CVMSB的應收賬款；
- (iii) 就CVMSB所有現有及未來資產(不包括履約保證)設立固定及浮動法定押記的債券；
- (iv) 轉讓CVMSB於與鎂錠項目(「該項目」)有關的所有樓宇合約、設計圖則及其他合約的一切權利、享有權及權益；
- (v) 轉讓CVMSB作為其於該項目業務一部份所承購保險的一切權利、利益及權益；
- (vi) 向Bank Rakyat轉讓在Bank Rakyat開設的現有收入戶及該收入戶的進賬款項，收入戶僅由Bank Rakyat操作；
- (vii) 就CVMSB的還原權設立的第一固定押記／轉讓；
- (viii) 轉讓CVMSB的還原權的保單；及
- (ix) 所委任法律顧問可能提出的任何其他擔保。

人力資源

於二零一三年六月三十日，本集團共有僱員約164名(二零一二年十二月三十一日：174名)。截至二零一三年六月三十日止財政年度的員工成本總額(包括董事酬金)約為6,540,000港元(截至二零一二年六月三十日止六個月：11,600,000港元)，佔本集團總銷售成本及行政開支約16.17%(截至二零一二年六月三十日止六個月：26.00%)。僱員酬金按表現、經驗及行業慣例釐定，而花紅則按員工個別表現及根據本集團整體薪酬政策發放。本集團管理層定期檢討薪酬政策及待遇，並於本年度上半年精簡人手。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital commitments and contingent liabilities

As at 30 June 2013, the Company has issued corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HK\$453,100,000) (31 December 2012: approximately RM184,600,000 (equivalent to approximately HK\$468,000,000)) to a bank in respect of bank loan facilities granted to CVMSB.

The Directors of the Company do not consider it probable that a claim will be made against the Company under the corporate guarantees. The maximum liability of the Company as at 30 June 2013 under the corporate guarantees issued is approximately RM172,640,000 (equivalent to approximately HK\$423,700,000) (31 December 2012: RM172,600,000 (equivalent to approximately HK\$437,494,000)).

In addition, as at 30 June 2013, the Company has issued corporate guarantees totalling RM850,000 (equivalent to approximately HK\$2,086,200) (31 December 2012: RM850,000 (equivalent to approximately HK\$2,150,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

As at 30 June 2013, the Company has issued corporate guarantees totalling approximately RM1,571,900 (equivalent to approximately HK\$3,857,900) (31 December 2012: approximately RM763,373 (equivalent to approximately HK\$1,935,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

The Company has not recognised any deferred income in respect of the corporate guarantees as its fair value cannot be reliably measured and its transaction price was nil for the six months ended 30 June 2013 and year ended 31 December 2012.

資本承擔及或然負債

於二零一三年六月三十日，本公司已就CVMSB獲授之銀行貸款融資向銀行發出公司擔保合共約184,600,000馬幣(相當於約453,100,000港元)(二零一二年十二月三十一日：約184,600,000馬幣(相當於約468,000,000港元))。

本公司董事認為，不大可能因上述公司擔保而對本公司造成申索。本公司於二零一三年六月三十日發出公司擔保的負債上限約為172,640,000馬幣(相當於約423,700,000港元)(二零一二年十二月三十一日：172,600,000馬幣(相當於約437,494,000港元))。

此外，於二零一三年六月三十日，本公司已就CVMSB購置液化石油氣向一名供應商發出公司擔保合共850,000馬幣(相當於約2,086,200港元)(二零一二年十二月三十一日：850,000馬幣(相當於約2,150,000港元))。

於二零一三年六月三十日，本公司已就CVMSB購買汽車及設備的融資租賃債項發出公司擔保合共約1,571,900馬幣(相當於約3,857,900港元)(二零一二年十二月三十一日：約763,373馬幣(相當於約1,935,000港元))。

截至二零一三年六月三十日止六個月及截至二零一二年十二月三十一日止年度，本公司並無就公司擔保確認任何遞延收入，此乃由於其公平值無法可靠地計量且其交易價格為零所致。

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

			Six months ended 30 June 截至六月三十日止六個月	
			2013 二零一三年 hk \$ 港元 (u audited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
	Note 附註			
Turnover		營業額	9,712,386	5,393,429
Cost of sales		銷售成本	(23,591,372)	(27,756,702)
Gross loss		毛虧損	(13,878,986)	(22,363,273)
Other revenue	5	其他收入	189,540	93,080
Other net gains/(loss)	6	其他收益/(虧損)淨額	121,927	(111,845)
Selling and distribution expenses		出售及分銷開支	(3,391,337)	(26,655)
Administrative expenses		行政開支	(14,951,508)	(17,660,276)
Loss from operations		經營虧損	(31,910,364)	(40,068,969)
Finance costs	7(a)	融資成本	(36,715,458)	(33,820,874)
Loss before taxation		除稅前虧損	(68,625,822)	(73,889,843)
Income tax	8	所得稅	-	-
Loss for the period		本期虧損	(68,625,822)	(73,889,843)
Attributable to:		以下人士應佔：		
Owners of the Company		本公司擁有人	(68,027,324)	(72,915,568)
Non-controlling interests		非控股權益	(598,498)	(974,275)
Loss for the period		本期虧損	(68,625,822)	(73,889,843)
Loss per share		每股虧損		
Basic and diluted	9	基本及攤薄	(1.28 cents 仙)	(1.93 cents 仙)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
Loss for the period	本期虧損	(68,625,822)	(73,889,843)
Other comprehensive income for the period	本期其他全面收益		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	換算海外附屬公司財務報表的 匯兌差異，扣除零稅項	(279,839)	536,071
Total comprehensive loss for the period	本期全面虧損總額	(68,905,661)	(73,353,772)
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	(68,655,012)	(72,322,807)
Non-controlling interests	非控股權益	(250,649)	(1,030,965)
Total comprehensive loss for the period	本期全面虧損總額	(68,905,661)	(73,353,772)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2013 於二零一三年六月三十日
(Expressed in Hong Kong dollars) (以港元列值)

			As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	467,225,781	495,555,018
— Property, plant and equipment	— 物業、廠房及設備			
— Interest in leasehold land held for own use under operating lease	— 根據經營租賃持作 自用租賃土地權益		9,694,534	10,085,748
Goodwill	商譽	13	111,305,459	111,180,501
Exploration and evaluation assets	勘探及評估資產	14	359,287,108	359,332,880
Mining deposit	採礦按金		220,888	228,125
			947,733,770	976,382,272
Current assets	流動資產			
Inventories	存貨	15	6,260,661	10,458,201
Trade receivables	應收賬款	16	2,639,461	1,975,723
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	17	6,478,785	11,564,524
Contingent consideration receivable	應收或然代價		2,699,019	2,699,019
Pledged deposit	質押存款	18	1,782	14,833
Cash at bank and in hand	銀行及手頭現金		3,891,071	1,081,207
			21,970,779	27,793,507
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	19	109,891,971	52,407,776
Obligations under finance leases	融資租賃承擔	20	1,072,595	1,094,496
Amounts due to related parties	應付關連方款項	21	1,542,037	1,643,743
Amount due to a director	應付董事款項		1,930,064	—
Bank loans — secured	有抵押銀行貸款	22	421,077,536	434,661,748
Unsecured loans from third parties	來自第三方無抵押貸款	23	152,000,000	100,000,000
			687,514,203	589,807,763
Net current liabilities	流動負債淨額		(665,543,424)	(562,014,256)
Total assets less current liabilities	總資產減流動負債		282,190,346	414,368,016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2013 於二零一三年六月三十日
(Expressed in Hong Kong dollars) (以港元列值)

			As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (u naudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃承擔	20	800,436	1,376,725
Convertible Bonds	可換股債券	24	129,044,722	135,040,770
Unsecured loan from a third party	來自第三方無抵押貸款	23	-	50,000,000
Deferred tax liabilities	遞延稅項負債		72,619,757	72,619,757
			202,464,915	259,037,252
Net assets	資產淨值		79,725,431	155,330,764
Capital and reserves	資本及儲備			
Share capital	股本	25	134,015,427	125,317,014
Reserves	儲備		(196,105,126)	(112,650,527)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		(62,089,699)	12,666,487
Non-controlling interests	非控股權益		141,815,130	142,664,277
Total equity	權益總額		79,725,431	155,330,764

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests	Total equity
	Note	Share capital	Share premium	Exchange reserve	Capital reserve	Convertible bond equity reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	附註	股本	股份溢價	匯兌儲備	資本儲備	可換股債券權益儲備	其他儲備	累計虧損	總額	權益	權益總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
At 1 January 2012	於二零一二年一月一日	87,942,014	532,611,938	18,072,409	1,338,136	16,197,675	30,856,527	(283,289,947)	403,728,752	38,217,583	441,946,335
Changes in equity for the period:	本期權益變動:										
Loss for the period	本期虧損	-	-	-	-	-	-	(72,915,568)	(72,915,568)	(974,275)	(73,889,843)
Other comprehensive income/(loss) for the period	本期其他全面收益/(虧損)	-	-	592,761	-	-	-	-	592,761	(56,690)	536,071
Total comprehensive income/(loss) for the period	本期全面收益/(虧損)總額	-	-	592,761	-	-	-	(72,915,568)	(72,322,807)	(1,030,965)	(73,353,772)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	467,068	467,068
Shares issued for acquisition of subsidiaries	收購附屬公司而發行的股份	16,500,000	66,660,000	-	-	-	-	-	83,160,000	-	83,160,000
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	41,254	41,254
Expiration of warrants an acquisition	認股權證到期收購	-	-	-	(794,500)	-	794,500	-	-	-	-
At 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	104,442,014	599,271,938	18,665,170	543,636	16,197,675	31,651,027	(356,205,515)	414,565,945	37,694,940	452,260,885
At 1 January 2013	於二零一三年一月一日	125,317,014	634,530,688	30,309,947	1,338,136	66,737,350	30,856,527	(876,423,175)	12,666,487	142,664,277	155,330,764
Changes in equity for the period:	本期權益變動:										
Loss for the period	本期虧損	-	-	-	-	-	-	(68,027,324)	(68,027,324)	(598,498)	(68,625,822)
Other comprehensive income/(loss) for the period	本期其他全面收益/(虧損)	-	-	(29,190)	-	-	-	-	(29,190)	(250,649)	(279,839)
Total comprehensive income/(loss) for the period	本期全面收益/(虧損)總額	-	-	(29,190)	-	-	-	(68,027,324)	(68,056,514)	(849,147)	(68,905,661)
Conversion of convertible bonds to shares	可換股債券轉換為股份	8,698,413	35,141,588	-	-	(50,539,673)	-	-	(6,699,672)	-	(6,699,672)
At 30 June 2013 (Unaudited)	於二零一三年六月三十日 (未經審核)	134,015,427	669,672,276	30,280,757	1,338,136	16,197,677	30,856,527	(944,450,499)	(62,089,699)	141,815,130	79,725,431

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
operating activities	經營業務		
Net cash generated/(used) in operating activities	經營業務所得/(所用)現金淨額	13,057,407	(26,572,367)
Investing activities	投資業務		
Acquisition of subsidiaries, net of cash required	收購附屬公司(扣除所需現金)	-	(9,973,980)
Payment for purchase of property, plant and equipment	購入物業、廠房及設備付款	(74,523)	(2,281,109)
Others	其他	-	(250,494)
Net cash used in investing activities	投資業務所用現金淨額	(74,523)	(12,505,583)
financing activities	融資業務		
Proceeds from convertible bonds, net of transaction costs	可換股債券所得款項(扣除交易成本)	-	36,075,000
Interest paid on bank loans	已付銀行貸款的利息	(10,143,830)	(10,374,113)
Interest paid on unsecured loans from third parties	已付來自第三方無抵押貸款的利息	-	(10,500,000)
Others	其他	-	(637,788)
Net cash generated from financing activities	融資業務所得現金淨額	(10,143,830)	14,563,099
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	2,839,054	(24,514,851)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	1,081,207	28,194,751
Effect of foreign exchange rate changes	匯率變動之影響	(29,190)	48,170
Cash and cash equivalents at end of the period	期終現金及現金等價物	3,891,071	3,728,070

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

1 CoMpANY INfo RMATIoN

CVM Minerals Limited (the “**Company**”) is a company incorporated in Hong Kong with its ordinary shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 comprises the Company and its subsidiaries (together referred to as the “**group**”). The Group is primarily engaged in the mining of dolomite and manufacturing and sale of magnesium ingots in the State of Perak, Malaysia, exploration of mining resources in Aceh Province and Yogyakarta Province, in the Republic of Indonesia (“**Indonesia**”) and bottling and sale of mineral water in Guangdong Province in the People’s Republic of China (“**PRC**”) (see note 11).

2 BASIS of pREpARATIoN of ThE CoNDENSED CoNSoLIDATED INTERIM f INANCIAL STATEMENTS

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard (“**hk AS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**hk ICpA**”) and applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”).

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2012. These condensed consolidated interim financial statements do not include all the information and disclosures required for the full annual financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**hkf RSs**”) issued by the HKICPA, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2012.

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

1 公司資料

南亞礦業有限公司(「**本公司**」)是一間於香港註冊成立的公司，其普通股在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司於二零一三年六月三十日及截至該日止六個月的簡明綜合中期財務報表包括本公司及其附屬公司(統稱「**本集團**」)。本集團的主要業務為於馬來西亞霹靂州開採白雲石及生產及銷售鎂錠、於印度尼西亞共和國(「**印尼**」)亞齊省及Yogyakarta省勘探礦產資源及於中華人民共和國(「**中國**」)廣東省裝瓶及銷售礦泉水(見附註11)。

2 簡明綜合中期財務報表的編製基準

本集團的簡明綜合中期財務報表乃根據香港會計師公會(「**香港會計師公會**」)所頒佈的香港會計準則(「**香港會計準則**」)第34號「中期財務報告」及聯交所證券上市規則(「**上市規則**」)附錄16的適用披露規定所編製。

所載特選解釋附註解釋對理解本集團自二零一二年十二月三十一日及截至該日止年度的上一份年度綜合財務報表以來的財務狀況及表現變動而言屬重大的事件及交易。此等簡明綜合中期財務報表並不包含根據香港會計師公會所頒佈的香港財務報告準則(「**香港財務報告準則**」)編製全年財務報表所需的一切資料及披露事項，且應與本集團截至二零一二年十二月三十一日止年度的年度財務報表一併閱讀。

簡明綜合中期財務報表乃根據歷史成本法編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

2 BASIS of pREpARATIoN of ThE CoNDENSED CoNSOLIDATED INTERIM f INANCIAL STATEMENTS

(continued)

In preparing the condensed consolidated interim financial statements, the Directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that:

- (i) The Group incurred a loss attributable to owners of the Company of HK\$68,027,324 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK\$72,915,568), as at 30 June 2013 the Group's current liabilities exceeded its current assets by HK\$665,543,424 (31 December 2012: HK\$562,014,256) and the total equity attributable to owners of the Company as at 30 June 2013 turned to a negative HK\$62,089,699 (31 December 2012: HK\$12,666,487);
- (ii) Included in current liabilities in the condensed consolidated interim financial statements are unsecured loans from third parties of HK\$152,000,000 (31 December 2012: HK\$100,000,000) which are scheduled for repayment in April 2014; and
- (iii) Secured bank loans of HK\$421,077,536 (31 December 2012: HK\$434,661,748) will be due immediately if the Group is unable to fulfill the covenants set out in the facilities agreements.

2 簡明綜合中期財務報表的編製基準 (續)

在編製簡明綜合中期財務報表時，本公司董事已基於以下各項事實審慎考慮本集團的未來流動資金：

- (i) 本集團於截至二零一三年六月三十日止六個月產生本公司擁有人應佔虧損68,027,324港元(截至二零一二年六月三十日止六個月：72,915,568港元)，於二零一三年六月三十日，本集團流動負債超出其流動資產665,543,424港元(二零一二年十二月三十一日：562,014,256港元)，於二零一三年六月三十日，本公司擁有人應佔權益總額變為負數62,089,699港元(二零一二年十二月三十一日：12,666,487港元)；
- (ii) 計入簡明綜合中期財務報表的流動負債乃來自第三方無抵押貸款152,000,000港元(二零一二年十二月三十一日：100,000,000港元)，計劃於二零一四年四月償還；及
- (iii) 倘本集團未能履行融資協議所載契諾，有抵押銀行貸款421,077,536港元(二零一二年十二月三十一日：434,661,748港元)將會即時到期償還。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

2 BASIS of pREpARATIo N of ThE Co NDENSED Co NSo LIDATED INTERIM f INANCIAL STATEMENTS

(continued)

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

- (i) The Directors of the Company review the Group's cash position regularly and if necessary, will re-negotiate with the unsecured third parties to restructure the repayment terms;
- (ii) Subsequent to the end of the reporting period, the Company had announced on 30 July 2013 that the Company had entered into a Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placees for up to 268,030,000 new Shares at a price of HK\$0.168 per Placing Share, for and on behalf of the Company (details of which please refer to the announcement of the Company dated 30 July 2013); and
- (iii) The Group is seeking investors or strategic partners for the Group's projects in Indonesia.

The Directors of the Company consider that taking into account the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and the Group's ability to attain future profitable operations in CVM Magnesium Sdn. Bhd. ("CVMSB") and a newly acquired subsidiary, (Long Chuan Shen Long Mineral Water Co. Ltd)[#], all existing banking facilities will be continuously made available for the Group's use and the Group will have sufficient working capital to meet in full their financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

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

2 簡明綜合中期財務報表的編製基準 (續)

本公司董事已採取及／或將會採取下列行動減輕本集團所面臨的流動資金問題：

- (i) 本公司董事定期審閱本集團的現金狀況，並將於有需要時與無抵押第三方重新磋商以重組還款條款；
- (ii) 於報告期末後，本公司於二零一三年七月三十日宣佈，本公司與配售代理訂立配售協議，據此，配售代理已同意代表本公司盡力按每股配售股份0.168港元之價格向獨立承配人配售最多268,030,000股新股份(有關詳情請參閱本公司日期為二零一三年七月三十日之公告)；及
- (iii) 本集團正就其在印尼的項目物色投資者或策略夥伴。

本公司董事認為，經考慮以上各項、本集團自報告期末起計未來十二個月的現金需要，以及本集團令CVM Magnesium Sdn. Bhd. (「CVMSB」)與新收購附屬公司龍川升龍礦泉水有限公司未來營運有利可圖的能力後，全部現有銀行信貸將可持續供本集團動用，且本集團將有足夠營運資金悉數償還於可見未來到期償還的財務負債。因此，簡明綜合中期財務報表乃按持續經營基準編製。

倘本集團無法持續經營，則須作出調整以撇減所有資產值至其可收回金額，並就可能產生的任何進一步負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。此等潛在調整的影響並未在簡明綜合中期財務報表內反映。

[#] the English Translations of Chinese names or words in this interim report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

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簡明綜合中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

3 **Slg Nif ICANT ACCou NTINg po LICIES**

The accounting policies applied by the Group in the condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

The HKICPA has issued a number of new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2013, the adoption has no significant impact on the Group's results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

4 **TuRNoVER**

Turnover represents the sales value of magnesium ingots and bottled mineral water supplied to customers during the period.

3 **主要會計政策**

本集團於簡明綜合中期財務報表所採用的會計政策與本集團於二零一二年十二月三十一日及截至該日止年度的綜合財務報表所採用者一致。

香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則。就於二零一三年一月一日開始的會計期間生效的香港財務報告準則而言，採納該等準則對本集團業績及財務狀況並無重大影響，而就尚未生效者而言，本集團正在評估該等準則對本集團業績及財務狀況的影響。

4 **營業額**

營業額指期內向客戶供應鎂錠及裝瓶礦泉水的銷售價值。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

5 OTHER REVENUE

5 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
Interest income	利息收入	5,744	31,684
Sales of scrap	銷售廢料	92,064	–
Sundry Income	雜項收入	91,732	–
Rental income from drilling machines	來自鑽探機的租金收入	–	61,396
		189,540	93,080

6 OTHER NET (LOSS)/INCOME

6 其他(虧損)/收入淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
Net foreign exchange gains/(losses)	匯兌收益/(虧損)淨額	121,927	(67,214)
Written off of property, plant and equipment	撇銷物業、廠房及設備	–	(44,631)
		121,927	(111,845)

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7 LOSS BEFORE TAXATION

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

7 除稅前虧損

除稅前虧損已扣除/(計入)：

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans*:	銀行貸款利息*：		
— wholly repayable within 5 years	— 須於五年內悉數償還	18,748,663	18,598,817
— wholly repayable after 5 years	— 須於五年後悉數償還	—	—
		18,748,663	18,598,817
Effective interest on convertible bonds	可換股債券實際利息	5,743,283	4,458,980
Interest on unsecured loans from third parties wholly repayable within 5 years	來自第三方無抵押貸款的利息 須於五年內償還	11,936,816	7,459,016
repayable after 5 years	須於五年後償還	—	2,980,495
		11,936,816	10,439,511
Amortisation of loan transaction costs	貸款交易成本攤銷	210,964	210,041
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	62,930	107,734
Other borrowing costs	其他借貸成本	12,802	5,791
		17,966,795	15,222,057
		36,715,458	33,820,874

* The analysis of the finance costs on bank loans, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayment dates set out in the loan agreements. For the six months ended 30 June 2013 and 2012, the interest on bank loans which contain a repayment on demand clause amounted to HK\$18,748,663 and HK\$18,598,817, respectively.

* 銀行貸款(包括載有可隨時要求償還條款的有期貸款)的融資成本分析乃根據貸款協議所載協定預定償還日期。截至二零一三年及二零一二年六月三十日止六個月，載有可隨時要求償還條款的銀行貸款利息分別為18,748,663港元及18,598,817港元。

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7 LOSS BEFORE TAXATION (continued)

7 除稅前虧損(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
(b)	Staff costs (including directors' remuneration)		
	Salaries, wages, bonuses and other benefits	6,229,783	11,063,779
	Contributions to defined contribution retirement plan	312,071	628,223
		6,541,854	11,692,002

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
(c)	Other items:		
	Amortisation of exploration and evaluation assets	-	102,218
	Amortisation of interest in leasehold land held for own use under operating lease	73,242	72,922
	Auditors' remuneration	573,310	407,320
	— Provision for current period		
	— Over-provision for previous years	-	(7,992)
		573,310	399,328
	Cost of inventories sold	23,591,372	27,756,702
	Depreciation	12,842,496	12,566,098
	Operating lease charges in respect of:		
	— office equipment	21,300	94,768
	— office premises	969,131	813,234
	— staff housing	162,000	6,030

The cost of inventories sold includes HK\$13,561,130 (six months ended 30 June 2012: HK\$10,310,353) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

與員工成本、折舊及攤銷開支有關的已售存貨成本13,561,130港元(截至二零一二年六月三十日止六個月:10,310,353港元)亦記入於上文或附註7(b)就各項類別開支分別披露的有關總金額中。

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8 INCoME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. The directors of the Company determine the effective tax rate of the Group is 16.5% (six months ended 30 June 2012: 16.5%).

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2012: 16.5%) of the estimated assessable profit for the six months ended 30 June 2013. No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit which is subject to Hong Kong Profits Tax for the six months ended 30 June 2013 and 2012.

Malaysian Income Tax is calculated at 25% (six months ended 30 June 2012: 25%) of assessable profit for the six months ended 30 June 2013. No provision for Malaysian Income Tax has been made as the Group did not have assessable profit which is subject to Malaysian Income Tax for the six months ended 30 June 2013 and 2012.

In accordance with the tax laws of Indonesia, companies engaged in metal, mineral and coal mining are governed by a particular contract of work and this is used for computation of the domestic income tax relating to that contract of work. Since the natural resources located in Indonesia are still in a preliminary exploration phase, the management was unable to ascertain from the local tax authorities the tax rate that should be applied to its mining operations for the six months ended 30 June 2013 and 2012. No provision for Indonesian Income Tax has been made as the Group did not have assessable profit which is subject to Indonesian Income Tax for the six months ended 30 June 2013 and 2012.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 30 June 2013. No provision for Income Tax of the PRC has been made as the Group did not have assessable profit which is subject to the PRC Income Tax for the six months ended 30 June 2013 and 2012.

8 所得稅

本集團須就於本集團成員公司註冊成立及經營業務所在司法權區所產生或賺取的溢利，按實體基準繳納所得稅。本公司董事確定本集團的實際稅率為16.5% (截至二零一二年六月三十日止六個月：16.5%)。

香港利得稅乃根據截至二零一三年六月三十日止六個月的估計應課稅溢利按16.5% (截至二零一二年六月三十日止六個月：16.5%) 計算。由於截至二零一三年及二零一二年六月三十日止六個月本集團並無應課稅溢利須繳納香港利得稅，故並無就香港利得稅作出撥備。

馬來西亞所得稅乃根據截至二零一三年六月三十日止六個月的應課稅溢利按25% (截至二零一二年六月三十日止六個月：25%) 計算。由於截至二零一三年及二零一二年六月三十日止六個月本集團並無應課稅溢利須繳納馬來西亞所得稅，故並無就馬來西亞所得稅作出撥備。

根據印尼稅法，從事開採金屬、礦物及煤炭業務之公司須受個別工程合約監管，有關合約亦用於計算有關該工程合約之國內所得稅。由於位於印尼之天然資源仍處於初步勘探階段，故管理層無法向當地稅務機關確定其採礦業務於截至二零一三年及二零一二年六月三十日止六個月須應用之稅率。由於截至二零一三年及二零一二年六月三十日止六個月本集團並無應課稅溢利須繳納印尼所得稅，故並無就印尼所得稅作出撥備。

根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施細則，中國附屬公司截至二零一三年六月三十日止六個月之稅率為25%。由於截至二零一三年及二零一二年六月三十日止六個月本集團並無應課稅溢利須繳納中國所得稅，故並無就中國所得稅作出撥備。

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8 INCo ME TAX (continued)

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

As at 30 June 2013, the Group has not recognised deferred tax assets in respect of accumulated tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions. The tax losses do not expire under current tax legislation except for those losses made by the PRC subsidiary which will expire within five years from the year of incurrence. Other temporary differences are not material.

9 LoSS pER ShARE

(a) Basic loss per share

The calculation of loss per share is based on the loss attributable to owners of the Company of HK\$68,027,324 (six months ended 30 June 2012: HK\$72,915,568) and the weighted average of 5,333,704,847 (30 June 2012: 3,786,032,204) ordinary shares in issue during the six months ended 30 June 2013, calculated as follows:

Weighted average number of ordinary shares:

		2013 二零一三年	2012 二零一二年
Issued ordinary shares at 1 January	於一月一日的已發行普通股	5,012,680,556	3,517,680,556
Effect of issue of new shares pursuant to conversion of Convertible Bonds (Note 25(b))	根據轉換可換股債券而發行新股份的影響 (附註25(b))	321,024,291	—
Effect of issue of new shares pursuant to an acquisition (Note 25(c))	根據收購而發行新股份的影響 (附註25(c))	—	268,351,648
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	<u>5,333,704,847</u>	<u>3,786,032,204</u>

(b) Diluted loss per share

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

8 所得稅 (續)

根據英屬處女群島規則及規例，本集團毋須在此司法權區繳納任何所得稅。

由於在相關稅務司法權區內將不大可能有可用作抵免虧損的未來應課稅溢利，故本集團於二零一三年六月三十日並無就累計稅務虧損確認遞延稅項資產。根據現行稅務法例，稅務虧損不會到期，惟中國附屬公司所產生虧損將自產生年度起計五年內到期則除外。其他暫時差異則不屬要項。

9 每股虧損

(a) 每股基本虧損

每股虧損乃按截至二零一三年六月三十日止六個月本公司擁有人應佔虧損 68,027,324 港元 (截至二零一二年六月三十日止六個月：72,915,568 港元) 及已發行普通股加權平均數 5,333,704,847 股 (二零一二年六月三十日：3,786,032,204 股) 計算，有關計算如下：

普通股加權平均數：

(b) 每股攤薄虧損

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

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10 INTERIM DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2013 and 2012.

11 SEGMENT REPORTING

The Group has identified the reportable segments set out below. The segment information reported internally to the Group's most senior executive management (being the chief operating decision maker) ("CoDM") for the purposes of resources allocation and performance assessment is the same as those reported in the condensed consolidated interim financial statements.

Mining of dolomite and manufacture of magnesium ingots	This segment includes trading of magnesium ingots. Currently, the Group's trading activities are mainly carried out in Brazil, Japan and Malaysia.
Exploration of iron ore, coal and manganese	This segment is engaged in the exploration of iron ore, coal and manganese in Indonesia. The activities carried out in Indonesia are through non-wholly owned subsidiaries.
Extraction and bottling of mineral water	This segment is engaged in the extraction and bottling of mineral water in the PRC. The activities carried out in the PRC are through non-wholly owned subsidiaries.

The accounting policies of the reportable segments are the same as those used for the preparation of the condensed consolidated interim financial statements.

(a) Segment results, assets and liabilities

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

Segment assets included all non-current assets and current assets with the exception of pledged deposit, cash at bank and in hand and other corporate assets. Segment liabilities included non-current liabilities and current liabilities with the exception of secured bank loans, convertible bonds, deferred tax liabilities, unsecured loans from third parties and other corporate liabilities.

10 中期股息

董事並不建議就截至二零一三年及二零一二年六月三十日止六個月派付任何股息。

11 分部報告

本集團已確定下文載列的可呈報分部。為資源分配及表現評估目的而向本集團最高行政管理層，即主要經營決策者（「主要經營決策者」）內部申報的分部資料與簡明綜合中期財務報表內所申報者相同。

開採白雲石及生產鎂錠	此分部包括鎂錠貿易。目前，本集團的貿易活動主要在巴西、日本及馬來西亞進行。
勘探鐵礦石、煤及錳	此分部在印尼從事勘探鐵礦石、煤及錳。在印尼的活動乃透過非全資附屬公司進行。
提取及裝瓶礦泉水	此分部在中國從事提取及裝瓶礦泉水。在中國的活動乃透過非全資附屬公司進行。

可呈報分部的會計政策與編製簡明綜合中期財務報表所採用者一致。

(a) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團的主要經營決策者按以下基準監控各可呈報分部應佔業績及負債：

分部資產包括所有非流動資產及流動資產，惟不包括質押存款、銀行及手頭現金以及其他公司資產。分部負債包括非流動負債及流動負債，惟不包括有抵押銀行貸款、可換股債券、遞延稅項負債、來自第三方無抵押貸款及其他公司負債。

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11 SEgMENT REpo RTING (continued)

(a) Segment results, assets and liabilities (continued)

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

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

11 分部報告(續)

(a) 分部業績、資產及負債(續)

收入及開支乃參考可呈報分部產生的銷售額及該等分部所承擔或該等分部應佔資產折舊或攤銷所產生的開支而分配至該等可呈報分部。

分部虧損指各分部所導致而未分配中央行政成本(包括有抵押銀行貸款、可換股債券及來自第三方無抵押貸款的利息以及董事酬金等)的虧損。此乃就資源分配及分部表現評估而向本集團主要經營決策者報告的措施。

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 hk\$ 港元	Exploration of iron ore, coal and manganese 勘探鐵礦石、 煤及錳 hk\$ 港元	Extraction and bottling of mineral water 提取及裝瓶 礦泉水 hk\$ 港元	Total 總計 hk\$ 港元
Six months ended 30 June 2013 (unaudited)	截至二零一三年六月三十日 止六個月(未經審核)				
Reportable segment revenue	可呈報分部收入	6,302,518	-	3,409,868	9,712,386
Segment loss	分部虧損	(17,007,240)	(914,537)	(4,232,472)	(22,154,249)
Interest income	利息收入	5,332	287	116	5,735
Finance costs	融資成本	(19,011,325)	-	-	(19,011,325)
Depreciation and amortisation	折舊及攤銷	(12,732,619)	(26,962)	(44,334)	(12,803,915)
Additions to segment non-current assets	分部非流動資產添置	(15,473,708)	27,582	(168,024)	(15,614,150)
As at 30 June 2013 (unaudited)	於二零一三年六月三十日 (未經審核)				
Segment assets	分部資產	479,827,067	198,655,065	284,724,616	963,206,748
Segment liabilities	分部負債	(56,388,688)	(5,040,509)	(5,729,984)	(67,159,181)

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11 SEgMENT REpo RTING (continued)

(a) Segment results, assets and liabilities (continued)

11 分部報告(續)

(a) 分部業績、資產及負債(續)

		Mining of dolomite and manufacture of magnesium ingots 開採白雲石 及生產鎂錠 HK\$ 港元	Exploration of iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HK\$ 港元	Extraction and bottling of mineral water 提取及裝瓶 礦泉水 HK\$ 港元	Total 總計 HK\$ 港元
Six months ended 30 June 2012 (unaudited)	截至二零一二年六月三十日 止六個月(未經審核)				
Reportable segment revenue	可呈報分部收入	4,791,729	-	601,700	5,393,429
Segment loss	分部虧損	(15,540,651)	(1,559,331)	(1,437,165)	(18,537,147)
Interest income	利息收入	31,306	-	378	31,684
Finance costs	融資成本	(18,909,597)	-	-	(18,909,597)
Depreciation and amortisation	折舊及攤銷	(12,592,518)	(24,819)	(61,498)	(12,678,835)
Written off of property, plant and equipment	物業、廠房及設備撇銷	(44,631)	-	-	(44,631)
Additions to segment non-current assets	分部非流動資產添置	1,950,731	-	203,115,188	205,065,919
As at 30 June 2012 (unaudited)	於二零一二年六月三十日 (未經審核)				
Segment assets	分部資產	731,645,610	301,629,383	206,734,427	1,240,009,420
Segment liabilities	分部負債	(12,691,199)	(5,130,826)	(230,602)	(18,052,627)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

(b) 可呈報分部收入、損益、資產及負債的對賬

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
Revenue	收入		
Reportable segment revenue	可呈報分部收入	9,712,386	5,393,429
Loss	虧損		
Reportable segment loss	可呈報分部虧損	(22,154,249)	(18,537,147)
Depreciation and amortisation	折舊及攤銷	(12,856,602)	(12,741,238)
Finance costs	融資成本	(36,715,458)	(33,820,874)
Written off of property, plant and equipment	物業、廠房及設備撇銷	-	(44,631)
Interest income	利息收入	5,744	31,684
Other unallocated amounts	其他未分配金額	3,094,743	(8,777,637)
Consolidated loss before taxation	除稅前綜合虧損	(68,625,822)	(73,889,843)

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11 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

11 分部報告(續)

(b) 可呈報分部收入、損益、資產及負債的對賬(續)

	As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Assets		
Reportable segment assets	963,206,748	1,000,427,152
Unallocated corporate assets:		
— Pledged bank deposit	1,782	14,833
— Cash at bank and in hand	3,891,071	1,081,207
— Others	2,604,948	2,652,587
Consolidated total assets	969,704,549	1,004,175,779
Liabilities		
Reportable segment liabilities	(67,159,181)	(12,603,043)
Unallocated corporate liabilities:		
— Bank loans, secured	(421,077,536)	(462,382,223)
— Convertible bonds	(129,044,722)	(138,260,770)
— Unsecured loans from third parties	(152,000,000)	(157,002,677)
— Deferred tax liabilities	(72,619,757)	(72,619,757)
— Others	(48,077,922)	(5,976,545)
Consolidated total liabilities	(889,979,118)	(848,845,015)

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11 SEGMENT REPORTING (continued)

(c) geographical information

The following tables set out information about geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, goodwill, exploration and evaluation assets and mining deposit ("specified non-current assets"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specific non-current assets is based on: (1) the physical location of the asset in case of property, plant and equipment; and (2) the location of the operations to which they are allocated, in case of goodwill.

11 分部報告(續)

(c) 地理資料

下表載列有關(i)本集團來自外部客戶的收入及(ii)本集團物業、廠房及設備、商譽、勘探及評估資產以及採礦按金(「指定非流動資產」)的地理位置資料。客戶的地理位置乃根據交付貨品所在地而定。指定非流動資產的地理位置乃以：(1)資產(倘屬物業、廠房及設備)所在地；及(2)獲分配資產(倘屬商譽)業務所在地分類。

	Brazil 巴西		Malaysia 馬來西亞		others* 其他*		Total 總計	
	2013	2012	2013	2012	2013	2012	2013	2012
Turnover	3,088,493	-	2,786,205	162,482	3,837,688	5,230,947	9,712,386	5,393,429

營業額	3,088,493	-	2,786,205	162,482	3,837,688	5,230,947	9,712,386	5,393,429
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* Others principally included the PRC, Japan and Middle East.

* 其他主要包括中國、日本及中東。

	hong kong 香港		Malaysia 馬來西亞		Indonesia 印尼		pRC 中國		Total 總計	
	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012
Specified non-current assets	803,520	855,209	468,850,999	497,059,054	198,314,774	198,491,174	279,764,477	279,976,835	947,733,770	976,382,272

指定非流動資產	803,520	855,209	468,850,999	497,059,054	198,314,774	198,491,174	279,764,477	279,976,835	947,733,770	976,382,272
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11 SEgMENT REpo RTING (continued)

(d) Information about major customers

Revenue from sales of goods to customers represents 10% or more of the Group's total revenue is shown as follows:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2013	2012
		二零一三年	二零一二年
		hk \$	HK\$
		港元	港元
		(unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer a	客戶 a	3,088,493	2,758,333
Customer b	客戶 b	1,864,070	1,870,913

12 pRop ERTy, pLANT AND EQu IpMENT

During the six months ended 30 June 2013, the Group acquired property, plant and equipment with a cost of approximately HK\$74,523 (six months ended 30 June 2012: approximately HK\$5,619,590) and no assets were acquired under finance leases (six months ended 30 June 2012: Nil).

No assets were written off during the six months ended 30 June 2013 (six months ended 30 June 2012: HK\$44,631).

During the six months ended 30 June 2013, no assets were disposed (six months ended 30 June 2012: Nil).

11 分部報告(續)

(d) 有關主要客戶的資料

銷售貨品予客戶所得收入佔本集團總收入10%或以上者載列如下：

12 物業、廠房及設備

截至二零一三年六月三十日止六個月，本集團收購物業、廠房及設備的成本約為74,523港元(截至二零一二年六月三十日止六個月：約5,619,590港元)，且並無根據融資租賃收購資產(截至二零一二年六月三十日止六個月：無)。

截至二零一三年六月三十日止六個月，並無資產已撇銷(截至二零一二年六月三十日止六個月：44,631港元)。

截至二零一三年六月三十日止六個月，並無資產獲出售(截至二零一二年六月三十日止六個月：無)。

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13 商譽

		2013 二零一三年 hk \$ 港元 (u audited) (未經審核)	2012 二零一二年 HK\$ 港元 (Audited) (經審核)
Cost:	成本：		
At 1 January	於一月一日	332,328,997	221,148,496
Additions through acquisition of subsidiaries	透過收購附屬公司添置	-	111,180,501
Exchange adjustments	匯兌調整	124,958	-
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	332,453,955	332,328,997
		<hr/>	<hr/>
Accumulated impairment losses:	累計減值虧損：		
At 1 January	於一月一日	221,148,496	79,525,907
Impairment loss	減值虧損	-	141,622,589
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	221,148,496	221,148,496
		<hr/>	<hr/>
Carrying amount:	賬面值：		
At 30 June/31 December	於六月三十日/ 十二月三十一日	111,305,459	111,180,501
		<hr/>	<hr/>

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14 EXpLo RATIo N AND EVALu ATIo N ASSETS

14 勘探及評估資產

		2013 二零一三年 hk \$ 港元 (u naudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Audited) (經審核)
Cost:	成本：		
At 1 January	於一月一日	548,694,562	387,039,487
Arising on acquisition of subsidiaries	因收購附屬公司產生	-	161,763,000
Written off	撇銷	-	(242,849)
Exchange adjustments	匯兌調整	(45,772)	134,924
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	548,648,790	548,694,562
		<hr/>	<hr/>
Accumulated amortisation and impairment:	累計攤銷及減值：		
At 1 January	於一月一日	189,361,682	23,055,197
Charge for the period/year	期/年內支出	-	206,419
Impairment loss	減值虧損	-	166,086,731
Exchange adjustments	匯兌調整	-	13,335
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	189,361,682	189,361,682
		<hr/>	<hr/>
Carrying amount:	賬面值：		
At 30 June/31 December	於六月三十日/ 十二月三十一日	359,287,108	359,332,880
		<hr/>	<hr/>

(i) The wholly owned subsidiary, CVMSB, has undertaken various feasibility studies in relation to the mining and extraction of dolomite in Peninsular Malaysia since 2004. On 15 June 2006, CVMSB entered into an agreement (the “**Mining Agreement**”) with Harta Perak Corporation Sdn. Bhd. (“**hp C**”), a subsidiary of the Perak State Development Corporation, a shareholder of the Company. Pursuant to the Mining Agreement, CVMSB has been granted, at no initial cost, an exclusive right to mine and extract magnesium dolomite from two pieces of land in the State of Perak, Malaysia for a period of 20 years, with an option to renew for a further period of 10 years. The Mining Agreement can be terminated early by the Group by giving one month’s written notice to HPC. CVMSB is required to pay royalties to HPC based on the volume of dolomite extracted, subject to a monthly minimum payment (“**initial minimum payment**”) with a review every 5 years provided the increase does not exceed 10% of the initial minimum payment and not less than 5% of the initial minimum payment. (see note 26(b)).

(i) 全資附屬公司CVMSB自二零零四年起已就在馬來西亞半島開採及提取白雲石進行多項可行性研究。於二零零六年六月十五日，CVMSB與本公司股東霹靂州經濟發展機構(Perak State Development Corporation)的附屬公司Harta Perak Corporation Sdn. Bhd. (「**hpC**」) 訂立協議(「**採礦協議**」)。根據採礦協議，CVMSB在毋須任何初期成本的情況下獲授於馬來西亞霹靂州兩塊土地開採及提取鎂質白雲石的專有權，為期20年，可選擇續期10年。本集團可向HPC發出一個月書面通知提前終止採礦協議。CVMSB須根據所提取白雲石的數量按每月最低付款(「**首次最低付款**」)向HPC支付專利權費。首次最低付款須每五年檢討一次，惟增加幅度不得超過首次最低付款10%及不得低於首次最低付款5%。(見附註26(b))。

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14 EXPLORATION AND EVALUATION ASSETS (continued)

(i) (continued)

Mining activities for this dolomite project had started and the amortisation charge (if any) relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2012: “**administrative expenses**”) in the condensed consolidated income statement.

At 31 December 2012, the Group determined the recoverable amount of cash-generating units (“**Cgu**”) for mining of dolomite and manufacture of magnesium ingots based on value-in-use calculation. That calculation used cash flows projections based on financial budgets and production forecast as prepared by management, covering a 10-year period with zero growth rate, and a discount rate of 14.57% (2011: 12.4%) with reference to the valuation performed by GC Appraisals as at 31 December 2012. As a result, the recoverable amount of CGU in respect of the exploration and evaluation assets held by CVMSB was below its carrying amount, an impairment loss of HK\$3,506,411 (2011: Nil) was recognised and included in other operating expenses in the consolidated income statement for the financial year ended 31 December 2012. There is no change in the recoverable amount of CGU for the six months ended 30 June 2013. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

(ii) PT. Commerce Venture Iron Ore (“**pTCV Iron**”) and PT. Commerce Venture Coal (“**pTCV Coal**”), both indirectly held non-wholly owned subsidiaries of the Company, are undertaking various feasibility studies in relation to the mining and extraction of coal, iron ore and manganese in Indonesia.

PTCV Coal holds exploration mining permits for (i) coal exploration in an area of 10,000 hectares in Beutong and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 7 October 2013 (“**permit 1**”); and (ii) manganese exploration in an area of 3,710 hectares in Bakongan Subdistrict, South Aceh Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 28 January 2014 (“**permit 2**”).

14 勘探及評估資產 (續)

(i) (續)

本白雲石項目的開採活動已經開始，而有關期內項目的攤銷費用(如有)乃列入簡明綜合收益表的「行政開支」(截至二零一二年六月三十日止六個月：「**行政開支**」)內。

於二零一二年十二月三十一日，本集團按使用價值計算方法就開採白雲石及生產鎂錠釐定現金產生單位(「**現金產生單位**」)之可收回金額。該計算方法經參考GC Appraisals於二零一二年十二月三十一日進行之估值後，採用按管理層編製涉及10年期、零增長率及貼現率14.57%(二零一一年：12.4%)之財政預算及生產預測為基準之現金流量預測。因此，有關CVMSB持有之勘探及評估資產的現金產生單位之可收回金額低於其賬面值，並已於截至二零一二年十二月三十一日止財政年度之綜合收益表內其他經營開支項下確認及計入減值虧損3,506,411港元(二零一一年：無)。截至二零一三年六月三十日止六個月，現金產生單位之可收回金額並無變動。所採用之貼現率尚未扣除稅項，且反映有關分部的具體風險。

(ii) 本公司間接持有之非全資附屬公司PT. Commerce Venture Iron Ore(「**pTCV Iron**」)與PT. Commerce Venture Coal(「**pTCV Coal**」)正就在印尼開採及提取煤炭、鐵礦石及錳進行多項可行性研究。

PTCV Coal持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya Regency的Beutong及Tadu Raya分區進行煤炭勘探，涉及面積10,000公頃，有效期至二零一三年十月七日(「**1號許可證**」)；及(ii)於印尼Nanggroe Aceh Darussalam省South Aceh Regency的Bakongan分區進行錳勘探，涉及面積3,710公頃，有效期至二零一四年一月二十八日(「**2號許可證**」)。

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14 EXPLORATION AND EVALUATION ASSETS (continued)

(ii) (continued)

PTCV Iron holds exploration mining permits for (i) coal exploration in an area of 9,825 hectares in Kuala and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 5 March 2014 (“**permit 3**”); and (ii) iron ore exploration in an area of 450 hectares in Pananggalan Subdistrict, Subulussalam City, Nanggroe Aceh Darussalam Province of Indonesia, valid until 14 December 2012 (“**permit 4**”).

Permit 4 had expired in the last financial year ended 31 December 2012. The Group has submitted applications to the relevant local authorities for extension of the permit. Subsequent to 31 December 2012 and up to the approval date of the condensed consolidated interim financial statements, the extension for Permit 4 has not been renewed to the Group.

Based on Indonesian Mining Law (Law No. 4 of 2009), an exploration mining permit for coal can be given for a maximum period of 7 years while an exploration mining permit for iron ore or manganese can only be given for a maximum period of 8 years. Production operation mining permits are guaranteed to be granted for undertaking the production operation stage activity which may be valid for up to 20 years and may be extended two times for 10 years each time. In the opinion of the Directors of the Company, applications for extension will be granted to the Group ultimately without material additional costs.

(iii) PT. Laksbang Mediatama (“**pTLM**”), an indirectly held non-wholly owned subsidiary of the Company, has been granted a production operation mining permit for manganese in an area of 195 hectares in the Jatimulyo Village, Girimulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia, (“**Mining area**”). The permit is used for mining activities including construction, mining, processing and refining or smelting as well as hauling and sales of manganese in the Mining area. The production operation mining permit is valid for a period of 10 years from 24 February 2011 and is capable of being extended for two further terms of 10 years each at the maximum. PTLM has been undertaking various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

14 勘探及評估資產(續)

(ii) (續)

PTCV Iron持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya Regency的Kuala及Tadu Raya分區進行煤炭勘探，涉及面積9,825公頃，有效期至二零一四年三月五日(「**3號許可證**」)；及(ii)於印尼Nanggroe Aceh Darussalam省Subulussalam市Pananggalan分區進行鐵礦石勘探，涉及面積450公頃，有效期至二零一二年十二月十四日(「**4號許可證**」)。

4號許可證已於截至二零一二年十二月三十一日止上一個財政年度屆滿。本集團已向相關地方政府機關遞交申請續領該許可證。於二零一二年十二月三十一日後及直至簡明綜合中期財務報表批准日期止，本集團尚未獲批准續領4號許可證。

根據印尼開採法律(二零零九年第4號法律)，煤炭的勘探開採許可證給予的最長期限為七年，而鐵礦石或錳的勘探開採許可證給予的最長期限僅為八年。生產經營開採許可證乃對進行生產經營活動授予保證，該許可證有效期最長為20年，可續期兩次，每次十年。本公司董事認為，本集團的續期申請最終將獲批而毋須產生重大額外費用。

(iii) 本公司間接持有之非全資附屬公司PT. Laksbang Mediatama(「**pTLM**」)已獲授錳生產經營開採許可證，該地區位於印尼Daerah Istimewa Yogyakarta省Kulon Progo Regency的Girimulyo分區Jatimulyo村，涉及面積195公頃(「**礦區**」)。該許可證乃用作採礦活動，包括建築、採礦、選礦及提煉或冶煉以及運輸及銷售礦區的錳。生產經營開採許可證有效期自二零一一年二月二十四日起計為期十年，最多可續期兩次，每次十年。PTLM一直在礦區開採及勘探錳進行多項可行性研究。

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15 INVENTORIES

Inventories in the condensed consolidated statement of financial position comprise:

15 存貨

簡明綜合財務狀況表中的存貨包括：

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (u audited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Raw materials	原料	3,403,710	6,770,260
Work-in-progress	半成品	-	192,484
Finished goods	製成品	2,856,951	3,495,457
		6,260,661	10,458,201

16 TRADE RECEIVABLES

Trade receivables

All of the trade receivables are expected to be recovered within 1 year.

16 應收賬款

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (u audited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trade receivables	應收賬款	2,639,461	1,975,723

所有應收賬款預期將於一年內收回。

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16 TRADE RECEIVABLES (continued)

(a) Ageing analysis

An ageing analysis of trade receivables, based on the invoice date, is as follows:

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Neither past due nor impaired	並無逾期或減值	2,182,579	-
Less than 1 month past due	逾期少於一個月	-	1,663,093
1 month to 2 months past due	逾期一個月至兩個月	-	116,691
More than 2 months but less than 12 months past due	逾期超過兩個月但少於十二個月	456,882	195,939
Amounts past due	逾期金額	456,882	1,975,723
Total	總計	2,639,461	1,975,723

Trade receivables derived from sales of magnesium ingots are due within 15 days from the date of the bill of lading for exports sales or date of invoice for local sales. Other than that, the Group has a policy of allowing customers for domestic trading and distribution in the PRC, normally, with credit terms of cash on delivery.

Receivables that were neither past due nor impaired related to independent customers that have a good track record with the Group. Based on past experience, the directors of the Company believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group does not hold any collateral over these balances.

- (b) As at 30 June 2013, trade receivables of HK\$2,182,579 (31 December 2012: Nil) are pledged as collateral for banking facilities granted to the Group (see note 22).

16 應收賬款(續)

(a) 賬齡分析

根據發票日期的應收賬款賬齡分析如下：

來自銷售鎂錠的應收賬款自出口銷售的提單日期或本地銷售的發票日期起計15日內到期。除此以外，本集團的政策一般為提供貨到付款的信貸期予於中國本地買賣及分銷的客戶。

並無逾期或減值之應收款項與本集團有良好往績記錄之獨立客戶有關。根據過往經驗，本公司董事相信，對此等結餘毋須作出減值撥備，原因為信貸質素並無重大變動，且有關結餘仍被視為可全數收回。本集團並無就此等結餘持有任何抵押品。

- (b) 於二零一三年六月三十日，應收賬款2,182,579港元(二零一二年十二月三十一日：無)已予質押，作為取得授予本集團銀行信貸的抵押品(見附註22)。

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17 pREpAy MENTS, DEpO SITS AND oTh ER RECEIVABLES

17 預付款項、按金及其他應收款項

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (u nd audited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Other receivables	其他應收款項	844,599	1,116,407
Advance payment to a contractor	向一名承包商墊款	-	17,026,976
Government grant receivables	政府補助金應收款項	-	-
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備的按金	-	3,720,176
Prepayments for raw materials and machinery	原料及機器的預付款項	-	7,001,389
Deposits and prepayments	按金及預付款項	5,634,186	6,727,941
		6,478,785	35,592,889
Less: Impairment losses:	減：減值虧損：		
— advance payment to a contractor	— 向一名承包商墊款	-	(17,026,976)
— prepayments for raw materials and machinery	— 原料及機器的預付款項	-	(7,001,389)
		6,478,785	11,564,524

Apart from certain of the Group's deposits and prepayments of HK\$3,671,958 as at 30 June 2013 (31 December 2012: HK\$5,519,869) the remaining prepayments, deposits and other receivables of the Group are expected to be recovered or recognised as expenses within one year.

除本集團於二零一三年六月三十日的若干按金及預付款項3,671,958港元(二零一二年十二月三十一日：5,519,869港元)外，預期本集團的其餘預付款項、按金及其他應收款項將於一年內收回或確認為開支。

18 pLEDg ED DEpO SIT

The Group's deposit of HK\$1,782 (31 December 2012: HK\$14,833) is pledged to a bank for loan facilities granted to the Group (see note 22).

The pledged deposit was in Ringgit Malaysia with interest rates ranging from 1.67% p.a. to 3.68% p.a. (31 December 2012: rates ranging from 1.67% p.a. to 3.68% p.a.).

18 質押存款

本集團存款1,782港元(二零一二年十二月三十一日：14,833港元)已就本集團獲授的銀行貸款融資而質押予銀行(見附註22)。

質押存款以馬來西亞令吉計值，年利率介乎1.67厘至3.68厘(二零一二年十二月三十一日：年利率介乎1.67厘至3.68厘)。

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19 TRADE AND OTHER PAYABLES

19 應付賬款及其他應付款項

		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Audited) (經審核)
Trade payables	應付賬款	318,697	156,144
Accrued exploration expenses	應計勘探開支	-	2,697,387
Accrued interest on bank loans	銀行貸款應計利息	37,689,353	27,720,475
Accrued interest on unsecured loans	無抵押貸款應計利息	18,939,492	7,002,677
Accrued interest on convertible bonds	可換股債券應計利息	20,439,006	3,220,000
Accrued salaries	應計薪金	1,726,426	1,845,841
Provision for litigation settlement	訴訟償付款項撥備	-	2,325,420
Other payables and accrued expenses	其他應付款項及應計開支	30,778,997	7,439,832
		109,891,971	52,407,776

All of the above payables are expected to be settled or recognised as income within one year, or are repayable on demand.

預期上述所有應付款項將於一年內結清或確認為收入，或須於要求時償還。

An ageing analysis of trade payables is as follows:

應付賬款的賬齡分析如下：

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Current	即期	48,508	90,095
Due within 3 months	三個月內到期	177,168	-
Due after 3 months but within 12 months	三個月後但十二個月內到期	93,021	66,049
		318,697	156,144

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20 融資租賃承擔

As at 30 June 2013, the Group had obligations under finance leases repayable as follows:

20 融資租賃承擔

於二零一三年六月三十日，本集團的應償還融資租賃承擔如下：

		As at 30 June 2013 於二零一三年六月三十日		As at 31 December 2012 於二零一二年十二月三十一日	
		present value of the minimum lease payments 最低租賃 付款現值 hk\$ 港元 (unaudited) (未經審核)	Total minimum lease payments 最低租賃 付款總值 hk\$ 港元 (unaudited) (未經審核)	Present value of the minimum lease payments 最低租賃 付款現值 HK\$ 港元 (Audited) (經審核)	Total minimum lease payments 最低租賃 付款總值 HK\$ 港元 (Audited) (經審核)
Within 1 year	一年內	1,072,595	1,146,072	1,094,496	1,201,872
After 1 year but within 2 years	一年後但兩年內	364,918	411,759	756,341	804,263
After 2 years but within 5 years	兩年後但五年內	435,518	454,103	620,384	654,767
After 5 years	五年後	-	-	-	-
		<u>800,436</u>	<u>865,862</u>	<u>1,376,725</u>	<u>1,459,030</u>
		<u>1,873,031</u>	<u>2,011,934</u>	<u>2,471,221</u>	<u>2,660,902</u>
Less: total future interest expenses	減：未來利息開支總額		<u>(138,903)</u>		<u>(189,681)</u>
Present value of lease obligations	租賃承擔現值		<u>1,873,031</u>		<u>2,471,221</u>

The policies of the Group are to lease certain of its motor vehicles and equipment under finance leases expiring in 2 to 5 years and 1 to 2 years respectively (31 December 2012: 2 to 5 years and 4 years respectively). As at 30 June 2013, the average effective borrowing rate of the Group was 1.8% p.a. to 3.68% p.a. (31 December 2012: 1.8% p.a. to 3.68% p.a.). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has an option to purchase the motor vehicles and equipment at nominal prices.

本集團的政策是根據融資租賃租賃其若干汽車及設備，年期分別為兩年至五年及一年至兩年（二零一二年十二月三十一日：分別為兩年至五年及四年）。於二零一三年六月三十日，本集團平均實際借貸年利率為介乎1.8厘至3.68厘（二零一二年十二月三十一日：介乎1.8厘至3.68厘）。利率按合約日期釐定，因此，本集團承受公平值利率風險。所有租約按固定還款基準釐定，且並無就或然租賃付款訂立安排。於各租賃期末，本集團可選擇按名義價格購買汽車及設備。

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21 AMou NTS Du E To RELATED pARTIES 21 應付關連方款項

		The group 本集團	
		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (u naudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trading account	貿易賬戶	772,610	621,651
Current account	現有賬戶	769,427	1,022,092
		1,542,037	1,643,743

22 BANK Lo ANS — SECu RED

22 有抵押銀行貸款

As at 30 June 2013 於二零一三年六月三十日			As at 31 December 2012 於二零一二年十二月三十一日		
Nominal value	Less: u namortised costs	Total	Nominal value	Less: Unamortised costs	Total
面值	減： 未攤銷成本	總計	面值	減： 未攤銷成本	總計
hk\$ 港元	hk\$ 港元	hk\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
(u naudited) (未經審核)	(u naudited) (未經審核)	(u naudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)
Bank loans, secured	有抵押銀行貸款	423,706,120	437,588,368	(2,926,620)	434,661,748
		(2,628,584)			
		421,077,536			

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22 BANK LOANS – SECURED (continued)

As at 30 June 2013, interest bearing bank loans are due for repayment as follows:

22 有抵押銀行貸款(續)

於二零一三年六月三十日，計息銀行貸款於以下期間到期償還：

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Portion of term loans due for repayment within 1 year	一年內到期償還的有期貸款部份	42,235,010	–
Term loans due for repayment after 1 year:	一年後到期償還的有期貸款：		
After 1 year but within 2 years	一年後但兩年內	90,533,426	82,704,194
After 2 years but within 5 years	兩年後但五年內	288,309,100	298,109,130
After 5 years	五年後	–	53,848,424
		378,842,526	434,661,748
		421,077,536	434,661,748

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簡明綜合中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

22 BANK LOANS – SECURED (continued)

The amounts due are based on the scheduled repayment dates set out in the loan agreement and ignored the effect of any repayment on demand clause.

22 有抵押銀行貸款(續)

到期金額乃以貸款協議所載預定償還日期為基準，且並無計及任何按要求償還條款的影響。

		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Audited) (經審核)
Transaction costs	交易成本		
Cost:	成本：		
At 1 January	於一月一日	9,934,307	9,609,383
Exchange adjustments	匯兌調整	(227,210)	324,924
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	9,707,097	9,934,307
		<hr/>	<hr/>
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	7,007,687	6,368,514
Amortisation for the period/year	期/年內攤銷	205,193	424,157
Exchange adjustments	匯兌調整	(134,367)	215,016
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	7,078,513	7,007,687
		<hr/>	<hr/>
Unamortised transaction costs at 30 June/31 December	於六月三十日/ 十二月三十一日的 未攤銷交易成本	2,628,584	2,926,620
		<hr/>	<hr/>

The secured bank loans as at 30 June 2013 are interest bearing at 8.6% p.a. (31 December 2012: 8.6% p.a.). These bank loans were restructured on 25 July 2011 by Bank Kerjasama Rakyat Malaysia Berhad (“**Bank Rakyat**”). In accordance with the restructured bank loans agreement, the Group is required to repay the bank loans by monthly instalment of RM670,000 (equivalent to HK\$1,644,390) with effect from August 2011 to December 2013 and increasing to RM4,200,000 (equivalent to HK\$10,308,114) from January 2014 to the second last repayment of the loans in 2018.

於二零一三年六月三十日的有抵押銀行貸款按年利率8.6厘(二零一二年十二月三十一日：年利率8.6厘)計息。此等銀行貸款於二零一一年七月二十五日由Bank Kerjasama Rakyat Malaysia Berhad(「**Bank Rakyat**」)進行重組。根據重組銀行貸款協議，本集團須自二零一一年八月起至二零一三年十二月每月分期償還銀行貸款670,000馬幣(相當於1,644,390港元)，並自二零一四年一月起至二零一八年的最後第二期還款之日增至4,200,000馬幣(相當於10,308,114港元)。

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22 BANK LOANS – SECURED (continued)

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

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

All of the Group's banking facilities are subject to the fulfillment of covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group is required to comply with the covenants when CVMSB's production operation commences, which was in or around February 2011. As at 30 June 2013, none of the covenants relating to the drawn down facilities had been breached (31 December 2012: Nil).

22 有抵押銀行貸款(續)

授予CVMSB的銀行貸款按以下方式作出擔保：

- (i) 就CVMSB所持土地及在其上興建的廠房設立法定押記；
- (ii) 轉讓來自CVMSB的應收賬款；
- (iii) 就CVMSB所有現有及未來資產(不包括履約保證)設立固定及浮動法定押記的債券；
- (iv) 轉讓CVMSB於與鎂錠項目(「該項目」)有關的所有樓宇合約、設計圖則及其他合約的一切權利、享有權及權益；
- (v) 轉讓CVMSB作為其於該項目業務一部份所承購保險的一切權利、利益及權益；
- (vi) 向銀行轉讓在Bank Rakyat開設的現有收入戶及該收入戶的進賬款項，收入戶僅由銀行操作；
- (vii) 就CVMSB的還原權設立的第一固定押記／轉讓；
- (viii) 轉讓CVMSB的還原權的保單；及
- (ix) 所委任法律顧問可能提出的任何其他擔保。

本集團須履行契諾(通常見於與財務機構訂立的借款安排內)方可獲得各銀行信貸。倘本集團違反該等契諾，則須按要求償還已提用的信貸額度。本集團於CVMSB開始生產營運時(二零一一年二月或前後)須遵守該等契諾。於二零一三年六月三十日，本集團並無違反有關提用信貸額度的契諾(二零一二年十二月三十一日：無)。

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23 Unsecured Loans from Third Parties

23 來自第三方無抵押貸款

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	一年內	152,000,000	100,000,000
After 1 year but within 2 years	一年後但兩年內	-	50,000,000
After 2 years but within 5 years	兩年後但五年內	-	-
		-	50,000,000
		152,000,000	150,000,000

The amounts due are based on the scheduled repayment dates set out in the loan agreements which do not have a repayment on demand clause.

到期款項乃以並無按要求償還條款的貸款協議所載預定還款日期為基準。

On 13 June 2011, the Company entered into a loan agreement with an independent third party for an unsecured loan of HK\$50,000,000 at an interest rate of 12% p.a. payable half yearly. The loan is wholly repayable on or before June 2014.

於二零一一年六月十三日，本公司與一名獨立第三方就50,000,000港元的無抵押貸款訂立貸款協議，年利率為12厘，每半年還款一次。貸款須於二零一四年六月或之前悉數償還。

On 14 October 2011, the Company entered into loan agreements with various holders of convertible bonds. Pursuant to which the holders of convertible bonds agreed to make available to the Company with aggregate loan facilities of HK\$100,000,000. The Company applied these loans for repayment of the outstanding convertible bonds issued by the Company in September 2010 in the principal sum of respective amount and registered in the name of the lenders. The unsecured loans are recognised initially at fair value less attributable transaction costs. In the opinion of the Directors of the Company, the principal value of the unsecured loans is approximate to its fair value. These loans are unsecured, interest bearing at 15% p.a. payable half yearly and repayable within 12 months from the drawdown date.

於二零一一年十月十四日，本公司與多名可換股債券持有人訂立貸款協議，據此，可換股債券持有人同意向本公司提供合共100,000,000港元的貸款融資。本公司運用此等貸款償還本公司於二零一零年九月發行本金總額為相應金額並以貸款人名義登記的可換股債券的未償還款項。無抵押貸款初步按公平值減應佔交易成本確認。本公司董事認為，無抵押貸款的本金額與其公平值相若。此等貸款為無抵押、年利率15厘、每半年還款一次及須於提取當日起計12個月內還款。

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23 UNSECURED LOANS FROM THIRD PARTIES (continued)

In March 2012, the Company had successfully negotiated with these lenders to defer the repayment by six months and eighteen days to May 2013 and to charge interest at 18% p.a. payable half-yearly with effect from October 2012.

On 26 March 2013, the Company has successfully negotiated with these lenders to defer the repayment by a year to April 2014 and to charge interest rate at 18% p.a. payable half yearly.

The Directors of the Company will review the Group's cash position regularly and if necessary, will re-negotiate with these lenders to restructure the repayment terms. The Company is confident that any future negotiations with these lenders will result in a positive outcome for both parties.

24 CONVERTIBLE BONDS

(a) On 1 September 2011, the Company entered into a placing agreement with a placing agent, Cheong Lee Securities Limited for the issue of convertible bonds with maturity date on the third anniversary of the date of issue for an aggregate principal amount of HK\$80,000,000. The convertible bonds bear interest at 10% p.a. payable annually and are unsecured. As at the end of reporting period, the aggregate amount of convertible bonds being available was HK\$80,000,000 (31 December 2012: HK\$80,000,000).

The bondholders at any time before maturity can convert the whole or part of the principal amount of the convertible bonds into ordinary shares of the Company at the conversion price of HK\$0.10 per share.

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The convertible bonds may be early redeemed at par value of the outstanding principal amount of the bond at any time at the option of the Company up to maturity provided that the Company has given not less than 7 business days' prior notice to the bondholder(s) of its intention to make that redemption.

No fair values were determined for the convertible bonds issued. The interest charged for the six months ended 30 June 2013 and 2012 is calculated by applying their coupon interest rate, i.e. 10% p.a. for the number of days to the end of reporting period since the bonds were issued.

23 來自第三方無抵押貸款(續)

於二零一二年三月，本公司已成功與此等貸款人進行磋商，將還款期推遲六個月零八日至二零一三年五月，並自二零一二年十月起按年利率18厘計息及每半年還款一次。

於二零一三年三月二十六日，本公司已成功與此等貸款人進行磋商，將還款期推遲一年至二零一四年四月，並按年利率18厘計息及每半年還款一次。

本公司董事將定期審閱本集團的現金狀況，並將於有需要時與此等貸款人重新磋商以重組還款條款。本公司深信日後與此等貸款人進行的任何磋商將會對雙方有利。

24 可換股債券

(a) 於二零一一年九月一日，本公司與配售代理昌利證券有限公司訂立配售協議，內容有關發行本金額合共80,000,000港元的可換股債券，可換股債券的到期日為發行日期三週年當日。可換股債券按年利率10厘計息及無抵押，利息須每年支付。於報告期末，可供轉換的可換股債券金額合共為80,000,000港元(二零一二年十二月三十一日：80,000,000港元)。

債券持有人可於到期前隨時按每股0.10港元的換股價將全部或部份可換股債券的本金額轉換為本公司普通股。

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

可換股債券可由本公司選擇，於直至到期日為止隨時按債券未償還本金額的面值提前贖回，惟本公司須已給予債券持有人不少於7個營業日的事先通知，表示其有意進行有關贖回。

並無就已發行可換股債券釐定公平值。截至二零一三年及二零一二年六月三十日止六個月的利息支出乃採用其年息票率(即10厘)按自發行債券起至報告期末止的日數計算。

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24 Co NVERTIBLE Bo NDS (continued)

- (b) On 18 April 2012, the Company issued convertible bonds with maturity date on the fifth anniversary of the date of issue for an aggregate principal amount of HK\$106,840,000 as part consideration for the acquisition of Victory Dragon Holdings Limited ("Victory Dragon"). Please refer to the Company's announcement dated 12 January 2012, Circular of the Company dated 23 March 2012 and Company's announcement dated 18 April 2012 for further details.

The convertible bonds bear interest at 5% p.a. payable annually and are unsecured. As at the end of reporting period, the aggregate amount of convertible bonds being available was HK\$63,000,000 (31 December 2012: HK\$106,840,000).

The bondholder of the convertible bonds at any time before maturity can convert the whole or part of the principal amount of the convertible bonds in whole multiples of HK\$1,000,000 into ordinary shares of the Company at the conversion price of HK\$0.126 per share.

Upon maturity any unredeemed and unconverted bonds will be redeemed at par value of the outstanding principal amount in cash.

The Company may at any time before the maturity date early redeem the convertible bonds.

No fair values were determined for the convertible bonds issued. The interest charged for the six months ended 30 June 2013 and 2012 is calculated by applying their coupon interest rate, i.e. 5% p.a. for the number of days to the end of reporting period since the bonds were issued.

- (c) On 15 January 2013, total principal amount of HK\$43,840,000 convertible bonds were converted into 347,936,507 new ordinary shares of the Company of HK\$0.025 each.
- (d) Reference is made to the announcement of the Company dated 30 August 2013. In light of the non-fulfilment of the profit guarantee as disclosed in the announcement, the principal amount of the convertible bonds shall be deducted by HK\$46,319,318 on a dollar for dollar basis in accordance with the terms of the agreement in relation to the acquisition of Victory Dragon.

24 可換股債券(續)

- (b) 於二零一二年四月十八日，本公司發行本金總額為106,840,000港元的可換股債券，作為收購凱龍集團有限公司(「凱龍」)之部份代價。可換股債券的到期日為發行日期五週年當日。有關進一步詳情，請參閱本公司日期為二零一二年一月十二日之公告、本公司日期為二零一二年三月二十三日之通函及本公司日期為二零一二年四月十八日之公告。

可換股債券按年利率5厘計息及無抵押，利息須每年支付。於報告期末，可供轉換的可換股債券金額合共為63,000,000港元(二零一二年十二月三十一日：106,840,000港元)。

可換股債券持有人可於到期前隨時按每股0.126港元的換股價將全部或部份本金額為1,000,000港元之整倍數的可換股債券轉換為本公司普通股。

任何未贖回及未轉換的債券將於到期後以現金按未償還本金額的面值贖回。

本公司可於到期日前隨時提前贖回可換股債券。

並無就已發行可換股債券釐定公平值。截至二零一三年及二零一二年六月三十日止六個月的利息支出乃採用其年息票率(即5厘)按自發行債券起至報告期末止的日數計算。

- (c) 於二零一三年一月十五日，本金總額為43,840,000港元的可換股債券已獲轉換為347,936,507股每股面值0.025港元的本公司新普通股。
- (d) 茲提述本公司日期為二零一三年八月三十日之公告。誠如該公告所披露，由於未能履行溢利保證，根據與凱龍收購事項有關的協議條款，可換股債券的本金額須按等額現金基準扣除46,319,318港元。

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25 SHARE CAPITAL

(a) Authorised and issued share capital

25 股本

(a) 法定及已發行股本

		2013 二零一三年		2012 二零一二年	
		Number of shares 股份數目	Amount 金額 hk \$ 港元	Number of shares 股份數目	Amount 金額 HK\$ 港元
		Note 附註			
Authorised:	法定：				
At 30 June/31 December	於六月三十日/ 十二月三十一日		<u>10,000,000,000</u>	<u>250,000,000</u>	<u>10,000,000,000</u> <u>250,000,000</u>
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日		5,012,680,556	125,317,014	3,517,680,556 87,942,014
Shares issued pursuant to conversion of convertible bond	根據轉換可換股 債券而發行的 股份	(b)	347,936,507	8,698,413	-
Shares issued pursuant to an acquisition	根據收購而發行的 股份	(c)	-	-	660,000,000 16,500,000
Shares issued pursuant to a share placing	根據股份配售而 發行的股份	(c)	-	-	835,000,000 20,875,000
At 30 June/31 December	於六月三十日/ 十二月三十一日		<u>5,360,617,063</u>	<u>134,015,427</u>	<u>5,012,680,556</u> <u>125,317,014</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並有權按每股一票在本公司大會上投票。所有普通股就本公司的剩餘資產而言享有同等權益。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

25 Share CAPITAL (continued)

(b) Conversion of convertible bonds

On 15 January 2013, total principal amount of HK\$43,840,000 convertible bonds were converted into 347,936,507 new ordinary shares of the Company of HK\$0.025 each.

(c) Issue of shares

On 18 April 2012, the Company issued 660,000,000 ordinary shares to the shareholders of Victory Dragon pursuant to the agreement for the sale and purchase of shares dated 12 January 2012.

On 8 August 2012, 835,000,000 ordinary shares of HK\$0.025 each were issued at a price of HK\$0.05 each for cash consideration of HK\$41,750,000.

25 股本(續)

(b) 轉換可換股債券

於二零一三年一月十五日，本金總額為43,840,000港元之可換股債券已獲轉換為347,936,507股每股面值0.025港元之本公司新普通股。

(c) 發行股份

於二零一二年四月十八日，根據日期為二零一二年一月十二日的股份買賣協議，本公司向凱龍股東發行660,000,000股普通股。

於二零一二年八月八日，835,000,000股每股面值0.025港元的普通股已按每股0.05港元的價格發行，現金代價為41,750,000港元。

26 CoMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 30 June 2013 not provided for in the condensed consolidated interim financial statements were as follows:

26 承擔

(a) 資本承擔

於二零一三年六月三十日，並無於簡明綜合中期財務報表中撥備的未償付資本承擔如下：

	As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Contracted for	27,796,459	20,013,500
Authorised but not contracted for	—	—
	27,796,459	20,023,500

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

26 COMMITMENTS (continued)

(b) future minimum royalty payments

Pursuant to the Mining Agreement (see note 14), the royalty to HPC is subject to a monthly minimum payment of RM30,000 (equivalent to HK\$75,700) (“initial minimum payment”) with a review every 5 years provided the increase does not exceed 10% of the initial minimum payment and not less than 5% of the initial minimum payment. The monthly minimum payment had been reviewed to RM33,000 (equivalent to HK\$83,270) with effect from 16 June 2011. The royalty payment is payable for a period of 20 years, unless early termination by the Group by giving one month’s written notice to HPC. The total minimum royalties amounted to RM5,742,000 (equivalent to HK\$14,489,023) (31 December 2012: RM5,940,000 (equivalent to HK\$150,067,843)) over the 20 years period.

(c) operating lease commitments

As at 30 June 2013, the total minimum lease payments under non-cancellable operating leases are payable as follows:

26 承擔(續)

(b) 未來最低專利權費

根據採礦協議(見附註14)，須按每月最低付款(「首次最低付款」)向HPC支付的專利權費為30,000馬幣(相等於75,700港元)。首次最低付款須每五年檢討一次，惟增加幅度不得超過首次最低付款10%及不得低於首次最低付款5%。每月最低付款已獲檢討為33,000馬幣(相等於83,270港元)，自二零一一年六月十六日起生效。除非本集團向HPC發出一個月書面通知提前終止，否則，專利權費須於20年期間支付。20年期間的最低專利權費總額為5,742,000馬幣(相等於14,489,023港元)(二零一二年十二月三十一日：5,940,000馬幣(相等於150,067,843港元))。

(c) 經營租賃承擔

於二零一三年六月三十日，根據不可撤銷經營租賃的應付最低租賃付款總額如下：

	As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	1,122,971	1,400,978
After 1 year but within 5 years	30,522	322,268
	1,153,493	1,723,246

The Group is the lessee in respect of office premises held under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. The leases do not include a contingent rental.

本集團為持作經營租賃的辦公室承租人。租約一般初步為期一至兩年，並可選擇於重新議定所有條款後續約。所有租約均不包括或然租金。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明者外，以港元列值)

26 COMMITMENTS (continued)

(d) Environmental contingencies

Up to date, the Group has not incurred any significant expenditure for environment remediation and has not accrued any amounts for environmental remediation relating to its operations. Under existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include:

- (i) the exact nature and extent of the contamination at the mines and processing plants;
- (ii) the extent of required cleanup efforts;
- (iii) varying costs of alternative remediation strategies;
- (iv) changes in environmental remediation requirements; and
- (v) the identification of new remediation sites.

The amount of this future cost is indeterminable due to these factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposal for future environmental legislation cannot be reasonably estimated at present and could be material.

26 承擔(續)

(d) 環境或然事項

迄今，本集團並未因環境補救問題產生任何重大支出，亦無就任何與業務相關的環境補救問題產生任何應計提款項。根據現行法例，管理層相信不會發生任何對本集團財務狀況或經營業績有重大負面影響的負債。保護環境的法律及法規近年在整體上變得較為嚴格並且在未來會更加嚴格。環保負債涉及多項不明朗因素，可影響本集團估計最終補救成本的能力。該等不明朗因素包括：

- (i) 礦山及選礦廠所發生污染的實際性質和程度；
- (ii) 所需清理工作的程度；
- (iii) 替代補救措施的不同成本；
- (iv) 環境補救規定的改變；及
- (v) 新實施補救措施地點的確認。

由於尚未確定可能發生污染之程度和可能需要之補救措施之時間和程度等因素，因此無法確定未來可能產生此類費用所需之金額，故目前無法合理地估計日後環境法規建議可能產生的環境負債，而有關負債可為重大。

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27 CONTINGENT LIABILITIES

Corporate guarantees issued

As at 30 June 2013, the Company has issued corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HK\$453,100,000) (31 December 2012: approximately RM184,600,000 (equivalent to approximately HK\$468,000,000)) to a bank in respect of bank loan facilities granted to CVMSB.

The Directors of the Company do not consider it probable that a claim will be made against the Company under the corporate guarantees. The maximum liability of the Company as at 30 June 2013 under the corporate guarantees issued is approximately RM172,640,000 (equivalent to approximately HK\$423,700,000) (31 December 2012: RM172,600,000 (equivalent to approximately HK\$437,494,000)).

In addition, as at 30 June 2013, the Company has issued corporate guarantees totalling RM850,000 (equivalent to approximately HK\$2,086,200) (31 December 2012: RM850,000 (equivalent to approximately HK\$2,150,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

As at 30 June 2013, the Company has issued corporate guarantees totalling approximately RM1,571,900 (equivalent to approximately HK\$3,857,900) (31 December 2012: approximately RM763,373 (equivalent to approximately HK\$1,935,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

The Company has not recognised any deferred income in respect of the corporate guarantees as its fair value cannot be reliably measured and its transaction price was nil for the six months ended 30 June 2013 and year ended 31 December 2012.

27 或然負債

已發出公司擔保

於二零一三年六月三十日，本公司已就CVMSB獲授之銀行貸款融資向銀行發出公司擔保合共約184,600,000馬幣(相等於約453,100,000港元)(二零一二年十二月三十一日：約184,600,000馬幣(相等於約468,000,000港元))。

本公司董事認為，該公司擔保不大可能會對本公司造成申索。本公司於二零一三年六月三十日發出公司擔保的負債上限約為172,640,000馬幣(相等於約423,700,000港元)(二零一二年十二月三十一日：172,600,000馬幣(相等於約437,494,000港元))。

此外，於二零一三年六月三十日，本公司就CVMSB購買液化石油氣向供應商發出公司擔保合共850,000馬幣(相等於約2,086,200港元)(二零一二年十二月三十一日：850,000馬幣(相等於約2,150,000港元))。

於二零一三年六月三十日，本公司就CVMSB購買汽車及設備的融資租賃債項發出公司擔保合共約1,571,900馬幣(相等於約3,857,900港元)(二零一二年十二月三十一日：約763,373馬幣(相等於約1,935,000港元))。

截至二零一三年六月三十日止六個月及截至二零一二年十二月三十一日止年度，本公司並無就公司擔保確認任何遞延收入，此乃由於其公平值無法可靠地計量且其交易價格為零所致。

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28 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2013 and 2012, in addition to the transactions and balances disclosed in note 19 and 21 to the condensed consolidated interim financial statements, the following related party transactions took place between the Group and related parties on terms mutually agreed by the parties concerned.

28 重大關連方交易

截至二零一三年及二零一二年六月三十日止六個月，除簡明綜合中期財務報表附註19及21所披露的交易及結餘外，以下關連方交易在本集團與關連方之間按有關雙方互相協定的條款進行。

Name of party 關連方名稱	Relationship 關係
Ho Wah Genting Berhad ("hWgB")	A shareholder of the Company 本公司股東
Ho Wah Genting Poipet Resorts Sdn. Bhd. ("hWgp")	An associate of HWGB HWGB的聯營公司
HWG Tin Mining Sdn. Bhd. ("hWgTM")	A subsidiary of HWGB HWGB的附屬公司
Perak State Development Corporation ("pSDC")	A shareholder of the Company 本公司股東
Harta Perak Corporation Sdn. Bhd. ("hpC")	A subsidiary of PSDC PSDC的附屬公司

Particulars of significant transactions between the Group and the above related parties are as follows:

本集團與上述關連方進行的重大交易詳情如下：

(a) Recurring transactions

(a) 經常交易

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 hk \$ 港元 (unaudited) (未經審核)	2012 二零一二年 HK\$ 港元 (Unaudited) (未經審核)
Office rent payable to: HWGB	應付辦公室租金予： HWGB	105,980	105,517
Purchase of flight tickets from: HWGP	向下列關連方購買機票： HWGP	163,066	378,043
Maintenance fee payable to: HPC	應付維護費予： HPC	499,621	452,214
Drilling machines rental income from: HWGTM	向下列關連方收取鑽探機 的租金收入： HWGTM	-	30,686

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28 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

28 重大關連方交易 (續)

(b) Non-recurring transaction

(b) 非經常交易

		Six months ended 30 June	
		截至六月三十日止六個月	
		2013	2012
		二零一三年	二零一二年
		hk \$	HK\$
		港元	港元
		(unaudited)	(Unaudited)
		(未經審核)	(未經審核)

Disposal of a motor vehicle to: HWGTM	向其出售汽車： HWGTM	-	17,757
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(c) Amount due to a member of staff

(c) 應付員工款項

		As at 30 June 2013	As at 31 December 2012
		於二零一三年 六月三十日	於二零一二年 十二月三十一日
		hk \$	HK\$
		港元	港元
		(unaudited)	(Audited)
		(未經審核)	(經審核)

Leung Wai Kwan — Advances	梁維君 — 墊款	1,930,064	-
Leung Wai Kwan — Director's remuneration	梁維君 — 董事酬金	116,250	117,500
Ji Kuang — Director's remuneration	嵇匡 — 董事酬金	560,000	140,000
Ji Kuang — Reimbursements	嵇匡 — 報銷	216,000	-
Liang Hai Yang — Director's remuneration	梁海洋 — 董事酬金	320,000	80,000
Li Zi Cong — Director's remuneration	李子聰 — 董事酬金	280,000	80,000
Wong Choi Kay — Director's fees & meeting allowances	Wong Choi Kay — 董事袍金及會議津貼	74,730	23,250
Wong Choi Kay — Reimbursements	Wong Choi Kay — 報銷	26,953	-
Chong Lee Chang — Director's fees & meeting allowances	Chong Lee Chang — 董事袍金及會議津貼	81,720	27,900
Tony Tan — Director's fees & meeting allowances	Tony Tan — 董事袍金及會議津貼	79,395	25,575
Dato' Lim Hui Boon	拿督 Lim Hui Boon	N/A (Note 1) 不適用 (附註 1)	1,022,092
		3,685,112	1,516,317

Note 1: Dato Lim Hui Boon has resigned as Group President with effect from February 2013, hence the disclosure is not applicable for the six months ended 30 June 2013.

附註 1：拿督 Lim Hui Boon 已辭任集團總裁，自二零一三年二月起生效，故有關披露事項於截至二零一三年六月三十日止六個月並不適用。

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28 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Amount due to a member of staff

(continued)

The amount is unsecured, interest-free and has no fixed terms of repayment.

(d) Amount due from a related party

28 重大關連方交易 (續)

(c) 應付員工款項 (續)

該款項為無抵押、免息且無固定還款期。

(d) 應收關連方款項

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
HWGTM	HWGTM	-	4,651

(e) Amounts due to related parties

		As at 30 June 2013 於二零一三年 六月三十日 hk \$ 港元 (unaudited) (未經審核)	As at 31 December 2012 於二零一二年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
HWGB	HWGB	234,755	484,465
HWGP	HWGP	537,855	137,186
		772,610	621,651

HWGB
HWGP

HWGB
HWGP

234,755
537,855

484,465
137,186

772,610

621,651

The amounts are trade in nature, unsecured, interest free and have no fixed terms of repayment.

該等款項為貿易性質、無抵押、免息且無固定還款期。

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28 MATERIAL RELATED pARTY TRANSACTIONs (continued)

(f) key management personnel
remuneration

28 重大關連方交易 (續)

(f) 主要管理人員酬金

		Six months ended 30 June	
		截至六月三十日止六個月	
		2013	2012
		二零一三年	二零一二年
		hk \$	HK\$
		港元	港元
		(unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Directors' fees	董事袍金	–	138,744
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,624,477	1,561,027
Retirement scheme contributions	退休計劃供款	30,841	96,693
		1,655,318	1,796,464

OTHER INFORMATION 其他資料

INTERIM DIVIDEND

The Board did not recommend the payment of any dividend in respect of the six months ended 30 June 2013 (six months ended 30 June 2012: Nil). Accordingly, there will be no closure of the register of members of the Company.

Co MplIANCE WITH ThE Co DE o N Co Rpo RATE go VERNANCE pRACTICES

During the six months ended 30 June 2013, the Company has complied with the applicable code provisions and certain recommended best practices (the “**Best practices**”) stipulated in the Code on Corporate Governance Practices (the “**Code**”) as set out in Appendix 14 of the Listing Rules. No Director is aware of any information that reasonably reveals that there is any non-compliance with the code provisions on the Code by the Company during any time of the period under review, except for certain deviation which is summarised below:

Code provision A.4.1

Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors of the Company were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the memorandum and articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

Code provision A.5.1

Code Provision A.5.1 provides that a nomination committee should be chaired by the chairman of the Board or an independent non-executive director. Mr. Lim Ooi Hong, neither an independent non-executive director nor the chairman of the Board, was appointed as the chairperson of the nomination committee of the Company with effective from 7 August 2012. However, Mr. Chong Lee Chang, an independent non-executive director, was appointed to chair the nomination committee of the Company with effect from 28 August 2013 and the Company’s corporate governance practices can be no less exacting than those in the Code.

中期股息

董事會並不建議就截至二零一三年六月三十日止六個月派付任何股息(截至二零一二年六月三十日止六個月：無)。因此，本公司不會暫停辦理股份過戶登記手續。

遵守企業管治常規守則

截至二零一三年六月三十日止六個月，本公司一直遵守上市規則附錄14所載企業管治常規守則(「**守則**」)中所訂適用守則條文及若干建議的最佳常規(「**最佳常規**」)。據董事所知，並無任何資料合理顯示本公司於回顧期內任何時間有任何違反守則的守則條文的情況，惟下列摘要之若干偏離行為除外：

守則條文 A.4.1 條

守則條文 A.4.1 條規定非執行董事的委任應有指定任期，並可膺選連任。本公司獨立非執行董事的委任並無指定任期，惟須根據本公司組織章程大綱及細則條文輪值退任並於本公司股東週年大會上膺選連任。因此，本公司認為已採取足夠措施，確保本公司的企業管治常規不遜於守則之規定。

守則條文 A.5.1 條

守則條文 A.5.1 條規定提名委員會應由董事會主席或獨立非執行董事擔任主席。Lim Ooi Hong 先生並非獨立非執行董事或董事會主席，惟已獲委任為本公司提名委員會主席，自二零一二年八月七日起生效。然而，獨立非執行董事 Chong Lee Chang 先生已獲委任為本公司提名委員會主席，自二零一三年八月二十八日起生效，使本公司的企業管治常規不遜於守則之規定。

CoDE of pRACTICE REgARDING DIRECToRS' SECuRITIES TRANSACTIoNS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the six months ended 30 June 2013.

AuDIT CoMMITTEE REVIEW

The Audit Committee, comprising three members namely, Ms. Wong Choi Kay (Chairperson and Independent Non-executive Director), Mr. Chong Lee Chang (Independent Non-executive Director) and Mr. Tony Tan (Independent Non-executive Director), has reviewed the accounting principles and practices adopted by the Group and has discussed and reviewed the internal controls and financial reporting matters, including the review of the unaudited consolidated interim financial results of the Group for the six months ended 30 June 2013, with the management of the Company.

ShARE opTioN SchEME

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

董事進行證券交易的操守守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「**標準守則**」)作為董事進行證券交易的操守守則。經向董事會全體成員作出具體查詢後，本公司確認全體董事於截至二零一三年六月三十日止六個月全面遵守標準守則訂明的相關標準。

審核委員會審閱

由三名成員Wong Choi Kay女士(主席兼獨立非執行董事)、Chong Lee Chang先生(獨立非執行董事)及Tony Tan先生(獨立非執行董事)組成的審核委員會已審閱本集團採納的會計原則及慣例，並已與本公司管理層討論及檢討內部監控及財務報告事宜，包括審閱本集團截至二零一三年六月三十日止六個月的未經審核綜合中期財務業績。

購股權計劃

本公司於二零零八年十月十四日採納一項購股權計劃(「**該計劃**」)。該計劃旨在吸引及挽留精英人才發展本公司業務；為僱員提供額外獎勵；為合資格參與者提供認購本公司股本權益的機會；以及透過將承授人與本公司股東(「**股東**」)的利益掛鉤，促進本公司長遠財務成就。根據該計劃，董事會有權自採納該計劃當日起計10年內隨時(不包括上市規則所界定之價格敏感事件或價格敏感事宜為決定對象之期間)向本公司任何僱員(包括本公司或其附屬公司任何高級職員或執行或非執行董事)及本公司任何顧問、諮詢人、供應商、客戶或分包商或董事會認為合適的任何其他人士授出購股權。

OTHER INFORMATION 其他資料

The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 10% of the shares of the Company in issue from time to time. The maximum number of shares available for issue under options which may be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue immediately following the commencement of dealings in the shares of the Company on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), being 45,100,000 shares. The total number of shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the shares of the Company in issue, such further grant shall be subject to separate approval by the Shareholders in general meeting with the relevant grantee and his associates abstaining from voting.

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of grant; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company. An offer shall remain open for acceptance for a period of 28 days from the date of offer (or such longer period as the Board may specify in writing). HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option. The period within which the shares of the Company must be taken up under an option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

For the six months ended 30 June 2013, no option has been granted or agreed to be granted under the Scheme.

因行使根據該計劃及任何其他計劃授出的所有尚未行使但仍可獲行使的購股權而可能發行的股份數目，不得超過本公司不時已發行股份的10%。因行使根據該計劃及本公司任何其他計劃可能授出的購股權而發行的股份數目，最多合共不得超過緊隨本公司股份在香港聯合交易所有限公司（「**聯交所**」）開始買賣後，本公司已發行股份的10%，即為45,100,000股股份。各承授人於任何12個月期間行使所獲授的購股權（無論是否已行使或尚未行使）而獲發行及將獲發行的本公司股份總數，不得超過本公司已發行股份的1%。進一步授出購股權須於股東大會上獲股東個別批准，且有關承授人及其聯繫人不得於會上投票。

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

截至二零一三年六月三十日止六個月，概無根據該計劃授出或同意授出購股權。

OTHER INFORMATION 其他資料

DIRECTORS' INTERESTS

As at 30 June 2013, the interests of the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the shares:

董事之權益

於二零一三年六月三十日，本公司董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條記錄於本公司須予存置之登記冊或根據標準守則須知會本公司及聯交所之權益如下：

股份之好倉：

Name of director	董事姓名	Nature of interest		Total number of shares	Approximate percentage of shareholding	Note
		Beneficial owner	Interest of spouse			
		實益擁有人	配偶權益	股份總數	持股概約百分比	附註
Leung Wai Kwan	梁維君	2,900,000	13,298,000	16,198,000	0.30%	-
Li Zi Cong	李子聰	215,000,000	-	215,000,000	4.01%	1

Note:

- Mr. Li Zi Cong, being an Executive Director, has 215,000,000 shares of the Company through a controlled corporation.

附註：

- 執行董事李子聰先生透過一間受控制法團擁有本公司215,000,000股股份。

Save as disclosed above, at no time during the period under review was the Company or its subsidiary a party to any arrangement to enable the Directors and Chief Executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of the Company or its subsidiaries.

除上文披露者外，於回顧期間內，本公司或其附屬公司概無訂立任何安排，致使本公司董事及主要行政人員(包括其配偶及年齡未滿十八歲子女)可藉收購本公司或其附屬公司股份或相關股份或債券而獲益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2013, the following Shareholders had interests in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東及其他人士於股份及相關股份之權益

於二零一三年六月三十日，下列股東於本公司股份及相關股份中擁有根據證券及期貨條例第336條記錄於本公司須予存置之登記冊之權益如下：

Name of shareholders	股東名稱/姓名	Number of shares directly or indirectly held	Approximate percentage of shareholding	Note
		直接或間接持有的股份數目	持股概約百分比	附註
Ho Wah Genting Berhad	Ho Wah Genting Berhad	744,150,000	13.88%	1
Voice Key Group Limited	Voice Key Group Limited	682,028,507	12.16%	2
Chu Yuk Lung	朱浴龍	682,028,507	12.16%	3
Silver Rhythm Sdn. Bhd.	Silver Rhythm Sdn. Bhd.	502,047,188	9.37%	4
Teoh Tek Siong	Teoh Tek Siong	507,047,188	9.37%	5
Tao Qian	陶乾	400,000,000	7.46%	-
Cheung Hei Man	張曦文	398,698,603	7.44%	-
Jui Hon Cheong	仇瀚樟	398,698,603	7.44%	-

OTHER INFORMATION 其他資料

Notes:

1. Ho Wah Genting Berhad is a public limited company incorporated under Malaysian law and listed on the Main Market of Bursa Malaysia Securities Berhad, Malaysia.
2. As at 30 June 2013, Voice Key Group Limited ("**Voice key**") holds 285,203,110 Shares and HK\$50,000,000 convertible bonds of the Company. Pursuant to the announcement of the Company dated 12 January 2012, the Company will issue an aggregate of 396,825,397 new Shares to Voice Key if there is an immediate exercise in full of the conversion rights attached to the Voice Key's convertible bonds. Voice Key will only convert the convertible bonds issued by the Company, in a manner that will (i) not upset the public float of Shares on the Stock Exchange; (ii) not result in change of the single largest shareholder of the Company upon any conversion of the convertible bonds; (iii) not trigger any general offer obligation under Rule 26 of the Takeovers Code. Such conversion will not result in a change of the control of the Company.
3. Chu Yuk Lung owns 100% interest in the issued capital of Voice Key Group Limited and is therefore deemed to be interested in the Shares and underlying shares in which Voice Key Group Limited is interested in.
4. Silver Rhythm Sdn. Bhd. is a private company incorporated under Malaysian law.
5. Mr. Teoh Tek Siong holds 99% equity interest in the issued capital of Silver Rhythm Sdn. Bhd., therefore, he is deemed to be interested in the 502,047,188 Shares held by Silver Rhythm Sdn. Bhd. In addition, Mr. Teoh Tek Siong also holds 5,000,000 Shares under his own name.
6. All interests stated above represent long positions.

pu RChASE, SALE o R REDEMPtIo N of LISTED SECu RITIES

For the six months ended 30 June 2013, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
CVM Minerals Limited
Ji kuang
Executive Chairman

Kuala Lumpur, Malaysia, 24 September 2013

附註：

1. Ho Wah Genting Berhad 為根據馬來西亞法例註冊成立的公眾有限公司及於馬來西亞證券交易所主板上市。
2. 於二零一三年六月三十日，Voice Key Group Limited ("**Voice key**") 持有 285,203,110 股股份及價值 50,000,000 港元的本公司可換股債券。根據本公司日期為二零一二年一月十二日的公告，倘即時全面行使 Voice Key 可換股債券所附換股權，本公司將向 Voice Key 發行合共 396,825,397 股新股份。Voice Key 僅可以 (i) 不會擾亂股份於聯交所的公眾持股量；(ii) 兌換任何可換股債券後不會導致本公司的最大單一股東出現變動；(iii) 不會觸發須根據收購守則第 26 條提出任何全面收購建議的責任的方式，兌換本公司所發行之可換股債券。有關兌換不會導致本公司控制權出現變動。
3. 朱浴龍擁有 Voice Key Group Limited 已發行股本的全部權益，故被視為於 Voice Key Group Limited 擁有權益的股份及相關股份中擁有權益。
4. Silver Rhythm Sdn. Bhd. 為根據馬來西亞法律註冊成立的私人公司。
5. Teoh Tek Siong 先生持有 Silver Rhythm Sdn. Bhd. 已發行股本的 99% 股權，故被視為於 Silver Rhythm Sdn. Bhd. 所持有的 502,047,188 股股份中擁有權益。此外，Teoh Tek Siong 先生亦以其名義持有 5,000,000 股股份。
6. 上述所有權益均屬好倉。

購買、出售或贖回上市證券

截至二零一三年六月三十日止六個月，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

承董事會命
南亞礦業有限公司
執行主席
嵇匡

馬來西亞吉隆坡，二零一三年九月二十四日



CVM Minerals Limited
南亞礦業有限公司