



DING HE MINING HOLDINGS LIMITED

鼎和礦業控股有限公司

(formerly known as "CVM Minerals Limited")

(前稱「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



2014

INTERIM REPORT

中期業績報告

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Du Jian Jun (*Chairman*)
Mr. Ji Kuang (*Vice Chairman*)
Dato' Lim Ooi Hong
Mr. Leung Wai Kwan (*Group Chief Executive Officer*)
Mr. Chong Cha Hwa
Ms. Meng Xiao Ying

Independent Non-executive Directors

Ms. Wong Choi Kay
Mr. Tony Tan
Mr. Cheung Ning
Mr. Chan Kin Ho Philip
Ms. Tian Jinghua

COMPANY SECRETARY

Ms. Chu Lai Shan Sammie

AUDIT COMMITTEE

Ms. Wong Choi Kay (*Chairperson*)
Mr. Tony Tan
Mr. Chan Kin Ho Philip
Ms. Tian Jinghua

REMUNERATION COMMITTEE

Ms. Wong Choi Kay (*Chairperson*)
Mr. Chong Cha Hwa
Mr. Chan Kin Ho Philip
Ms. Tian Jinghua

NOMINATION COMMITTEE

Mr. Chan Kin Ho Philip (*Chairperson*)
Dato' Lim Ooi Hong
Ms. Wong Choi Kay
Ms. Tian Jinghua

AUTHORISED REPRESENTATIVES

Mr. Leung Wai Kwan
Ms. Chu Lai Shan Sammie

LEGAL 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

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants

董事會

執行董事

杜建軍先生 (*主席*)
嵇匡先生 (*副主席*)
拿督林偉雄
梁維君先生 (*集團行政總裁*)
張家華先生
孟小英女士

獨立非執行董事

黃賽琦女士
陳業強先生
張寧先生
陳建豪先生
田晶華女士

公司秘書

朱麗珊女士

審核委員會

黃賽琦女士 (*主席*)
陳業強先生
陳建豪先生
田晶華女士

薪酬委員會

黃賽琦女士 (*主席*)
張家華先生
陳建豪先生
田晶華女士

提名委員會

陳建豪先生 (*主席*)
拿督林偉雄
黃賽琦女士
田晶華女士

授權代表

梁維君先生
朱麗珊女士

法律顧問

香港法律
李智聰律師事務所
齊伯禮律師行
(禮德律師行聯營行)

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

For the six months ended 30 June 2014, Ding He Mining Holdings Limited (formerly known as CVM Minerals Limited) (the “**Company**”, together with its subsidiaries the “**Group**”) incurred a loss before taxation of approximately HK\$254,460,000 mainly as a result of loss from operations of approximately HK\$13,560,000, finance costs of approximately HK\$28,510,000 and other operating expenses (i.e. impairment losses on exploration and evaluation assets (“**E&E Assets**”), interest in leasehold land and property, plant and equipment (“**PPE**”) of approximately HK\$212,400,000.

During the period, an impairment loss of HK\$212,395,737 was recognised which included the impairment losses on E&E Assets and PPE. The impairment of the E&E Assets and PPE was made pursuant to the differences between the recoverable amount of the assets and its carrying amount. The valuations on the recoverable amount of the respective business segments were determined based on the value in use calculation prepared by the Company for this interim results. The value in use calculation reflected the current situation of various cash-generating units (“**CGUs**”) of the Group.

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

The slowdown of the world economy and depressed prices for magnesium continued into the first half of 2014. In the face of the challenges of the keen competition from other manufacturers and the cost-effectiveness of the operation, the Smelter continued with the refining process instead of a full manufacturing line to produce magnesium ingots for sale in order to keep the Smelter in operation. Several marketing initiatives carried out previously started to bear fruit as the Smelter was able to secure consistent sales contracts from a major customer since March 2013 and throughout the first half of this year. The revenue generated for the six months ended 30 June 2014 was approximately HK\$27,290,000 compared to six months ended 30 June 2013 of HK\$6,300,000, a substantial increase of approximately 333.2%.

In view of the better revenue generated, the Smelter managed to reduce its gross loss to approximately HK\$8,640,000 as compared to the previous year’s six months of approximately HK\$17,010,000.

Extraction of dolomite from the dolomite quarry has been halted since 2012. There was no dolomite extracted from the dolomite quarry for the six months in 2014 (six months ended 30 June 2013: nil).

業務回顧

截至二零一四年六月三十日止六個月，鼎和礦業控股有限公司（前稱CVM Minerals Limited南亞礦業有限公司）（「**本公司**」，連同其附屬公司，統稱「**本集團**」）產生除稅前虧損約254,460,000港元，主要由於產生經營虧損約13,560,000港元、融資成本約28,510,000港元及其他經營開支（即勘探及評估資產（「**勘探及評估資產**」）、租賃土地權益以及物業、廠房及設備（「**物業、廠房及設備**」）的減值虧損）約212,400,000港元所致。

期內，已確認減值虧損212,395,737港元，包括勘探及評估資產及物業、廠房及設備的減值虧損。勘探及評估資產及物業、廠房及設備的減值乃根據資產的可收回金額與其賬面值之間的差額作出。各業務分部可收回金額的估值乃按本公司就本中期業績編製的使用價值計算方法釐定。使用價值計算方法反映本集團多項現金產生單位（「**現金產生單位**」）的目前情況。

馬來西亞霹靂州鎂冶煉廠（「**冶煉廠**」）

環球經濟放緩及鎂錠價格受壓持續至二零一四年上半年。面對其他製造商的激烈競爭及營運成本效益等挑戰，冶煉廠繼續實行精煉工序，取代生產供銷售的鎂錠的全面生產線，令冶煉廠繼續營運。多項早前實行的營銷措施漸見成效，令冶煉廠能自二零一三年三月起及於本年度整個上半年持續取得一名主要客戶的銷售合約。截至二零一四年六月三十日止六個月產生的收入約為27,290,000港元，較截至二零一三年六月三十日止六個月的6,300,000港元大幅增加約333.2%。

鑑於產生更高收入，冶煉廠成功減少毛損至約8,640,000港元，而去年六個月期間則約為17,010,000港元。

本集團自二零一二年起已暫停於白雲石採石場開採白雲石。於二零一四年六個月內概無於白雲石採石場開採白雲石（截至二零一三年六月三十日止六個月：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In light of the sustained gross losses of the Smelter and suspension of its production line since 2012, the directors of the Company (“**Directors**”) conducted a review on the recoverable amount of CGUs for mining of dolomite and manufacture of magnesium ingots based on value in use calculation. During the period under review, CVM Magnesium Sdn Bhd (“**CVMSB**”) and its subsidiary (“**CVMSB Group**”) recorded an operating loss of approximately HK\$23,951,000. In addition, CVMSB Group has borne higher potential risks as a result of reliance on one major customer. Considering the keen market competition, the risk of reducing orders from the major customer, the sales forecast and the historical accounting records, the Group lowered the expected sales quantities of CVMSB and determined that an impairment loss of PPE amounting HK\$140,932,640 (six months ended 30 June 2013: nil) was recognised and included in other operating expenses in the condensed consolidated income statement for the six months ended 30 June 2014. The cash flow projections were based on financial budget and production forecast as approved and prepared by management, covering a 22-year period, which represents approximately the remaining license period of the mining right to mine and extract magnesium dolomite from two pieces of land in the State of Perak, Peninsula Malaysia (the “**Dolomite Land**”). The cash flow beyond the 4-year period is extrapolated using zero growth rate. The discount rate applied to the cash flow projection is 21.49% which is in reference to the valuation performed by management as at 30 June 2014 and reflecting the specific risks relating to the industry including but not limited to the fluctuation of commodity price and market demand and the higher inflation rate. Other key assumptions applied in the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

The Mineral Water Bottling Plant in Guangdong Province, People’s Republic of China (the “**Bottling Plant**”)

The Company’s plan to invest in a new production line is still on hold due to the limited cash resources available. In view thereof, automating the production line and expanding into a new product line has been postponed, thus affecting the sales recorded. The Bottling Plant managed to achieve a turnover of approximately HK\$534,000 (six months ended 30 June 2013: approximately HK\$3,410,000) and gross loss of approximately HK\$225,000 (six months ended 30 June 2013: approximately HK\$4,230,000).

鑑於冶煉廠的持續毛損及自二零一二年起暫停其生產線，本公司董事（「**董事**」）按使用價值計算方法對開採白雲石及生產鎂錠的現金產生單位的可收回金額進行審閱。於回顧期內，CVM Magnesium Sdn Bhd（「**CVMSB**」）及其附屬公司（「**CVMSB集團**」）錄得經營虧損約23,951,000港元。此外，由於CVMSB集團依賴一名主要客戶，故其須承受較高潛在風險。考慮到市場競爭激烈、主要客戶減少訂單的風險、銷售預測以及過往會計記錄，本集團減少CVMSB的預期銷售數量，確定已確認物業、廠房及設備的減值虧損140,932,640港元（截至二零一三年六月三十日止六個月：無），並計入截至二零一四年六月三十日止六個月的簡明綜合收益表中其他經營開支。現金流量預測乃基於管理層批准及編製的財政預算及產量預測，涉及22年期（其相當於約於馬來西亞半島霹靂州兩塊土地（「**白雲石地塊**」）開採及提取鎂質白雲石的開採權的餘下許可證限期）。4年期後的現金流量採用零增長率推算。應用於現金流量預測的貼現率為21.49%，乃經參考由管理層於二零一四年六月三十日進行的估值，並反映有關行業的特定風險，包括但不限於商品價格及市場需求波動以及通脹率上升。計算使用價值所採用的其他主要假設與現金流入／流出的估計有關，其包括預算銷售及毛利率。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。

中華人民共和國廣東省礦泉水裝瓶廠（「**裝瓶廠**」）

鑑於現金資源緊絀，本公司投資新生產線的計劃仍未能開展。因此，生產線自動化及擴建一條生產線的計劃受到阻延，繼而影響所錄得的銷售額。裝瓶廠錄得營業額約534,000港元（截至二零一三年六月三十日止六個月：約3,410,000港元）及毛損約225,000港元（截至二零一三年六月三十日止六個月：約4,230,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

At 30 June 2014, the management performs a regular review and noted that the revenue generated from the Bottling Plant during the six months ended 30 June 2014 was significantly below the original projected annual revenue, which was estimated based on the previous available data, information, sales targets and marketing strategies as at the year end of 2013. The discrepancy was mainly attributable to (a) the limited cash resources of the Group which delayed the deployment of new production line for manufacturing and marketing sparkling mineral water and forbade the Bottling Plant from implementing effective marketing activities to strengthen the awareness of its brand name; and (b) the slowed down of operational activities of the Bottling Plant in the course of the transitional period to new management. The Group determined the recoverable amount of CGU for extraction and bottling of mineral water based on value in use calculation taking into account the deferment of the production of the sparkling water by one year as compared to the calculation made as at 31 December 2013. The calculation used cash flow projection based on financial budgets and production forecast as prepared by management covering a 12-year period. The CGU's cash flows beyond the 5-year period were extrapolated using a steady average growth rate of 3.3%. This growth rate was based on the relevant industry growth forecast and did not exceed the average long-term growth rate for the relevant industry. The discount rate applied to the cash flows projection was 29.16%. The discount rate used was pre-tax and reflected specific risks relating to the relevant segment including but not limited to the decrease of market rate and industrial bottling water risk. With reference to the valuation performed by management as at 30 June 2014, the Directors determined that an impairment loss of E&E Assets amounting HK\$52,812,500 had been recognised and included in other operating expenses in the unaudited condensed consolidated income statement for the six months ended 30 June 2014 (six months ended 30 June 2013: nil).

於二零一四年六月三十日，管理層進行定期審閱，發現裝瓶廠於截至二零一四年六月三十日止六個月所產生的收入大幅低於原先預測的全年收入，此乃按先前於二零一三年年底的可用數據、資料、銷售目標及營銷策略作出估計。有關差異主要歸因於：(a) 本集團現金資源緊絀，令製造及營銷有氣礦泉水的新生產線延遲配置，並阻礙裝瓶廠進行有效營銷活動以加強其品牌的知名度；及(b) 裝瓶廠於過渡至新管理層的期間內減少經營活動。經計及較於二零一三年十二月三十一日進行的計算延遲一年生產有氣水，本集團按使用價值計算方法就抽取及生產瓶裝礦泉水釐定現金產生單位的可收回金額。該計算方法採用基於管理層編製的財政預算及產量預測，並涉及12年期的現金流量預測。5年期後現金產生單位的現金流量乃按3.3%的穩定平均增長率推算。此增長率乃按照相關行業增長預測釐定，且並無超出相關行業的平均長期增長率。應用於現金流量預測的貼現率為29.16%。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險，包括但不限於市場利率下跌以及工業裝瓶水風險。經參考管理層於二零一四年六月三十日進行的估值後，董事確定已確認勘探及評估資產的減值虧損52,812,500港元，並計入截至二零一四年六月三十日止六個月的未經審核簡明綜合收益表中其他經營開支(截至二零一三年六月三十日止六個月：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operations in Indonesia

On 3 April 2014, the Company completed the disposal of its subsidiary, CVM International Limited (“**CVMIL**”). As a result of the completion, the Company no longer holds any equity interests in CVMIL. Details of which were set out in the Company’s announcement dated 3 April 2014.

The remaining investment of the Company in Indonesia is the exploration of manganese resources in Yogyakarta Province.

PT. Laksbang Mediatama (“**PTLM**”), an indirectly non-wholly owned subsidiary of the Company, had been granted a production operation mining permit (“**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 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 provided a status update in its Annual Report for the financial year ended 31 December 2013 whereby the exploration activities had ceased due to conflicts between the directors of PTLM and the legal representative of PTLM. According to the legal requirements in Indonesia, the legal representative of PTLM is responsible for its daily operations and exploration activities. However, having made all reasonable enquiries, the board of Directors (the “**Board**”) found that the legal representative of PTLM could no longer be contactable. This caused the suspension in the daily operations of PTLM including its exploration project.

In order to resolve such conflicts, the Company had decided that the members of the board of directors of PTLM shall be renominated and re-elected according to the relevant legal requirements in Indonesia. In view thereof, the Company will replace the legal representative of PTLM to restart the daily operation and exploration activities of PTLM.

印尼業務

於二零一四年四月三日，本公司完成出售其附屬公司 CVM International Limited (「**CVMIL**」)。於完成後，本公司不再持有 CVMIL 任何股本權益。有關詳情載於本公司日期為二零一四年四月三日的公告。

本公司於印尼的餘下投資為於 Yogyakarta 省勘探錳資源。

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，包括於礦區興建、採礦、選礦及精煉或冶煉以及運輸及銷售錳。該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。

本公司已在其截至二零一三年十二月三十一日止財政年度之年報中更新事態發展，其中，由於 PTLM 之董事與 PTLM 之法律代表曾有分歧，以致勘探活動經已停止。根據印尼之法律規定，PTLM 之法律代表負責 PTLM 之日常營運及勘探活動。然而，董事會 (「**董事會**」) 經作出一切合理查詢後，發現已無法聯絡 PTLM 之法律代表。此情況導致包括勘探項目在內之 PTLM 日常營運被迫暫停。

為化解有關分歧，本公司已決定根據印尼相關法律規定重新提名及重選 PTLM 的董事會成員。就此，本公司將更換 PTLM 的法律代表以恢復 PTLM 的日常營運及勘探活動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PTLM had called for two extraordinary general meetings for this purpose of appointing new directors and legal representative to PTLM board of directors. However, due to the lack of quorum, these meetings had to be adjourned without any decisions being made. PTLM had applied to the Court in Yogyakarta for a court ruling on the appointment of these nominated directors and two hearings had occurred. The Group was unable to re-nominate a replacement until the court in Indonesia makes its decision in the third hearing which was originally scheduled on 7 August 2014 but was postponed to 28 August 2014 and was further postponed to 30 September 2014.

As a result of the postponement of the third hearing which further delayed any revenue generating from the mining activities in the area, the estimated future cash inflow derived from the exploration activities of PTLM deferred. The Group determined the recoverable amount of CGU for PTLM based on value in use calculation as at 30 June 2014. The calculation used cash flow projection based on financial budgets and production forecast as prepared by management of the Company covering a 16-year period taking into account the manganese ore prices (including Indonesian local and export prices), government tariff, production cost, transport cost, grading, estimated manganese ore life, manganese ore reserve, daily manganese ore processed, total manganese ore output, annual manganese ore mined, discount rate and recovery rate. The cash flows were in zero growth rate. The discount rate applied to the cash flow projection was 21.12%. The discount rate used was pre-tax and reflected specific risks relating to the relevant segment. Taking into consideration the uncertainties mentioned above and making reference to the valuation performed by management as at 30 June 2014, the Directors determined that an impairment loss of E&E Assets amounting HK\$18,650,597 had been recognised and included in other operating expenses in the condensed consolidated income statement for the six months ended 30 June 2014 (six months ended 30 June 2013: nil).

Capital Raising Exercise

The Company and each of the unsecured lenders (“**Lenders**”) had on 21 March 2014 entered into conditional capitalisation agreements (“**Capitalisation Agreements**”) respectively in relation to, among others, the set-off of each of the Lenders’ outstanding sum (“**Outstanding Sum**”) by way of (i) the issue and allotment of the capitalisation shares (“**Capitalisation Shares**”); and (ii) the issue of convertible preference shares (“**CPS**”) and waive all its rights in the unpaid interest accrued to the loan with effect from 1 January 2014.

PTLM曾就PTLM董事會委任新董事及法律代表要求召開兩次股東特別大會。然而，由於會議法定人數不足，此等會議須延期舉行，且無法達成任何決定。PTLM已就委任此等獲提名董事而向Yogyakarta省法院申請法院裁決，並已舉行兩次聽證會。本集團無法重新提名替任人士，直至印尼法院在第三次聽證會作出裁決為止，而第三次聽證會原定於二零一四年八月七日舉行，但已延期至二零一四年八月二十八日，並進一步延期至二零一四年九月三十日。

由於第三次聽證會延期，進一步推遲該區採礦活動所產生的任何收入，亦因此推遲PTLM的勘探活動所產生的估計未來現金流入。於二零一四年六月三十日，本集團按使用價值計算方法就PTLM釐定現金產生單位的可收回金額。該計算方法採用基於本公司管理層編製的財政預算及產量預測，並涉及16年期的現金流量預測，經計及錳礦價格(包括印尼本地及出口價格)、政府關稅、生產成本、運輸成本、品位、估計錳礦壽命、錳礦儲量、每日處理錳礦數量、總錳礦產量、每年開採錳礦數量、貼現率及回收率。現金流量乃按零增長率推算。應用於現金流量預測的貼現率為21.12%。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。董事經考慮上文所述的不明朗因素，並參考管理層於二零一四年六月三十日進行的估值後，確定已確認勘探及評估資產的減值虧損18,650,597港元，並計入截至二零一四年六月三十日止六個月的簡明綜合收益表中其他經營開支(截至二零一三年六月三十日止六個月：無)。

集資活動

於二零一四年三月二十一日，本公司與各名無抵押貸款人(「**貸款人**」)分別訂立有條件資本化協議(「**資本化協議**」)，內容有關(其中包括)透過(i)發行及配發資本化股份(「**資本化股份**」)；及(ii)發行可轉換優先股(「**可轉換優先股**」)的方式抵銷各名貸款人的未償還款項(「**未償還款項**」)，並自二零一四年一月一日起豁免其於貸款累計的未支付利息的所有權利。

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The Capitalisation Agreements and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Capitalisation Shares and the issue of the CPS shall be subject to, among others, the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) which was held on 18 July 2014 and the Shareholders had approved the resolution.

The Company announced that completion of the capitalisation of the Outstanding Sum has taken place on 14 August 2014 in accordance with the terms and conditions of the Capitalisation Agreements and an aggregate of 565,631,172 Capitalisation Shares and an aggregate of 565,631,177 CPS have been allotted and issued to the respective Lenders accordingly.

The Company had announced on 30 July 2014 that the Company had completed the placing of up to 321,636,000 new shares pursuant to which the Company had allotted and issued the placing shares to Bright New Global Limited (“**Bright New Global**”) at HK\$0.15 per placing share (“**Share Placing**”). Bright New Global and its ultimate beneficial owner are independent third party. The net proceeds after all relevant expenses of approximately HK\$47,600,000 will be used for general working capital of the Group. Details of which are set out in the Company’s announcements dated 8 July, 24 July and 30 July 2014.

Outlook

The Smelter’s past marketing efforts in promoting our magnesium ingots has been successful which resulted in better revenue recorded in this first half of the year as compared to the same period of the previous year. We will continue intensifying the Smelter’s 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 margin 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. 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. Preparation work is underway and it is estimated to commence to develop the production line by next year.

資本化協議及據此擬進行的交易(包括但不限於發行及配發資本化股份以及發行可轉換優先股)須待(其中包括)本公司股東(「**股東**」)於二零一四年七月十八日舉行的股東特別大會(「**股東特別大會**」)上批准,而股東已批准有關議案。

本公司宣佈,本公司已於二零一四年八月十四日根據資本化協議之條款及條件完成未償還款項資本化,並已相應地向各貸款人配發及發行合共565,631,172股資本化股份及合共565,631,177股可轉換優先股。

本公司於二零一四年七月三十日宣佈,本公司已完成配售最多321,636,000股新股份之配售事項,據此,本公司已按每股配售股份0.15港元向創新環球有限公司(「**創新環球**」)配發及發行配售股份(「**股份配售**」)。創新環球及其最終實益擁有人均為獨立第三方。經扣除所有相關開支後,所得款項淨額約47,600,000港元將用作本集團之一般營運資金。有關詳情載於本公司日期為二零一四年七月八日、七月二十四日及七月三十日之公告。

展望

冶煉廠過去推廣鎂錠的營銷工作相當成功,與去年同期相比,本集團於本年度上半年錄得更高收入。於本財政年度下半年,本集團將繼續加強冶煉廠的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選礦方法的研發工作。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。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。籌備工作正在進行,預計將於明年前開始發展該生產線。

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In respect to PTLM, the Company hopes to resolve the issue of the absence of legal representative after the court in Indonesia makes a ruling at the third hearing. Once a new legal representative is appointed, the Company will mobilise its team to continue the exploration programme from where it has left off.

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.

Events After Reporting Period

1. Pursuant to the Company's announcement dated 8 July and 24 July 2014 in relation to the Share Placing, all conditions of the Share Placing have been fulfilled and the Share Placing was completed on 30 July 2014. The Company has allotted and issued 321,636,000 placing shares to Bright New Global at HK\$0.15 per placing share. Bright New Global and its ultimate beneficial owner are independent third party.
2. Subsequent to the passing of a special resolution in relation to the proposed change of company name by the Shareholders at the extraordinary general meeting held on 18 July 2014, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies of Hong Kong Special Administrative Region on 1 August 2014, certifying that the change of name of the Company from "CVM Minerals Limited 南亞礦業有限公司" to "Ding He Mining Holdings Limited 鼎和礦業控股有限公司".
3. In respect of the Company's circular dated 24 June 2014 in relation to, among others, the capitalisation of the Outstanding Sum into Capitalisation Shares and CPS in accordance with the terms of the Capitalisation Agreements, the Company announced that completion of the capitalisation of the Outstanding Sum has taken place on 14 August 2014 in accordance with the terms and conditions of the Capitalisation Agreements and an aggregate of 565,631,172 Capitalisation Shares and an aggregate of 565,631,177 CPS have been allotted and issued to the respective Lenders accordingly.

就PTLM而言，本公司期望於印尼法院在第三次聽證會作出裁決後解決並無法律代表的問題。一旦委任新法律代表，本公司將調動其團隊在該地繼續勘探計劃。

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

報告期後事項

1. 根據本公司日期為二零一四年七月八日及七月二十四日有關股份配售之公告，股份配售之所有條件已獲達成，而股份配售已於二零一四年七月三十日完成。本公司已按每股配售股份0.15港元向創新環球配發及發行321,636,000股配售股份。創新環球及其最終實益擁有人均為獨立第三方。
2. 繼股東於二零一四年七月十八日舉行之股東特別大會上通過有關建議更改公司名稱之特別決議案後，香港特別行政區公司註冊處處長於二零一四年八月一日發出公司更改名稱註冊證書，證明本公司名稱由「CVM Minerals Limited 南亞礦業有限公司」更改為「Ding He Mining Holdings Limited 鼎和礦業控股有限公司」。
3. 就本公司日期為二零一四年六月二十四日之通函(內容有關(其中包括)根據資本化協議之條款將未償還款項資本化為資本化股份及可轉換優先股)而言，本公司宣佈，本公司已於二零一四年八月十四日根據資本化協議之條款及條件完成未償還款項資本化，並已相應地向各貸款人配發及發行合共565,631,172股資本化股份及合共565,631,177股可轉換優先股。

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FINANCIAL REVIEW

Turnover and Other Revenue

The Group's turnover for the six months ended 30 June 2014 was HK\$27,826,125 (six months ended 30 June 2013: HK\$9,712,386). The Group received interest income of HK\$3,308 from money deposited with approved financial institutions and rental income of HK\$28,555 from leasing of drilling machines for the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$5,744 and nil respectively). The Group also recorded sundry income of HK\$62,286 (six months ended 30 June 2013: HK\$91,732).

Cost of Sales

The cost of sales for the six months ended 30 June 2014 amounted to HK\$36,688,912 (six months ended 30 June 2013: HK\$23,591,372) which mainly includes staff costs, depreciation and amortisation. The increase in the cost of sales is mainly due to the increase in all components of the cost of sales as a result of higher volume of operations at the Smelter.

Administrative Expenses

The administrative expenses decreased by 14.9% to approximately HK\$12,730,000 in the first half of 2014 from approximately HK\$14,950,000 in the same period of 2013. This was mainly due to effective cost cutting measures carried out in the first half of this year.

Exploration, Development and Mining Production Activities

Geological exploration

As at 30 June 2014, the Group has no more exploration rights (30 June 2013: 4 exploration rights covering an area of approximately 23,985 hectares) in Aceh Province, Indonesia after disposing of the Company's entire equity interest in its subsidiary, CVMIL.

The Group has 1 production operation mining permit right for manganese covering an area of approximately 195 hectares in Yogyakarta Province, Indonesia.

During the six months ended 30 June 2014, the Group's geological exploration expenditure amounted to nil (six months ended 30 June 2013: HK\$80,738).

財務回顧

營業額及其他收入

本集團截至二零一四年六月三十日止六個月的營業額為27,826,125港元(截至二零一三年六月三十日止六個月: 9,712,386港元)。截至二零一四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3,308港元及就租賃鑽探機收取租金收入28,555港元(截至二零一三年六月三十日止六個月: 分別為5,744港元及無)。本集團亦錄得雜項收入62,286港元(截至二零一三年六月三十日止六個月: 91,732港元)。

銷售成本

截至二零一四年六月三十日止六個月的銷售成本為36,688,912港元(截至二零一三年六月三十日止六個月: 23,591,372港元), 主要包括員工成本、折舊及攤銷。銷售成本增加主要由於銷售成本全部組成部份因冶煉廠運作量增加而有所增加所致。

行政開支

行政開支由二零一三年上半年約14,950,000港元減少14.9%至二零一四年同期約12,730,000港元, 主要由於本年度上半年的成本削減措施行之有效所致。

勘探、發展及礦務生產活動

地質勘探

於二零一四年六月三十日, 本集團於出售本公司於其附屬公司CVMIL的全部股本權益後, 在印尼亞齊省再無任何勘探權(二零一三年六月三十日: 四個覆蓋範圍約23,985公頃的勘探權)。

本集團擁有一個覆蓋印尼Yogyakarta省約195公頃範圍的錳生產經營開採許可證。

截至二零一四年六月三十日止六個月, 本集團的地質勘探支出為零(截至二零一三年六月三十日止六個月: 80,738港元)。

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Mining of dolomite

As at 30 June 2014, the Group did not extract any dolomite from the Dolomite Land. Hence, the accumulated dolomite extracted up to 30 June 2014 remained at 19,970 MT (up to 30 June 2013: 19,970 MT).

The expenditure incurred on dolomite mining production activities, which was mainly minimum royalty payment, for the six months ended 30 June 2014 was approximately HK\$477,200 (six months ended 30 June 2013: approximately HK\$499,621).

There were no new contracts and commitments entered into during the financial period ended 30 June 2014 other than those that were disclosed in the Annual Report 2013.

Iron ore, coal and manganese

As the Group has disposed of its subsidiary, CVMIL, during the financial period under review, there were no development or mining production activities in respect of iron ore and coal minerals.

There were also no development or mining production activities in respect of manganese minerals in the six months ended 30 June 2014 due to the absence of the legal representative in the operation office in Indonesia. The expenditure incurred on these activities was therefore nil (six months ended 30 June 2013: nil).

There were no new contracts and commitments entered into during the financial period ended 30 June 2014 (six months ended 30 June 2013: nil).

開採白雲石

於二零一四年六月三十日，本集團概無從白雲石地塊開採任何白雲石。因此，截至二零一四年六月三十日，累計白雲石輸出維持19,970公噸(截至二零一三年六月三十日：19,970公噸)。

截至二零一四年六月三十日止六個月，白雲石礦務生產活動產生的支出(主要為最低專利權費)約為477,200港元(截至二零一三年六月三十日止六個月：約499,621港元)。

除二零一三年年報披露者外，本公司於截至二零一四年六月三十日止財政期間內概無訂立新合約及承擔。

鐵礦石、煤炭及錳

由於本集團已於財政回顧期出售其附屬公司CVMIL，故並無就鐵礦石及煤炭礦物進行任何開發或礦務生產活動。

截至二零一四年六月三十日止六個月，由於印尼辦事處並無法律代表，故亦無就錳礦物進行任何開發或礦務生產活動。因此，用於此等活動的支出為無(截至二零一三年六月三十日止六個月：無)。

本公司於截至二零一四年六月三十日止財政期間內概無訂立新合約及承擔(截至二零一三年六月三十日止六個月：無)。

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Estimated Proved Reserves

The updated mineral reserves of the Group as at 30 June 2014 and 31 December 2013 were as follows:

估計探明儲量

本集團於二零一四年六月三十日及二零一三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 JORC standard (metric tonnes) as at 30 June 2014 proved 二零一四年 六月三十日 JORC 規則識別之 儲量(公噸) 探明	Reserves identified by JORC standard (metric tonnes) as at 31 December 2013 proved 二零一三年 十二月三十一日 JORC 規則識別之 儲量(公噸) 探明
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⁾	N/A 不適用	Under exploration 勘探中
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 ⁽²⁾ 10,000公頃 ⁽²⁾	N/A 不適用	Under exploration 勘探中

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Minerals 礦產	Location 位置	Total area 總面積	Reserves identified by JORC standard (metric tonnes) as at 30 June 2014 proved 二零一四年 六月三十日 JORC 規則識別之 儲量(公噸) 探明	Reserves identified by JORC standard (metric tonnes) as at 31 December 2013 proved 二零一三年 十二月三十一日 JORC 規則識別之 儲量(公噸) 探明
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 ⁽²⁾ 9,825 公頃 ⁽²⁾	N/A 不適用	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 ⁽²⁾ 3,710 公頃 ⁽²⁾	N/A 不適用	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

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Notes:

- (1) The average % of Magnesium Oxide ("MgO") and Magnesium ("Mg") are as follows:

South Hill
南山

Average % of MgO
MgO 所佔平均百分比

Average % of Mg
Mg 所佔平均百分比

North Hill
北山

Average % of MgO
MgO 所佔平均百分比

Average % of Mg
Mg 所佔平均百分比

- (2) CVMIL, the holding company which holds equity interest in the subsidiaries which owns the four exploration rights located in Aceh Province, Indonesia has been disposed on 3 April 2014. In view thereof, the data above is no longer applicable.

附註：

- (1) 氧化鎂(「MgO」)及鎂(「Mg」)所佔平均百分比如下：

Above Ground
地上

Below Ground (30 metres depth)
地下(30米深)

19.17%

18.59%

11.50%

11.15%

Above Ground
地上

Below Ground (30 metres depth)
地下(30米深)

20.06%

19.10%

12.04%

11.46%

- (2) 持有擁有四個位於印尼亞齊省勘探權的附屬公司的股本權益的控股公司CVMIL已於二零一四年四月三日獲出售。有鑑於此，上述數據不再適用。

Net Foreign Exchange Gains

During the period under review, the net gains of HK\$63,152 (six months ended 30 June 2013: HK\$121,927) on foreign exchange mainly represented the net realised gains on sales receipts net off against payments to suppliers and creditors in Malaysia and Indonesia.

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 2014.

Finance Costs

The Group's finance costs mainly consisted of effective interest of approximately HK\$9,950,000 (six months ended 30 June 2013: approximately HK\$5,740,000) for convertible bonds issued by the Company, no interest expense on loans from third party (six months ended 30 June 2013: approximately HK\$11,940,000) and interest on the Group's bank loans of approximately HK\$17,750,000 (six months ended 30 June 2013: approximately HK\$18,750,000).

外匯收益淨額

於回顧期內，外匯收益淨額63,152港元(截至二零一三年六月三十日止六個月：121,927港元)主要指本集團銷售款項的已變現收益淨額抵銷支付予馬來西亞及印尼供應商及債權人的款項。

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)為單位的買賣所帶來的外匯風險。於截至二零一四年六月三十日止六個月，本集團並無使用任何金融工具作任何對沖用途。

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9,950,000港元(截至二零一三年六月三十日止六個月：約5,740,000港元)、並無來自第三方貸款的利息開支(截至二零一三年六月三十日止六個月：約11,940,000港元)及本集團銀行貸款的利息約17,750,000港元(截至二零一三年六月三十日止六個月：約18,750,000港元)。

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Loss Before Taxation

The Group incurred a loss before taxation of approximately HK\$254,460,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: approximately HK\$68,630,000) mainly as a result of loss from operations of approximately HK\$13,560,000 (six months ended 30 June 2013: approximately HK\$31,910,000), finance costs of approximately HK\$28,510,000 (six months ended 30 June 2013: approximately HK\$36,720,000) and other operating expenses (i.e. impairment losses on exploration and evaluation assets, interest in leasehold land and property, plant and equipment) of approximately HK\$212,400,000 (six months ended 30 June 2013: nil).

Loss from operations decreased by HK\$18,350,000 as compared to the same period in the previous year mainly due to higher sales achieved, thus reducing gross loss incurred, lower administrative expenses incurred and a one-off gain from the disposal of a wholly owned subsidiary.

Finance costs decreased by approximately HK\$8,210,000 in the six months ended 30 June 2014 to approximately HK\$28,510,000 as compared to the same period of last year mainly due to the capitalisation of loan interest on third party loans.

Loss per Share

The loss per share for the six months ended 30 June 2014 increased to 13.12 HK cents (six months ended 30 June 2013 (restated): 5.19 HK cents) as the loss attributable to owners of the Company increased to approximately HK\$211,060,000 from approximately HK\$68,030,000 incurred for the same period of last year mainly due to impairment losses made on E&E Assets and PPE.

除稅前虧損

本集團於截至二零一四年六月三十日止六個月產生除稅前虧損約254,460,000港元(截至二零一三年六月三十日止六個月:約68,630,000港元),主要由於產生經營虧損約13,560,000港元(截至二零一三年六月三十日止六個月:約31,910,000港元)、融資成本約28,510,000港元(截至二零一三年六月三十日止六個月:約36,720,000港元)及其他經營開支(即勘探及評估資產、租賃土地權益以及物業、廠房及設備的減值虧損)約212,400,000港元(截至二零一三年六月三十日止六個月:無)所致。

經營虧損較去年同期減少18,350,000港元,主要由於銷售額增加導致所產生毛損減少、所產生行政開支減少及出售全資附屬公司產生的一次性收益所致。

融資成本由去年同期減少約8,210,000港元至截至二零一四年六月三十日止六個月約28,510,000港元,主要由於資本化第三方貸款的貸款利息所致。

每股虧損

由於本公司擁有人應佔虧損由去年同期約68,030,000港元增加至約211,060,000港元,故截至二零一四年六月三十日止六個月的每股虧損增加至13.12港仙(截至二零一三年六月三十日止六個月(經重列):5.19港仙),主要由於勘探及評估資產及物業、廠房及設備錄得減值虧損所致。

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Liquidity and Financial Resources

Net current liabilities of the Group stood at approximately HK\$775,330,000 as at 30 June 2014 (31 December 2013: approximately HK\$695,960,000). Included in current liabilities were secured bank loans and finance lease creditors of approximately HK\$414,240,000 (31 December 2013: approximately HK\$406,750,000). These bank loans from Bank Kerjasama Rakyat Malaysia Berhad (“**Bank Rakyat**”) bears an interest rate of 8.6% p.a. as at 30 June 2014 (31 December 2013: 8.6% p.a.) based on the floating rate of Bank Rakyat’s base financing rate plus 2% p.a. The Group had a gearing ratio of approximately negative 1.40 times (which is calculated on the basis of total finance leases, interest bearing borrowings and convertible bonds over total equity attributable to owners of the Company) as at 30 June 2014 (31 December 2013: negative 2.50 times).

The Group’s bank and cash balances as at 30 June 2014 was approximately HK\$3,250,000 (31 December 2013: approximately HK\$423,000). The Group’s prepayments, deposits and other receivables amounted to approximately HK\$5,120,000 (31 December 2013: approximately HK\$10,860,000).

Total equity attributable to owners of the Company was a negative of approximately HK\$467,720,000 as at 30 June 2014 which increased from HK\$256,040,000 as at 31 December 2013 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;
- (ii) Pursuant to the Company’s announcement dated 8 July and 24 July 2014 in relation to the Share Placing, all conditions of the Share Placing have been fulfilled and the Share Placing was completed on 30 July 2014. The Company has allotted and issued 321,636,000 placing shares to Bright New Global at HK\$0.15 per placing share. Bright New Global and its ultimate beneficial owner are independent third party;

流動資金及財務資源

於二零一四年六月三十日，本集團的流動負債淨額約為775,330,000港元(二零一三年十二月三十一日：約695,960,000港元)。流動負債包括有抵押銀行貸款及融資租賃債項約414,240,000港元(二零一三年十二月三十一日：約406,750,000港元)。於二零一四年六月三十日，此等由Bank Kerjasama Rakyat Malaysia Berhad (「**Bank Rakyat**」)提供的銀行貸款年利率為8.6%(二零一三年十二月三十一日：8.6%)，即Bank Rakyat的基本融資利率加2%的浮動年利率。本集團於二零一四年六月三十日的資產負債比率約為負1.40倍(按融資租賃、計息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)(二零一三年十二月三十一日：負2.50倍)。

於二零一四年六月三十日，本集團的銀行及現金結餘約為3,250,000港元(二零一三年十二月三十一日：約423,000港元)。本集團的預付款項、按金及其他應收款項約為5,120,000港元(二零一三年十二月三十一日：約10,860,000港元)。

本公司擁有人應佔權益總額由二零一三年十二月三十一日的256,040,000港元跌至於二零一四年六月三十日的負數約467,720,000港元，主要由於過往年度累計的巨額虧損超出股份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；
- (ii) 根據本公司日期為二零一四年七月八日及七月二十四日有關股份配售之公告，股份配售之所有條件已獲達成，而股份配售已於二零一四年七月三十日完成。本公司已按每股配售股份0.15港元向創新環球配發及發行321,636,000股配售股份。創新環球及其最終實益擁有人均為獨立第三方；

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- (iii) In respect to the Company's circular dated 24 June 2014 in relation to, among others, the capitalisation of the Outstanding Sum into Capitalisation Shares and CPS in accordance with the terms of the Capitalisation Agreements, the Company announced that completion of the capitalisation of the Outstanding Sum has taken place on 14 August 2014 in accordance with the terms and conditions of the Capitalisation Agreements and an aggregate of 565,631,172 Capitalisation Shares and an aggregate of 565,631,177 CPS have been allotted and issued to the respective Lenders accordingly; and
- (iv) The Group is seeking investors or strategic partners for the Group's project in Indonesia.
- (iii) 就本公司日期為二零一四年六月二十四日之通函(內容有關(其中包括)根據資本化協議之條款將未償還款項資本化為資本化股份及可轉換優先股)而言,本公司宣佈,本公司已於二零一四年八月十四日根據資本化協議之條款及條件完成未償還款項資本化,並已相應地向各貸款人發行及配發合共565,631,172股資本化股份及合共565,631,177股可轉換優先股;及
- (iv) 本集團正就其在印尼的項目物色投資者或策略夥伴。

Capital Expenditure

The carrying amount of the Group's PPE as at 30 June 2014 had decreased by 33.41% to approximately HK\$279,420,000 (31 December 2013: approximately HK\$419,610,000) mainly due to impairment losses of PPE, depreciation and amortisation charges incurred during the six months ended 30 June 2014.

Charge on Assets

The bank loans are granted to the Group's wholly owned subsidiary, 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;
- (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;

資本開支

於二零一四年六月三十日,本集團物業、廠房及設備的賬面值減少33.41%至約279,420,000港元(二零一三年十二月三十一日:約419,610,000港元),此乃主要由於截至二零一四年六月三十日止六個月錄得物業、廠房及設備的減值虧損、折舊及攤銷開支所致。

資產抵押

批予本集團全資附屬公司CVMSB的銀行貸款按以下方式擔保:

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(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.

(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。

Human Resources

As at 30 June 2014, the Group had a total of approximately 104 employees (31 December 2013: 148 employees). Total staff costs (including Directors' remuneration) for the six months ended 30 June 2014 were approximately HK\$4,540,000 (six months ended 30 June 2013: HK\$6,540,000) representing approximately 9.19% (six months ended 30 June 2013: 16.97%) 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.

Capital Commitments and Contingent Liabilities

As at 30 June 2014, the Company has issued corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HK\$444,926,000) (31 December 2013: approximately RM184,600,000 (equivalent to approximately HK\$436,987,000)) to a bank in respect of bank loan facilities granted to CVMSB.

The Directors 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 2014 under the corporate guarantees issued is approximately RM172,600,000 (equivalent to approximately HK\$416,004,000) (31 December 2013: RM172,600,000 (equivalent to approximately HK\$405,581,000)).

In addition, as at 30 June 2014, the Company has issued corporate guarantees totalling RM850,000 (equivalent to approximately HK\$2,049,000) (31 December 2013: RM850,000 (equivalent to approximately HK\$2,012,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

人力資源

於二零一四年六月三十日，本集團共有僱員約104名（二零一三年十二月三十一日：148名）。截至二零一四年六月三十日止六個月的員工成本總額（包括董事酬金）約為4,540,000港元（截至二零一三年六月三十日止六個月：6,540,000港元），佔本集團總銷售成本及行政開支約9.19%（截至二零一三年六月三十日止六個月：16.97%）。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。

資本承擔及或然負債

於二零一四年六月三十日，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 444,926,000 港元）（二零一三年十二月三十一日：約 184,600,000 馬幣（相當於約 436,987,000 港元））。

董事認為，本公司不大可能因公司擔保而遭索償。本公司於二零一四年六月三十日發出公司擔保的最高負債約為 172,600,000 馬幣（相當於約 416,004,000 港元）（二零一三年十二月三十一日：172,600,000 馬幣（相當於約 405,581,000 港元））。

此外，於二零一四年六月三十日，本公司已就 CVMSB 購買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 2,049,000 港元）（二零一三年十二月三十一日：850,000 馬幣（相當於約 2,012,000 港元））。

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As at 30 June 2014, the Company has issued corporate guarantees totalling RM159,160 (equivalent to approximately HK\$384,000) (31 December 2013: RM222,768 (equivalent to approximately HK\$530,000)) 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 2014 and the year ended 31 December 2013.

於二零一四年六月三十日，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159,160馬幣(相當於約384,000港元)(二零一三年十二月三十一日：222,768馬幣(相當於約530,000港元))。

截至二零一四年六月三十日止六個月及截至二零一三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

			Six months ended 30 June 截至六月三十日止六個月	
			2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
		Note 附註		
Turnover	營業額	4	27,826,125	9,712,386
Cost of sales	銷售成本		(36,688,912)	(23,591,372)
Gross loss	毛損		(8,862,787)	(13,878,986)
Other revenue	其他收入	5	94,149	189,540
Other net gains	其他收益淨額	6	10,535,086	121,927
Selling and distribution expenses	出售及分銷開支		(2,597,115)	(3,391,337)
Administrative expenses	行政開支		(12,725,009)	(14,951,508)
Loss from operations	經營虧損		(13,555,676)	(31,910,364)
Finance costs	融資成本	7(a)	(28,506,883)	(36,715,458)
Other operating expenses	其他經營開支	7(c)	(212,395,737)	–
Loss before taxation	除稅前虧損	7	(254,458,296)	(68,625,822)
Income tax credit	所得稅抵免	8	16,095,610	–
Loss for the period	本期虧損		(238,362,686)	(68,625,822)
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		(211,062,184)	(68,027,324)
Non-controlling interests	非控股權益		(27,300,502)	(598,498)
Loss for the period	本期虧損		(238,362,686)	(68,625,822)
Loss per share	每股虧損			
Basic and diluted	基本及攤薄	9	(13.12 cents 仙)	(5.19 cents 仙) (restated) (經重列)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年	2013 二零一三年
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
	Note 附註		
Loss for the period		(238,362,686)	(68,625,822)
Other comprehensive loss for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax		362,343	(279,839)
Reclassification of other comprehensive income upon disposal of subsidiaries (exchange differences included in exchange reserve)	26	(1,522,118)	-
		(1,159,775)	(279,839)
Total comprehensive loss for the period		(239,522,461)	(68,905,661)
Attributable to:			
Owners of the Company		(211,683,405)	(68,655,012)
Non-controlling interests		(27,839,056)	(250,649)
Total comprehensive loss for the period		(239,522,461)	(68,905,661)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 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	273,695,367	410,903,897
— Property, plant and equipment	— 物業、廠房及設備			
— Interests in leasehold land held for own use under operating leases	— 根據經營租賃持作自用租賃土地權益		5,727,228	8,710,104
Goodwill	商譽	13	—	—
Exploration and evaluation assets	勘探及評估資產	14	80,341,000	151,770,300
Mining deposit	採礦按金		216,920	213,049
			359,980,515	571,597,350
Current assets	流動資產			
Inventories	存貨	15	7,834,762	5,388,773
Trade receivables	應收賬款	16	2,273,474	434,787
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	17	5,116,000	10,860,759
Amount due from a related party	應收一名關連方款項	21	—	9,476
Pledged deposit	質押存款	18	2,933	2,968
Cash and cash equivalents	現金及現金等價物		3,253,104	423,524
			18,480,273	17,120,287
Assets classified as held for sale	分類為持作待售資產		—	340,070
			18,480,273	17,460,357
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	19	119,418,793	110,430,866
Obligations under finance leases	融資租賃承擔	20	324,026	413,972
Amount due to a director	應付一名董事款項	21	280,000	628,790
Amounts due to related parties	應付關連方款項	21	31,786,143	6,341,020
Convertible bonds	可換股債券	24	77,898,200	36,080,198
Bank loans — secured	有抵押銀行貸款	22	413,915,565	406,331,729
Unsecured loans from third parties	來自第三方無抵押貸款	23	150,000,000	150,000,000
Tax payable	應付稅項		184,864	372,501
			793,807,591	710,599,076
Liabilities associated with assets classified as held for sale	與分類為持作待售資產相關的負債		—	2,819,092
			793,807,591	713,418,168
Net current liabilities	流動負債淨額		(775,327,318)	(695,957,811)
Total assets less current liabilities	總資產減流動負債		(415,346,803)	(124,360,461)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	
		Note 附註	HK\$ 港元 (Unaudited) (未經審核)	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	438,677	596,532
Convertible bonds	可換股債券	24	11,275,479	47,564,590
Deferred tax liabilities	遞延稅項負債		15,781,100	32,061,574
			<u>27,495,256</u>	<u>80,222,696</u>
Net liabilities	負債淨額		<u>(442,842,059)</u>	<u>(204,583,157)</u>
Capital and reserves	資本及儲備			
Share capital: nominal value	股本：面值		–	160,818,427
Share premium	股份溢價		–	690,145,419
Share capital	股本	25	850,963,846	850,963,846
Other reserves	其他儲備		<u>(1,318,684,118)</u>	<u>(1,107,000,713)</u>
Total equity attributable to owners of the Company	本公司擁有人應佔 權益總額		<u>(467,720,272)</u>	<u>(256,036,867)</u>
Non-controlling interests	非控股權益		24,878,213	51,453,710
Total deficit	虧絀總額		<u>(442,842,059)</u>	<u>(204,583,157)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Exchange reserve	Capital reserve	Convertible bond equity reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		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	非控股權益	權益總額
Note		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
附註		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
At 1 January 2013 (Audited)	於二零一三年一月一日 (經審核)	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 loss for the period	本期其他全面虧損	-	-	(29,190)	-	-	-	-	(29,190)	(250,649)	(279,839)
Total comprehensive loss for the period	本期全面虧損總額	-	-	(29,190)	-	-	-	(68,027,324)	(68,056,514)	(849,147)	(68,905,661)
Conversion of convertible bonds	兌換可換股債券	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
At 1 January 2014 (Audited)	於二零一四年一月一日 (經審核)	160,818,427	690,145,419	30,253,721	1,338,136	29,331,866	30,856,527	(1,198,780,963)	(256,036,867)	51,453,710	(204,583,157)
Changes in equity for the period:	本期權益變動:										
Loss for the period	本期虧損	-	-	-	-	-	-	(211,062,184)	(211,062,184)	(27,300,502)	(238,362,686)
Exchange differences arising on translation of overseas subsidiaries, net of nil tax	換算海外附屬公司所產生的匯兌差異，扣除零稅項	-	-	900,897	-	-	-	-	900,897	(538,554)	362,343
Reclassification of other comprehensive income upon disposal of subsidiaries	出售附屬公司時重新分類其他全面收益	26	-	(1,522,118)	-	-	-	-	(1,522,118)	-	(1,522,118)
Total comprehensive loss for the period	本期全面虧損總額	-	-	(621,221)	-	-	-	(211,062,184)	(211,683,405)	(27,839,056)	(239,522,461)
Disposal of subsidiaries	出售附屬公司	26	-	-	-	-	-	-	-	1,263,559	1,263,559
Transition to no-par value regime on 3 March 2014	於二零一四年三月三日過渡至無面值制度	25(c)	690,145,419	(690,145,419)	-	-	-	-	-	-	-
At 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)	850,963,846	-	29,632,500	1,338,136	29,331,866	30,856,527	(1,409,843,147)	(467,720,272)	24,878,213	(442,842,059)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Note 附註		
Operating activities	經營業務		
Net cash generated from operating activities	經營業務所得現金淨額	20,785,205	13,057,407
Investing activities	投資業務		
Disposal of subsidiaries, net of cash receipt	出售附屬公司(扣除現金收入)	26 7,756,820	-
Payment for purchase of property, plant and equipment	購入物業、廠房及設備付款	12 (6,011,630)	(74,523)
Others	其他	3,397	-
Net cash generated from/(used in) investing activities	投資業務所得/(所用)現金淨額	1,748,587	(74,523)
Financing activities	融資業務		
Capital element of finance lease rentals paid	已付融資租賃租金的資本部份	(258,277)	-
Interest on finance lease rentals paid	已付融資租賃租金的利息	(27,765)	-
Interest paid	已付利息	(19,427,419)	(10,143,830)
Net cash used in financing activities	融資業務所用現金淨額	(19,713,461)	(10,143,830)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	2,820,331	2,839,054
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	430,130	1,081,207
Effect of foreign exchange rate changes	匯率變動之影響	2,643	(29,190)
Cash and cash equivalents at end of the period	期終現金及現金等價物	3,253,104	3,891,071

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

1 COMPANY INFORMATION

Ding He Mining Holdings Limited (formerly known as 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 2014 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 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 (the “**PRC**”).

The condensed consolidated interim financial statements are presented in HK dollars (“**HK\$**”), unless otherwise stated.

The condensed consolidated interim financial statements were approved for issue on 29 August 2014.

The condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The figures in respect of the interim report have been agreed by Baker Tilly Hong Kong Limited (“**Baker Tilly Hong Kong**”), to the amounts set out in the Group’s condensed consolidated interim financial statements for the six months ended 30 June 2014. As the work performed by Baker Tilly Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, Baker Tilly Hong Kong did not express any assurance on the interim report.

1 公司資料

鼎和礦業控股有限公司(前稱CVM Minerals Limited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。本公司於二零一四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**」)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。

除另有說明者外，簡明綜合中期財務報表乃以港元(「**港元**」)呈列。

簡明綜合中期財務報表於二零一四年八月二十九日獲批准刊發。

簡明綜合中期財務報表未經審核。

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。

天職香港會計師事務所有限公司(「**天職香港**」)已將有關中期報告之數字與本集團截至二零一四年六月三十日止六個月的簡明綜合中期財務報表所載數字確認一致。天職香港就此執行的工作並不構成根據香港會計師公會所頒佈的香港核數準則、香港審閱委聘準則或香港核證委聘準則而作出的核證委聘，因此，天職香港並無就中期報告作出任何核證。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

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 2013. 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 (“**HKFRSs**”) issued by the HKICPA, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2013.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except as otherwise disclosed in below notes.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s annual consolidated financial statements for the year ended 31 December 2013.

In preparing the condensed consolidated interim financial statements, the directors of the Company (“**Directors**”) have given careful consideration to the future liquidity and performance of the Group in light of the fact that:

- (i) The Group incurred a loss for the six months ended 30 June 2014 attributable to owners of the Company of HK\$211,062,184 (six months ended 30 June 2013: HK\$68,027,324) and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$775,327,318 (31 December 2013: HK\$695,957,811);

2 簡明綜合中期財務報表的編製基準 (續)

所載特選解釋附註解釋對理解本集團於二零一三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**」)編製完整的年度財務報表所需的一切資料及披露事項，且應與本集團截至二零一三年十二月三十一日止年度的年度綜合財務報表一併閱讀。

除以下附註另有披露者外，簡明綜合中期財務報表乃根據歷史成本法編製。

在編製簡明綜合中期財務報表時，管理層需作出判斷、估計及假設，其將對會計政策的應用以及資產及負債、收入及支出的報告數額構成影響。實際結果可能有別於此等估計數額。

在編製簡明綜合中期財務報表時，管理層在應用本集團會計政策及估計不確定性的主要來源時所作出的重大判斷與本集團截至二零一三年十二月三十一日止年度的年度綜合財務報表所應用者相同。

在編製簡明綜合中期財務報表時，本公司董事(「**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及表現：

- (i) 本集團於截至二零一四年六月三十日止六個月產生本公司擁有人應佔虧損211,062,184港元(截至二零一三年六月三十日止六個月：68,027,324港元)，以及於該日期，本集團流動負債超出流動資產775,327,318港元(二零一三年十二月三十一日：695,957,811港元)；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

- (ii) At 30 June 2014, the Group has cash and cash equivalents of HK\$3,253,104 which is insufficient to settle trade payables of HK\$4,590,576, accrued salaries of HK\$948,305 payables due in the immediate month and certain committed repayment instalments and interests payable of a total of HK\$89,309,168 in the Group's borrowings;
- (iii) As explained in Note 22 to the condensed consolidated interim financial statements, secured bank loans of HK\$413,915,565 (31 December 2013: HK\$406,331,729) will be due immediately if the Group is unable to fulfill the covenants as set out in the respective facilities agreements;
- (iv) As detailed in Note 24 to the condensed consolidated interim financial statements, the principal amount of convertible bonds of HK\$80,000,000 will be matured in or before March 2015;
- (v) As explained in Note 14(a) to the condensed consolidated interim financial statements, the production plant in Malaysia was suspended since the year ended 31 December 2012;
- (vi) As detailed in Note 14(b) to the condensed consolidated interim financial statements, there were no exploration activities conducted in the six months period ended 30 June 2014 for manganese. This was because the Group lost contact with the legal representative of PT. Laksbang Mediatama ("PTLM") in prior years and the re-nomination of the legal representative has not yet been completed. PTLM holds a production operating mining permit for manganese in Indonesia. This brought to a halt to the daily operations and mining activities of PTLM. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM's legal representative.

2 簡明綜合中期財務報表的編製基準 (續)

- (ii) 於二零一四年六月三十日，本集團有現金及現金等價物3,253,104港元，其不足以支付應付賬款4,590,576港元、當月到期應付的應計薪金948,305港元及本集團借款中若干已承擔分期還款連同應付利息合共89,309,168港元；
- (iii) 誠如簡明綜合中期財務報表附註22所解釋，倘本集團未能履行各融資協議所載契諾，有抵押銀行貸款413,915,565港元(二零一三年十二月三十一日：406,331,729港元)將會即時到期；
- (iv) 誠如簡明綜合中期財務報表附註24所詳述，本金額80,000,000港元的可換股債券將於二零一五年三月或之前到期；
- (v) 誠如簡明綜合中期財務報表附註14(a)所解釋，位於馬來西亞的生產廠房已自截至二零一二年十二月三十一日止年度起暫停營運；
- (vi) 誠如簡明綜合中期財務報表附註14(b)所詳述，截至二零一四年六月三十日止六個月期間並無就錳進行勘探活動，此乃由於本集團於過往年度與PT. Laksbang Mediatama(「PTLM」)的法律代表失去聯絡，且尚未完成重新提名法律代表。PTLM持有位於印尼的錳生產經營開採許可證，此令PTLM的日常營運及採礦活動陷入停滯狀態。本集團的業務及未來盈利能力或會因與PTLM的法律代表失去聯絡而受到影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

The Directors of the Company have taken 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) The Company and each of the unsecured lenders ("**Lenders**") had on 21 March 2014 entered into conditional capitalisation agreements ("**Capitalisation Agreements**") respectively in relation to, among others, the set-off of each of the Lenders' outstanding sum ("**Outstanding Sum**") by way of (i) the issue and allotment of the capitalisation shares ("**Capitalisation Shares**"); and (ii) the issue of convertible preference shares ("**CPS**"), and waive all their rights in the unpaid interest accrued to the loan with effect from 1 January 2014.

The Capitalisation Agreements and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Capitalisation Shares and the issue of the CPS should be subject to, among others, the approval of the shareholders at an extraordinary general meeting ("**EGM**") which was held on 18 July 2014 and shareholders had approved the abovesaid resolution. The Company announced that completion of the capitalisation of the Outstanding Sum has taken place on 14 August 2014 in accordance with the terms and conditions of the Capitalisation Agreements and an aggregate of 565,631,172 Capitalisation Shares and an aggregate of 565,631,177 CPS have been allotted and issued to the respective Lenders accordingly;

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) 於二零一四年三月二十一日，本公司與各名無抵押貸款人（「**貸款人**」）分別訂立有條件資本化協議（「**資本化協議**」），內容有關（其中包括）透過(i)發行及配發資本化股份（「**資本化股份**」）；及(ii)發行可轉換優先股（「**可轉換優先股**」）的方式抵銷各名貸款人的未償還款項（「**未償還款項**」），並自二零一四年一月一日起豁免其於貸款累計的未支付利息的所有權利。

資本化協議及據此擬進行的交易（包括但不限於發行及配發資本化股份以及發行可轉換優先股）須待（其中包括）股東於二零一四年七月十八日舉行的股東特別大會（「**股東特別大會**」）上批准，而股東已批准上述決議案。本公司宣佈，本公司已於二零一四年八月十四日根據資本化協議的條款及條件完成未償還款項資本化，並已相應地向各貸款人配發及發行合共565,631,172股資本化股份及合共565,631,177股可轉換優先股；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

- (iii) Subsequent to the end of the reporting period, the Company had announced on 30 July 2014 that the Company had completed a share placement pursuant to which the Company has allotted and issued 321,636,000 placing shares to Bright New Global Limited (“**Bright New Global**”) at HK\$0.15 per placing share. Bright New Global and its ultimate beneficial owner are independent third parties of the Group; and
- (iv) The Group is seeking investors or strategic partners for the Group’s project 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 its indirectly owned subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Sing Lung Mineral Water Co., Limited (“**Long Chuan**”)), and all existing banking facilities will be continuously available for the Group’s use, 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)

- (iii) 於報告期末後，本公司於二零一四年七月三十日宣佈，本公司已完成一項股份配售，據此，本公司已按每股配售股份0.15港元向創新環球有限公司(「**創新環球**」)配發及發行321,636,000股配售股份。創新環球及其最終實益擁有人均為本集團的獨立第三方；及
- (iv) 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，經考慮以上各點，本集團由報告期間結束起計未來十二個月的現金需求、本集團日後自CVM Magnesium Sdn. Bhd. (「**CVMSB**」)及其間接附屬公司龍川升龍礦泉有限公司(「**龍川**」)的營運獲利的能力，以及全部現有銀行融資將可持續供本集團動用後，本集團將有足夠營運資金悉數償還於可見將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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the condensed consolidated interim financial statements are consistent with those of the consolidated financial statements as at and for the year ended 31 December 2013.

The HKICPA has issued a number of new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2014, 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 related materials, and bottled mineral water supplied to customers. The amount of each significant category of revenue recognised in turnover during the period is as follows:

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於二零一三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。就於二零一四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

營業額指向客戶供應鎂錠及相關物料以及瓶裝礦泉水的銷售價值。於期內確認為營業額之各重大收入類別金額如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Sales of bottled mineral water	銷售瓶裝礦泉水	534,168	3,409,868
Sales of magnesium ingots and related materials	銷售鎂錠及相關物料	27,291,957	6,302,518
		27,826,125	9,712,386

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

5 OTHER REVENUE

5 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Interest income	利息收入	3,308	5,744
Rental income from drilling machines	來自鑽探機的租金收入	28,555	–
Sales of scrap materials	銷售廢料	–	92,064
Sundry income	雜項收入	62,286	91,732
		94,149	189,540

6 OTHER NET GAINS

6 其他收益淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Net foreign exchange gains	匯兌收益淨額	63,152	121,927
Gain on disposal of subsidiaries (Note 26)	出售附屬公司的收益(附註26)	10,471,934	–
		10,535,086	121,927

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

7 除稅前虧損

除稅前虧損已扣除：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans wholly repayable within 5 years*	須於五年內悉數償還的銀行貸款利息*	17,745,086	18,748,663
Effective interest on convertible bonds	可換股債券實際利息	9,945,906	5,743,283
Interest on unsecured loans from third parties wholly repayable within 5 years	須於五年內悉數償還的來自第三方無抵押貸款的利息	-	11,936,816
Amortisation of loan transaction costs (Note 22)	貸款交易成本攤銷(附註22)	201,506	210,964
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	27,765	62,930
Other borrowing costs	其他借貸成本	586,620	12,802
		28,506,883	36,715,458

* The analysis shows the finance costs on bank loans, including terms 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 2014 and 2013, the interest on bank loans which contain a repayment on demand clause amounted to HK\$17,745,086 and HK\$18,748,663, respectively.

* 分析列示銀行貸款(包括載有按要求償還條款的有期貨款)的融資成本乃根據貸款協議所載協定預定償還日期進行。截至二零一四年及二零一三年六月三十日止六個月，載有按要求償還條款的銀行貸款利息分別為17,745,086港元及18,748,663港元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
(b) Staff costs (including directors' remuneration)	(b) 員工成本(包括董事薪酬)		
Salaries, wages, bonuses and other benefits	薪金、工資、花紅及其他福利	4,248,939	6,229,783
Contributions to defined contribution retirement plan	向界定供款退休計劃供款	286,273	312,071
		4,535,212	6,541,854

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
(c) Other operating expenses	(c) 其他經營開支		
Impairment losses:	減值虧損：		
— exploration and evaluation assets (Note 14)	— 勘探及評估資產 (附註14)	71,463,097	—
— interest in leasehold land	— 租賃土地權益	3,071,165	—
— property, plant and equipment	— 物業、廠房及設備	137,861,475	—
		212,395,737	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
(d) Other items:	(d) 其他項目：		
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持作自用租賃土地權益攤銷	69,959	73,242
Cost of inventories sold [#]	已售存貨成本 [#]	36,688,912	23,591,372
Depreciation	折舊	12,634,280	12,842,496
Operating lease charges in respect of:	有關下列各項的經營租賃支出：		
— office equipment	— 辦公室設備	18,072	21,300
— office premises	— 辦公室物業	838,377	969,131
— staff housing	— 員工宿舍	5,785	162,000

[#] The cost of inventories sold includes HK\$13,305,913 (six months ended 30 June 2013: HK\$13,561,130) 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13,305,913港元(截至二零一三年六月三十日止六個月: 13,561,130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。

8 INCOME TAX

8 所得稅

(a) Taxation in the condensed consolidated income statement represents:

(a) 簡明綜合收益表中之稅項代表：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Current tax — Malaysian Income Tax	本期稅項 — 馬來西亞所得稅		
Provision for the period	本期撥備	184,864	—
Deferred tax	遞延稅項		
Reversal of temporary differences	撥回暫時差額	(16,280,474)	—
Total income tax credit	所得稅抵免總額	(16,095,610)	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8 INCOME TAX (continued)

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 2013: 16.5%).

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2013: 16.5%) of the estimated assessable profits for the six months ended 30 June 2014. 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 2014 and 2013.

Malaysian Income Tax is calculated at 25% (six months ended 30 June 2013: 25%) of assessable profits for the six months ended 30 June 2014. The provision of Malaysian Income Tax is calculated at 25% of the estimated assessable profits for the six months ended 30 June 2014. No provision for Malaysian Income Tax had 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.

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, management of the Company 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 2014 and 2013. 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 2014 and 2013.

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% (six months ended 30 June 2013: 25%) for the six months ended 30 June 2014. No provision for PRC Enterprise Income Tax has been made as the Group did not have assessable profit which is subject to the PRC Enterprise Income Tax for the six months ended 30 June 2014 and 2013.

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

8 所得稅(續)

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% (截至二零一三年六月三十日止六個月：16.5%)。

香港利得稅乃根據截至二零一四年六月三十日止六個月的估計應課稅溢利按16.5% (截至二零一三年六月三十日止六個月：16.5%) 計算。由於截至二零一四年及二零一三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二零一四年六月三十日止六個月的應課稅溢利按25% (截至二零一三年六月三十日止六個月：25%) 計算。馬來西亞所得稅的撥備乃根據截至二零一四年六月三十日止六個月的估計應課稅溢利按25% 計算。由於截至二零一三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，故本公司管理層無法向當地稅務機關確定其採礦業務於截至二零一四年及二零一三年六月三十日止六個月須應用之稅率。由於截至二零一四年及二零一三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，中國附屬公司截至二零一四年六月三十日止六個月之稅率為25% (截至二零一三年六月三十日止六個月：25%)。由於截至二零一四年及二零一三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企業所得稅，故並無就中國企業所得稅作出撥備。

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8 INCOME TAX (continued)

At 30 June 2014, 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 basic loss per share is based on the loss attributable to owners of the Company of HK\$211,062,184 (unaudited) (six months ended 30 June 2013 (unaudited): HK\$68,027,324) and the weighted average number of 1,608,184,265 (unaudited) (30 June 2013 (unaudited) (restated): 1,311,319,748) ordinary shares in issue during the six months ended 30 June 2014, calculated as follows:

Weighted average number of ordinary shares:

		2014 二零一四年	2013 二零一三年 (Restated) (經重列)
Issued ordinary shares at 1 January	於一月一日的已發行普通股	1,608,184,265	5,012,680,556
Effect of shares issued upon conversion of convertible bonds (Note 25(d))	於兌換可換股債券時發行股份的影響(附註25(d))	-	319,101,990
Effect of shares consolidation (Note 25(e))	股份合併的影響(附註25(e))	-	(4,020,462,798)
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	1,608,184,265	1,311,319,748

The weighted average number of ordinary shares for the purpose of basic loss per share in the six months period ended 30 June 2013 has been adjusted retrospectively for the reduction of shares through share consolidation on 30 July 2013 as set out in Note 25(e).

(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)

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，故本集團於二零一四年六月三十日尚未將有關累計稅務虧損確認為遞延稅項資產。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

每股基本虧損乃按截至二零一四年六月三十日止六個月本公司擁有人應佔虧損 211,062,184 港元(未經審核)(截至二零一三年六月三十日止六個月(未經審核): 68,027,324 港元)及已發行普通股加權平均數 1,608,184,265 股(未經審核)(二零一三年六月三十日(未經審核)(經重列): 1,311,319,748 股)計算，有關計算如下：

普通股加權平均數：

誠如附註 25(e) 所載，由於在二零一三年七月三十日透過股份合併減少股份，就計算截至二零一三年六月三十日止六個月期間的每股基本虧損的普通股加權平均數已追溯調整。

(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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

10 INTERIM DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2014 and 2013.

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 for iron ore, coal and manganese This segment is engaged in the exploration for iron ore, coal and manganese in Indonesia. The activities carried out in Indonesia are through indirectly 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 an indirectly owned subsidiary.

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

10 中期股息

董事並不建議就截至二零一四年及二零一三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間接擁有的附屬公司進行。

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一間間接擁有的附屬公司進行。

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING *(continued)*

(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, assets 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 assets classified as held for sale, pledged deposit, cash and cash equivalents and other corporate assets. Segment liabilities included non-current liabilities and current liabilities with the exception of liabilities associated with assets classified as held for sale, secured bank loans, convertible bonds, deferred tax liabilities, unsecured loans from third parties and other corporate liabilities.

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

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、資產及負債：

分部資產包括所有非流動資產及流動資產，惟不包括分類為持作待售資產、質押存款、現金及現金等價物以及其他公司資產。分部負債包括非流動負債及流動負債，惟不包括與分類為持作待售資產相關的負債、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。

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (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 for 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 2014 (Unaudited)	截至二零一四年六月三十日 止六個月(未經審核)				
Reportable segment revenue (Note)	可呈報分部收入(附註)	27,291,957	–	534,168	27,826,125
Segment loss	分部虧損	(1,153,235)	(107,027)	(4,984,928)	(6,245,190)
Interest income	利息收入	3,264	–	38	3,302
Finance costs	融資成本	(17,967,645)	–	–	(17,967,645)
Depreciation and amortisation	折舊及攤銷	(12,023,008)	(79,250)	(518,971)	(12,621,229)
Impairment of	減值				
– exploration and evaluation assets	– 勘探及評估資產	–	(18,650,597)	(52,812,500)	(71,463,097)
– interest in leasehold land	– 租賃土地權益	(3,071,165)	–	–	(3,071,165)
– property, plant and equipment	– 物業、廠房及設備	(137,861,475)	–	–	(137,861,475)
Additions to segment non-current assets	分部非流動資產添置	–	–	6,004,810	6,004,810
As at 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)				
Segment assets	分部資產	277,520,101	46,081,464	48,073,376	371,674,941
Segment liabilities	分部負債	(16,960,923)	(1,764,531)	(10,705,318)	(29,430,772)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (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 for 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	截至二零一三年六月三十日				
(Unaudited)	止六個月(未經審核)				
Reportable segment revenue (Note)	可呈報分部收入(附註)	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	<u>15,473,708</u>	<u>(27,582)</u>	<u>168,024</u>	<u>15,614,150</u>
As at 31 December 2013	於二零一三年十二月三十一日				
(Audited)	(經審核)				
Segment assets	分部資產	419,331,483	64,747,930	100,583,415	584,662,828
Segment liabilities	分部負債	<u>(9,011,598)</u>	<u>(2,012,560)</u>	<u>(13,374,702)</u>	<u>(24,398,860)</u>

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the six months ended 30 June 2014 and 2013.

附註：上文所呈報分部收入指來自外部客戶的收入。截至二零一四年及二零一三年六月三十日止六個月並無分部間銷售。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

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

11 分部報告(續)

(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	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Revenue	收入		
Reportable segment revenue	可呈報分部收入	<u>27,826,125</u>	<u>9,712,386</u>
Loss	虧損		
Reportable segment loss	可呈報分部虧損	(6,245,190)	(22,154,249)
Depreciation and amortisation	折舊及攤銷	(12,704,239)	(12,856,602)
Finance costs	融資成本	(28,506,883)	(36,715,458)
Interest income	利息收入	3,308	5,744
Impairment of exploration and evaluation assets	勘探及評估資產減值	(71,463,097)	–
Impairment of leasehold land	租賃土地減值	(3,071,165)	–
Impairment of property, plant and equipment	物業、廠房及設備減值	(137,861,475)	–
Other unallocated amounts	其他未分配金額	<u>5,390,445</u>	<u>3,094,743</u>
Consolidated loss before taxation	除稅前綜合虧損	<u>(254,458,296)</u>	<u>(68,625,822)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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)

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Assets		
Reportable segment assets	371,674,941	584,662,828
Unallocated corporate assets:		
— Assets classified as held for sale	—	340,070
— Pledged deposit	2,933	2,968
— Cash and cash equivalents	3,253,104	423,524
— Others	3,529,810	3,628,317
Consolidated total assets	378,460,788	589,057,707
Liabilities		
Reportable segment liabilities	(29,430,772)	(24,398,860)
Unallocated corporate liabilities:		
— Bank loans, secured	(470,771,378)	(454,260,751)
— Convertible bonds	(91,589,792)	(91,253,010)
— Unsecured loans from third parties	(180,037,242)	(181,037,242)
— Deferred tax liabilities	(15,781,100)	(32,061,574)
— Liabilities associated with assets classified as held for sale	—	(2,819,092)
— Others	(33,692,563)	(7,810,335)
Consolidated total liabilities	(821,302,847)	(793,640,864)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (continued)

(c) Geographical information

The following tables set out information about the 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 intangible assets as 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(倘屬商譽的無形資產)業務所在地分類。

	Brazil 巴西		Malaysia 馬來西亞		The PRC 中國		Others* 其他*		Total 總計		
	Six months ended 30 June 截至六月三十日止六個月	2014 二零一四年	2013 二零一三年	Six months ended 30 June 截至六月三十日止六個月	2014 二零一四年	2013 二零一三年	Six months ended 30 June 截至六月三十日止六個月	2014 二零一四年	2013 二零一三年	Six months ended 30 June 截至六月三十日止六個月	2014 二零一四年
Turnover	營業額	27,165,582	3,088,493	126,375	2,786,205	534,168	-	-	3,837,688	27,826,125	9,712,386

* Others principally included Japan and Middle East.

* 其他主要包括日本及中東。

	Hong Kong 香港		Malaysia 馬來西亞		Indonesia 印尼		The PRC 中國		Total 總計		
	At 30 June 2014 於二零一四年六月三十日	At 31 December 2013 於二零一三年十二月三十一日	At 30 June 2014 於二零一四年六月三十日	At 31 December 2013 於二零一三年十二月三十一日	At 30 June 2014 於二零一四年六月三十日	At 31 December 2013 於二零一三年十二月三十一日	At 30 June 2014 於二零一四年六月三十日	At 31 December 2013 於二零一三年十二月三十一日	At 30 June 2014 於二零一四年六月三十日	At 31 December 2013 於二零一三年十二月三十一日	
Specified non-current assets	指定非流動資產	1,146,643	1,217,927	266,184,579	411,632,009	46,002,877	64,686,117	46,646,416	94,061,297	359,980,515	571,597,350

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING (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	
		2014	2013
		二零一四年	二零一三年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer A	客戶 A	27,165,582	3,088,493
Customer B	客戶 B	-	1,864,070

12 PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions, disposals and written off

During the six months ended 30 June 2014, the Group acquired property, plant and equipment with a cost of HK\$6,011,630 (unaudited) (six months ended 30 June 2013 (unaudited): HK\$74,523) and no assets were acquired under finance leases (six months ended 30 June 2013 (unaudited): nil).

No assets were written off during the six months ended 30 June 2014 and 2013.

During the six months ended 30 June 2014 and 2013, no assets were disposed.

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

(a) 收購、出售及撇銷

截至二零一四年六月三十日止六個月，本集團收購物業、廠房及設備的成本為6,011,630港元(未經審核)(截至二零一三年六月三十日止六個月(未經審核)：74,523港元)，且並無根據融資租賃收購資產(截至二零一三年六月三十日止六個月(未經審核)：無)。

截至二零一四年及二零一三年六月三十日止六個月，並無資產已撇銷。

截至二零一四年及二零一三年六月三十日止六個月，並無資產獲出售。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

12 PROPERTY, PLANT AND EQUIPMENT

(continued)

(b) Impairment losses

Included in the property, plant and equipment as at 30 June 2014 are buildings, plant and machinery, motor vehicles, retorts and interests in leasehold land held for own use under operating leases, with carrying amounts of HK\$76,850,894 (31 December 2013: HK\$117,880,129), HK\$150,477,959 (31 December 2013: HK\$234,748,928), HK\$170,979 (31 December 2013: HK\$313,176), HK\$29,589,677 (31 December 2013: HK\$46,180,855) and HK\$5,727,229 (31 December 2013: HK\$8,710,104), respectively located in Malaysia and operated by CVMSB. In light of the sustained operating losses of CVMSB and suspension of its production plant since 2012, the directors of the Company conducted a review on the recoverable amount of cash-generating units ("CGU") for mining of dolomite and manufacture of magnesium ingots based on value in use calculation and determined that an impairment loss of HK\$140,932,640 (unaudited) (30 June 2013 (unaudited): nil) was recognised and included in other operating expenses in the condensed consolidated income statement for the six months ended 30 June 2014. The cash flow projections were based on financial budget and production forecast as approved and prepared by management, covering a 22 year period, which represents approximately the remaining license period of the mining right to mine and extract magnesium dolomite from two pieces of land in the State of Perak, Peninsula Malaysia (the "Dolomite Land"). The cash flow beyond the 4 year period is extrapolated using zero growth rate. The discount rate applied to the cash flow projection is 21.49% (unaudited) (31 December 2013 (audited): 19.55%) as at 30 June 2014. Other key assumptions applied in the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

12 物業、廠房及設備(續)

(b) 減值虧損

於二零一四年六月三十日的物業、廠房及設備包括位於馬來西亞及由CVMSB經營的樓宇、廠房及機器、汽車、還原權及根據經營租賃持作自用的租賃土地權益，賬面值分別為76,850,894港元(二零一三年十二月三十一日：117,880,129港元)、150,477,959港元(二零一三年十二月三十一日：234,748,928港元)、170,979港元(二零一三年十二月三十一日：313,176港元)、29,589,677港元(二零一三年十二月三十一日：46,180,855港元)及5,727,229港元(二零一三年十二月三十一日：8,710,104港元)。鑑於CVMSB的持續經營虧損及其廠房自二零一二年起暫時停產，本公司董事按使用價值計算方法對開採白雲石及生產鎂錠的現金產生單位(「現金產生單位」)的可收回金額進行審閱，並釐定確認減值虧損140,932,640港元(未經審核)(二零一三年六月三十日(未經審核)：無)，並計入截至二零一四年六月三十日止六個月的簡明綜合收益表中其他經營開支。現金流量預測乃基於管理層批准及編製的財政預算及產量預測，涉及22年期(其相當於約於馬來西亞半島霹靂州兩塊土地(「白雲石地塊」)開採及提取鎂質白雲石的開採權之餘下許可證限期)。超過4年期間的現金流量採用零增長率推算。於二零一四年六月三十日，應用於現金流量預測的貼現率為21.49%(未經審核)(二零一三年十二月三十一日(經審核)：19.55%)。計算使用價值所採用的其他主要假設與現金流入/流出的估計有關，其包括預算銷售及毛利率。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

13 GOODWILL

13 商譽

		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Audited) (經審核)
Cost:	成本：		
At 1 January	於一月一日	332,328,997	332,328,997
Derecognised on disposal of subsidiaries (Note 26)	終止確認出售附屬公司 (附註26)	(79,525,907)	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	252,803,090	332,328,997
Accumulated impairment losses:	累計減值虧損：		
At 1 January	於一月一日	332,328,997	221,148,496
Impairment loss	減值虧損	-	111,180,501
Derecognised on disposal of subsidiaries (Note 26)	終止確認出售附屬公司 (附註26)	(79,525,907)	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	252,803,090	332,328,997
Carrying amount:	賬面值：		
At 30 June/31 December	於六月三十日/ 十二月三十一日	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS

14 勘探及評估資產

		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Audited) (經審核)
Cost:	成本：		
At 1 January	於一月一日	548,694,562	548,694,562
Disposal of subsidiaries (Note 26)	出售附屬公司(附註26)	(103,196,172)	-
Exchange adjustments	匯兌調整	33,797	-
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	445,532,187	548,694,562
		<hr/>	<hr/>
Accumulated amortisation and impairment:	累計攤銷及減值：		
At 1 January	於一月一日	396,924,262	189,361,682
Impairment loss (Note 7(c))	減值虧損(附註7(c))	71,463,097	207,562,580
Disposal of subsidiaries (Note 26)	出售附屬公司(附註26)	(103,196,172)	-
		<hr/>	<hr/>
At 30 June/31 December	於六月三十日/ 十二月三十一日	365,191,187	396,924,262
		<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	80,341,000	151,770,300
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION

ASSETS (continued)

- (a) CVMSB has undertaken various feasibility studies in relation to the mining and extraction of dolomite in Peninsula Malaysia since 2004. On 15 June 2006, CVMSB entered into an agreement (the “**Mining Agreement**”) with Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”), 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 the Dolomite Land 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 MERSB. CVMSB is required to pay royalties to MERSB based on the volume of dolomite extracted, subject to a monthly minimum payment (“**initial minimum payment**”) (see note 27(b)). Due to suspension of its production plant since 2012, CVMSB did not extract any dolomite from the Dolomite Land during the six months ended 30 June 2014 and 2013.

Mining activities for this dolomite project had started in 2010 and the amortisation charge (if any) relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2013: “administrative expenses”) in the condensed consolidated income statement.

As a result of impairment review performed by management of the Company, no reversal or further impairment loss was made on the exploration and evaluation assets during the six months ended 30 June 2014 (30 June 2013 (unaudited): nil). Management was of the view that the accumulated impairment losses were resulted from the suspension of CVMSB’s production plant and its operating loss. The recoverable amount of CGU for mining of dolomite and manufacture of magnesium ingots had been determined based on a value in use calculation. This calculation uses cash flows projections based on financial budgets and production forecast as prepared by management, covering a period of 22 years, which represents approximately the remaining licence period of the mining right to mine and extract magnesium dolomite from the Dolomite Land. The cash flow beyond the 4 year period is extrapolated using zero growth rate, and a discount rate of 21.49% (unaudited) (31 December 2013 (audited): 19.55%) as at 30 June 2014. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

14 勘探及評估資產(續)

- (a) 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Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”)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白雲石地塊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MERSB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MERSB支付專利權費(見附註27(b))。截至二零一四年及二零一三年六月三十日止六個月，由於CVMSB的生產廠房自二零一二年起暫停營運，故其並無從白雲石地塊開採任何白雲石。

本白雲石項目的開採活動自二零一零年已經開始，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」(截至二零一三年六月三十日止六個月：「行政開支」)內。

由於本公司管理層進行減值審閱，故並無就截至二零一四年六月三十日止六個月勘探及評估資產作出撥回或進一步減值虧損(二零一三年六月三十日(未經審核)：無)。管理層認為，累計減值虧損乃由於CVMSB的生產廠房停產及其經營虧損所致。開採白雲石及生產鎂錠的現金產生單位的可收回金額已按使用價值計算方法釐定。此計算方法採用基於管理層編製的財政預算及產量預測，並涉及22年期(其相當於約於白雲石地塊開採及提取鎂質白雲石的開採權的餘下許可證限期)的現金流量預測。超過4年期間的現金流量乃按零增長率及於二零一四年六月三十日的貼現率21.49%(未經審核)(二零一三年十二月三十一日(經審核)：19.55%)推算得出。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS *(continued)*

- (b) PTLM holds 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 undertaken various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

No exploration activities were conducted in the mine as the Group lost contact with the legal representative of PTLM in 2012. This brought to a halt to the daily operations and mining activities of PTLM. No exploration and evaluation costs were capitalised and no income was derived from the mine of manganese during the six months ended 30 June 2014 and 2013.

In 2012, the Group lost contact with the legal representative of PTLM. During the six months ended 30 June 2013, re-nominating the legal representative according to the relevant legal requirements of Indonesia was being undertaken. Subsequent to 30 June 2014 and up to the approval date of the condensed consolidated interim financial statements, the re-nomination has not yet been completed.

14 勘探及評估資產 *(續)*

- (b) PTLM持有錳生產經營開採許可證，涉及面積195公頃，位於印尼Daerah Istimewa Yogyakarta省Kulon Progo Regency的Girimulyo分區Jatimulyo村（「**礦區**」）。許可證乃用作採礦活動，包括於礦區興建、採礦、選礦及精煉或冶煉以及運輸及銷售錳。生產經營採礦許可證有效期為二零一一年二月二十四日起計10年，最多可再續期兩次，每次10年。PTLM正進行有關在礦區開採及勘探錳的各種可行性研究。

於二零一二年，由於本集團與PTLM的法律代表失去聯絡，故並無於礦山進行勘探活動，令PTLM的日常營運及採礦活動陷入停滯狀態。截至二零一四年及二零一三年六月三十日止六個月，錳礦並無任何勘探及評估成本被資本化及無產生任何收入。

於二零一二年，本集團與PTLM的法律代表失去聯絡。截至二零一三年六月三十日止六個月，已根據印尼相關法律規定重新提名法律代表。於二零一四年六月三十日後及直至簡明綜合中期財務報表批准日期止，重新提名尚未完成。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS (continued)

(b) (continued)

At 30 June 2014, the Group determined the recoverable amount of CGU for PTLM based on value in use calculation. The calculation used cash flow projection based on financial budgets and production forecast as prepared by management of the Company covering a 16 year period. The cash flows were in zero growth rate. The discount rate applied to the cash flow projection was 21.12% (unaudited) (31 December 2013 (audited): 21.12%). The discount rate used was pre-tax and reflected specific risks relating to the relevant segment. Taking into consideration the uncertainties mentioned in above and making reference to the valuation performed by management as at 30 June 2014, the Company's Directors determined that an impairment loss of HK\$18,650,597 (unaudited) had been recognised and included in other operating expenses in the condensed consolidated income statement for the six months ended 30 June 2014 (30 June 2013 (unaudited): nil).

(c) Long Chuan holds a mineral water permit to extract maximum volume of water up to 33,000 m³ per annum in relation to the Longchuan Spring (the "Water Permit") from 1 March 2007 to 16 February 2015. A mining permit to extract mineral water in the stipulated mining area for a period from 23 December 2011 to 23 December 2021 has been granted.

The Longchuan Spring is situated at Damiao Village Longmu Town Longchuan County Heyuan City (河源市龍川縣龍母鎮大廟村), the PRC, with an aggregate mining area of approximately 0.3956 km². It is well connected with the source of the East River (Dongjiang) which supplies fresh water to Hong Kong and parts of Guangdong Province. The Longchuan Spring is protected by a protection zone of 30 km in radius with no significant industrial pollution source within a radius of up to 50 km. Longchuan Spring contains seven of the eight prescribed minerals in sufficient quantity to quality, including free carbon dioxide.

14 勘探及評估資產 (續)

(b) (續)

於二零一四年六月三十日，本集團按使用價值計算方法就PTLM釐定現金產生單位的可收回金額。該計算方法採用基於本公司管理層編製的財政預算及產量預測，並涉及16年期的現金流量預測。現金流量乃按零增長率推算。應用於現金流量預測的貼現率為21.12% (未經審核) (二零一三年十二月三十一日(經審核): 21.12%)。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。本公司董事經考慮上文所述的不明朗因素，並參考管理層於二零一四年六月三十日進行的估值後，確定已確認減值虧損18,650,597港元(未經審核)，並計入截至二零一四年六月三十日止六個月的簡明綜合收益表中其他經營開支(二零一三年六月三十日(未經審核): 無)。

(c) 龍川持有礦泉水許可證(「取水許可證」)，二零零七年三月一日至二零一五年二月十六日龍川泉最大提取水量為每年最多33,000立方米，並獲授予採礦許可證以於自二零一一年十二月二十三日起至二零一二年十二月二十三日止期間在指定開採區域抽取礦泉水。

龍川泉位於中國河源市龍川縣龍母鎮大廟村，總開採面積約為0.3956平方公里，與東江水源相連，向香港及廣東省部份地區供應淡水。龍川泉保護區半徑綿延30公里，在長達50公里半徑範圍內無任何重大工業污染源。龍川泉含八種規定礦物中的七種(包括遊離二氧化碳)，從數量到質量均合乎要求。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

14 EXPLORATION AND EVALUATION ASSETS (continued)

(c) (continued)

According to the technical report prepared by 廣東省地質技術工程諮詢公司 (unofficially translated as Guangdong Province Geological Engineering Consulting Firm) in July 2003, the Longchuan Spring provides about 270,000 tons of minerals water annually and the water contains significant amounts of minerals including potassium, sodium, calcium, magnesium, lithium, strontium and zinc.

Taking into consideration the performance of the mine which recorded sustained operating losses and unable to generate positive cash flow from the date of acquisition in April 2012 to 30 June 2014, the business operated by Long Chuan is not commercially viable, as a result, the mineral water permit had not been reclassified to an intangible asset.

At 30 June 2014, the Group determined the recoverable amount of CGU for extraction and bottling of mineral water based on value in use calculation. The calculation used cash flow projection based on financial budgets and production forecast as prepared by management covering a 12 year period. The CGU's cash flows beyond the 5 year period were extrapolated using a steady average growth rate of 3.3% (unaudited) (31 December 2013 (audited): 3.3%). This growth rate was based on the relevant industry growth forecast and did not exceed the average long-term growth rate for the relevant industry. The discount applied to the cash flows projection was 29.16% (unaudited) (31 December 2013 (audited): 36.27%). The discount rate used was pre-tax and reflected specific risks relating to the relevant segment. The revenue generated from this CGU did not meet the previous expectation because of limited cash resources to develop a new production line for manufacturing sparkling water, and making reference to the valuation performed by management as at 30 June 2014, the Company's Directors determined that an impairment loss of HK\$52,812,500 (unaudited), had been recognised and included in other operating expenses in the condensed consolidated income statement for the six months ended 30 June 2014 (30 June 2013 (unaudited): nil).

14 勘探及評估資產(續)

(c) (續)

根據廣東省地質技術工程諮詢公司於二零零三年七月編製的技術報告，龍川泉每年提供約270,000噸礦泉水，該礦泉水含大量礦物，包括鉀、鈉、鈣、鎂、鋰、銻及鋅。

經考慮持續錄得經營虧損及由二零一二年四月收購日至二零一四年六月三十日未能產生正面現金流量的礦區表現後，龍川經營的業務商業上屬不可行，因此，礦泉水許可證並無重新分類為無形資產。

於二零一四年六月三十日，本集團按使用價值計算方法就抽取及生產瓶裝礦泉水釐定現金產生單位的可收回金額。該計算方法採用基於管理層編製的財政預算及產量預測，並涉及12年期的現金流量預測。5年期後現金產生單位的現金流量乃按3.3% (未經審核) (二零一三年十二月三十一日 (經審核): 3.3%) 的穩定平均增長率推算。此增長率乃按照相關行業增長預測釐定，且並無超出相關行業的平均長期增長率。應用於現金流量預測的貼現率為29.16% (未經審核) (二零一三年十二月三十一日 (經審核): 36.27%)。採用的貼現率尚未扣除稅項，且反映有關分部的特定風險。此現金產生單位所產生的收入並未達到先前預期，此乃由於開發一條製造有氣水的新生產線的現金資源有限，加上參考管理層於二零一四年六月三十日進行的估值後，本公司董事確定已確認減值虧損52,812,500港元 (未經審核)，並計入截至二零一四年六月三十日止六個月的簡明綜合收益表中其他經營開支 (二零一三年六月三十日 (未經審核): 無)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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：

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Raw materials	原料	2,771,048	2,772,702
Work-in-progress	半成品	41,328	179,761
Finished goods	製成品	5,022,386	2,436,310
		7,834,762	5,388,773

16 TRADE RECEIVABLES

Trade receivables

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

16 應收賬款

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trade receivables	應收賬款	2,273,474	434,787

所有應收賬款預期將於一年內收回。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16 TRADE RECEIVABLES (continued)

(a) Ageing analysis

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

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Current, neither past due nor impaired	即期，並無逾期或減值	2,273,474	148,140
Less than 1 month past due	逾期少於一個月	-	82,075
1 month to 2 months past due	逾期一個月至兩個月	-	32,086
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	-	172,486
Amounts past due	逾期金額	-	286,647
Total	總計	2,273,474	434,787

Trade receivables derived from sales of magnesium ingots are due within 5 days from the date of the delivery of the goods at the customer's bonded warehouse. The credit term for local sales of magnesium ingots are 50% deposit to be paid on receipt of customer's purchase order and the balance to be received on delivery of goods. Other than that, the Group has a policy of allowing customers for domestic trading and distribution in the PRC, with credit terms of normally 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) At 30 June 2014, none of trade receivables (31 December 2013 (audited): nil) were pledged as security for banking facilities granted to the Group.

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於客戶的保稅倉庫交付貨物日期起計5日內到期。本地銷售鎂錠的信貨條款為於收到客戶的採購訂單時須予支付50%按金，而餘額將於交付貨物時收取。除此以外，本集團的政策一般為提供貨到付款的信貨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賬款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，原因為信貨質素並無重大變動，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) 於二零一四年六月三十日，並無應收賬款(二零一三年十二月三十一日(經審核): 無)已予質押，作為取得授予本集團銀行融資的抵押品。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

17 預付款項、按金及其他應收款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Other receivables	其他應收款項	740,589	873,671
Advance payment to a contractor (Note 17(a))	向一名承包商墊款(附註17(a))	16,190,605	15,901,699
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備的按金	-	5,131,402
Prepayments for raw materials and machinery (Note 17(b))	原料及機器的預付款項 (附註17(b))	6,682,104	6,562,868
Deposits and prepayments	按金及預付款項	4,375,411	4,855,686
		27,988,709	33,325,326
Less: Impairment losses:	減：減值虧損：		
— advance payment to a contractor (Note 17(a))	— 向一名承包商墊款 (附註17(a))	(16,190,605)	(15,901,699)
— prepayments for raw materials and machinery (Note 17(b))	— 原料及機器的預付 款項(附註17(b))	(6,682,104)	(6,562,868)
		5,116,000	10,860,759

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

17 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Apart from certain of the Group's deposits and prepayments of HK\$1,715,832 as at 30 June 2014 (unaudited) (31 December 2013 (audited): HK\$2,236,053), the remaining prepayments, deposits and other receivables of the Group are expected to be recovered or recognised as expenses within one year.

- (a) In prior years, the Group advanced a total of HK\$16,190,605 (unaudited) (31 December 2013 (audited): HK\$15,901,699) to a contractor for ratification works in the production plant of magnesium ingots in Malaysia. This contractor was put under creditor's winding up in 2012. The Group's management assessed the recoverability of these advances was remote and had made a full provision against them as at 30 June 2014 and 31 December 2013.
- (b) In prior years, the Group has made prepayments of HK\$6,682,104 (unaudited) (31 December 2013 (audited): HK\$6,562,868) to an entity for purchase of raw materials and machinery. No goods and/or machinery have been received by the Group from that entity in settlement of the prepayments made. The Group's management assessed the recoverability of these prepayments was remote after suspension of the production plant in Malaysia, and thus a full provision against them has been made as at 30 June 2014 and 31 December 2013.

18 PLEDGED DEPOSIT

The Group's deposit of HK\$2,933 (unaudited) (31 December 2013 (audited): HK\$2,968) is pledged to a bank for loan facilities granted to the Group (see Note 22).

17 預付款項、按金及其他應收款項(續)

除本集團於二零一四年六月三十日的若干按金及預付款項1,715,832港元(未經審核)(二零一三年十二月三十一日(經審核): 2,236,053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。

- (a) 於過往年度,本集團就馬來西亞的鎂錠生產廠房的認可工程向一名承包商墊付合共16,190,605港元(未經審核)(二零一三年十二月三十一日(經審核): 15,901,699港元)。該名承包商於二零一二年被債權人清盤。本集團管理層評定收回此等墊款的機會甚微,並已於二零一四年六月三十日及二零一三年十二月三十一日作出全數撥備。
- (b) 於過往年度,本集團就購買原料及機器向一間實體支付預付款項6,682,104港元(未經審核)(二零一三年十二月三十一日(經審核): 6,562,868港元)。本集團並無接獲該實體就償付所支付的預付款項的任何貨品及/或機器。本集團管理層評定於馬來西亞的生產廠房暫停營運後收回此等預付款項的機會甚微,故已於二零一四年六月三十日及二零一三年十二月三十一日作出全數撥備。

18 質押存款

本集團存款2,933港元(未經審核)(二零一三年十二月三十一日(經審核): 2,968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)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

19 TRADE AND OTHER PAYABLES

19 應付賬款及其他應付款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trade payables	應付賬款	4,590,576	278,104
Accrued interest on bank loans	銀行貸款應計利息	56,855,813	47,929,022
Accrued interest on unsecured loans	無抵押貸款應計利息	30,037,242	31,037,242
Accrued interest on convertible bonds	可換股債券應計利息	2,416,113	7,608,222
Accrued salaries	應計薪金	948,305	2,190,413
Other payables and accrued expenses	其他應付款項及應計開支	24,570,744	21,387,863
		119,418,793	110,430,866

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, based on the invoice date, is as follows:

根據發票日期的應付賬款賬齡分析如下：

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Current	即期	4,475,357	53,262
Due within 3 months	三個月內到期	16,370	4,315
Due after 3 months but within 12 months	三個月後但十二個月內到期	98,849	220,527
		4,590,576	278,104

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簡明綜合中期財務報表附註

20 OBLIGATIONS UNDER FINANCE LEASES

At 30 June 2014, the Group had obligations under finance leases repayable as follows:

20 融資租賃承擔

於二零一四年六月三十日，本集團的應償還融資租賃承擔如下：

	At 30 June 2014 於二零一四年六月三十日		At 31 December 2013 於二零一三年十二月三十一日	
	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	324,026	354,804	413,972	453,773
After 1 year but within 2 years 一年後但兩年內	304,422	319,686	324,368	346,926
After 2 years but within 5 years 兩年後但五年內	134,255	138,651	272,164	282,145
	<u>438,677</u>	<u>458,337</u>	596,532	629,071
	<u>762,703</u>	<u>813,141</u>	<u>1,010,504</u>	1,082,844
Less: total future interest expenses 減：未來利息開支總額		(50,438)		(72,340)
Present value of lease obligations 租賃承擔現值		<u>762,703</u>		<u>1,010,504</u>

The policies of the Group are to lease certain of its motor vehicles and furniture and fittings under finance leases expiring in 3 years and nil year respectively (31 December 2013: 4 years and 1 year respectively). As at 30 June 2014, the effective borrowing rate of the Group was in a range from 1.8% p.a. to 3.68% p.a. (31 December 2013: 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 furniture and fittings at nominal prices.

本集團的政策是根據融資租賃租賃其若干汽車以及傢俬及裝配，年期分別為三年及零年（二零一三年十二月三十一日：分別為四年及一年）。於二零一四年六月三十日，本集團實際借貸年利率為介乎1.8%至3.68%（二零一三年十二月三十一日：介乎1.8%至3.68%）。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以及傢俬及裝配。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 AMOUNTS DUE FROM/(TO) RELATED PARTIES AND A DIRECTOR

21 應收／(付) 關連方及一名董事款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trading account	貿易賬戶	(1,863,237)	(2,229,650)
Current account	現有賬戶	(30,202,906)	(4,730,684)
		<u>(32,066,143)</u>	<u>(6,960,334)</u>
Classified as:	分類為：		
Amount due from a related party	應收一名關連方款項	-	9,476
Amount due to a director	應付一名董事款項	(280,000)	(628,790)
Amounts due to related parties	應付關連方款項	(31,786,143)	(6,341,020)
		<u>(32,066,143)</u>	<u>(6,969,810)</u>
Total	總計	<u>(32,066,143)</u>	<u>(6,960,334)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 AMOUNTS DUE FROM/(TO) RELATED PARTIES AND A DIRECTOR (continued)

The amounts are unsecured, interest-free and have no fixed terms of repayment.

An amount due from a related party disclosed pursuant to section 161B of the Hong Kong Companies Ordinance is as follows:

21 應收／(付)關連方及一名董事款項 (續)

該等款項為無抵押、免息且無固定還款期。

根據香港公司條例第161B條所披露，應收一名關連方款項如下：

Name	Term of loan	The Group 本集團		Maximum amount outstanding during the period
		Balance at 30 June 2014 於二零一四年六月三十日的結餘 HK\$ 港元 (Unaudited) (未經審核)	Balance at 1 January 2014 於二零一四年一月一日的結餘 HK\$ 港元 (Audited) (經審核)	
HWG Tin Mining Sdn. Bhd. ("HWGTM")	Interest-free, unsecured and had no fixed terms of repayment	–	9,476	9,476
HWG Tin Mining Sdn. Bhd. ("HWGTM")	免息、無抵押且無固定還款期			

HWGTM is a subsidiary of Ho Wah Genting Berhad which is a shareholder of the Company.

HWGTM為本公司股東Ho Wah Genting Berhad的附屬公司。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

22 BANK LOANS — SECURED

22 有抵押銀行貸款

		At 30 June 2014 於二零一四年六月三十日			At 31 December 2013 於二零一三年十二月三十一日		
		Less:			Less:		
	Nominal value	unamortised costs	Total	Nominal value	unamortised costs	Total	
	減：			減：			
	面值	未攤銷成本	總計	面值	未攤銷成本	總計	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
	港元	港元	港元	港元	港元	港元	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	
	(未經審核)	(未經審核)	(未經審核)	(經審核)	(經審核)	(經審核)	
Bank loans, secured	416,093,911	(2,178,346)	413,915,565	408,669,115	(2,337,386)	406,331,729	
有抵押銀行貸款							

At 30 June 2014, interest bearing bank loans are due for repayment as follows:

於二零一四年六月三十日，計息銀行貸款於以下期間到期償還：

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 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	88,906,923	82,863,708
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	96,901,404	90,316,599
After 2 years but within 5 years	兩年後但五年內	228,107,238	233,151,422
		325,008,642	323,468,021
		413,915,565	406,331,729

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

到期金額乃以銀行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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

22 BANK LOANS — SECURED (continued)

22 有抵押銀行貸款(續)

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Transaction costs	交易成本		
Cost:	成本：		
At 1 January	於一月一日	9,277,771	9,934,307
Exchange adjustments	匯兌調整	168,561	(656,536)
At 30 June/31 December	於六月三十日/ 十二月三十一日	9,446,332	9,277,771
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	6,940,385	7,007,687
Amortisation for the period/year (Note 7(a))	期/年內攤銷(附註7(a))	201,506	411,611
Exchange adjustments	匯兌調整	126,095	(478,913)
At 30 June/31 December	於六月三十日/ 十二月三十一日	7,267,986	6,940,385
Unamortised transaction costs	未攤銷交易成本	2,178,346	2,337,386

The secured bank loans as at 30 June 2014 are interest bearing at 8.6% p.a. (unaudited) (31 December 2013 (audited): 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 loan agreement, the Group was required to repay the bank loans by monthly instalment of RM670,000 (equivalent to HK\$1,614,847) with effect from August 2011 to December 2013 and increasing to RM4,200,000 (equivalent to HK\$10,122,921) from January 2014 to the second last repayment of the loans in 2018.

On 24 February 2014, Bank Rakyat further agreed to extend a 1 year grace period without executing legal proceeding against the Company and CVMSB until 31 December 2014. The Group is required to continue repaying monthly instalment of RM670,000 (equivalent to HK\$1,614,847) to 31 December 2014.

於二零一四年六月三十日的有抵押銀行貸款按年利率8.6%(未經審核)(二零一三年十二月三十一日(經審核): 年利率8.6%)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1,614,847港元),並自二零一四年一月起至二零一八年的最後第二期貸款還款之日增至4,200,000馬幣(相當於10,122,921港元)。

於二零一四年二月二十四日, Bank Rakyat進一步同意延長1年寬限期直至二零一四年十二月三十一日而不會對本公司及CVMSB提出法律訴訟。本集團須繼續償還每月分期還款670,000馬幣(相當於1,614,847港元)至二零一四年十二月三十一日。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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;
- (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 accounts 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.

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法定押記；
- (ii) 轉讓應收賬款；
- (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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

22 BANK LOANS — SECURED *(continued)*

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 was 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. During the six months ended 30 June 2014, the Group defaulted on the repayment of bank loans since May 2014 and breached one of the covenants of the banking facilities. Subsequent to 30 June 2014 and up to the approval date of the condensed consolidated interim financial statements, the defaulted bank loans repayment have yet to be fully repaid. The bank could demand for immediate repayment of the bank loan as a result of the default, the Company considers that there will be no material adverse consequence as Bank Rakyat had been briefed earlier of the delay in receipt of the sales proceeds and allowed the Group some flexibility by not instituting any legal actions yet as at the date hereof. The Group is in the course of negotiations with Bank Rakyat with an intention to restructure the loans and to fully settle the balance of outstanding defaulted repayments amounting to RM1,675,000 (equivalent to approximately HK\$4,037,000) by installments during the fourth quarter of 2014.

As at 30 June 2013, none of the covenants relating to the drawdown facilities had been breached.

22 有抵押銀行貸款(續)

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)方可獲得各銀行融資。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。截至二零一四年六月三十日止六個月，本集團自二零一四年五月起未能償還銀行貸款及違反其中一份銀行融資契諾。於二零一四年六月三十日後及截至簡明綜合中期財務報表批准日期，拖欠銀行貸款還款尚未悉數償還。銀行可就拖欠款項要求即時償還銀行貸款，惟本公司認為，由於Bank Rakyat早前已獲告知延遲收取銷售所得款項，加上截至本報告日期，其尚未提出任何法律行動，讓本集團有一定的靈活性，因此將不會有任何重大不利後果。本集團正與Bank Rakyat磋商，打算進行貸款重組，並於二零一四年第四季分期悉數償還未償還拖欠還款結餘1,675,000馬幣(相當於約4,037,000港元)。

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

23 UNSECURED LOANS FROM THIRD PARTIES

23 來自第三方無抵押貸款

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year 一年內	150,000,000	150,000,000

The amounts due are based on the scheduled repayment dates as set out in the loan agreements which do not contain 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%，利息須每半年支付。貸款須於二零一四年六月或之前悉數償還。

On 12 February 2014, the Company successfully negotiated with the lender with written confirmation to defer the repayment by a year to 12 June 2015 and to charge interest rate at 12% p.a. payable half-yearly with effect on 13 June 2014.

於二零一四年二月十二日，本公司已成功與貸款人進行磋商並書面確認，將還款期推遲一年至二零一五年六月十二日，並自二零一四年六月十三日起按年利率12%計息，利息須每半年支付。

On 14 October 2011, the Company entered into loan agreements with four 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，本公司與四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，按利率15%計息，利息須每半年支付，並須於自提取當日起計12個月內還款。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

23 UNSECURED LOANS FROM THIRD PARTIES *(continued)*

In March 2012, the Company successfully negotiated with these four lenders in writing 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 2013.

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

On 30 January 2014, the Company further successfully negotiated with these four lenders to defer the repayment by a year to 30 April 2015 and to charge interest rate at 18% p.a. payable half-yearly with effect on 1 May 2014.

On 21 March 2014, the Company successfully negotiated with all the above five lenders and entered into conditional Capitalisation Agreements respectively in relation to, among others, the set-off of each of the Lenders' Outstanding Sum by way of (i) issue and allotment of Capitalisation Shares; and (ii) the issue of CPS, and waive all its rights in the unpaid interest accrued to the loan with effect from 1 January 2014.

The Outstanding Sum to the Lenders which comprises the Outstanding Principal sum and unpaid interest amounts to HK\$180,037,242 (31 December 2013: HK\$181,037,242) at the end of the reporting period.

On 18 July 2014, the EGM was held and shareholders had approved the issue and allotment of the Capitalisation Shares and the issue of CPS. The capitalisation of the Outstanding Sum was completed on 14 August 2014.

23 來自第三方無抵押貸款(續)

於二零一二年三月，本公司已成功與該四名貸款人進行書面磋商，將還款期推遲六個月零八日至二零一三年五月，並自二零一三年十月起按年利率18%計息，利息須每半年支付。

於二零一三年三月二十六日，本公司已成功與該四名貸款人進行書面磋商，將還款期推遲一年至二零一四年四月，並按年利率18%計息，利息須每半年支付。

於二零一四年一月三十日，本公司已成功進一步與該四名貸款人進行磋商，將還款期推遲一年至二零一五年四月三十日，並自二零一四年五月一日起按年利率18%計息，利息須每半年支付。

於二零一四年三月二十一日，本公司已成功與上述全部五名貸款人磋商並分別訂立有條件資本化協議，內容有關(其中包括)透過(i)發行及配發資本化股份；及(ii)發行可轉換優先股的方式，抵銷各名貸款人的未償還款項，並自二零一四年一月一日起豁免其於貸款累計的未支付利息的所有權利。

於報告期末，結欠貸款人的未償還款項包括未償還本金額及未付利息180,037,242港元(二零一三年十二月三十一日：181,037,242港元)。

於二零一四年七月十八日舉行的股東特別大會上，股東已批准發行及配發資本化股份，以及發行可轉換優先股。資本化未償還款項已於二零一四年八月十四日完成。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

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 (unaudited) (31 December 2013 (audited): 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 conversion share. As a result of the said share consolidation in Note 25(e), the conversion price of outstanding convertible bonds of the Company was adjusted from HK\$0.10 per share to HK\$0.40 per share with effect on 29 July 2013 retrospectively.

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.

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%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(未經審核)(二零一三年十二月三十一日(經審核): 80,000,000港元)。

債券持有人可於到期前隨時按每股換股股份0.10港元的換股價將全部或部分可換股債券的本金額轉換為本公司普通股。由於進行附註25(e)所述的股份合併，本公司尚未轉換的可換股債券的換股價由每股股份0.10港元調整至每股股份0.40港元，自二零一三年七月二十九日起追溯生效。

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 CONVERTIBLE BONDS (continued)

(a) (continued)

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

Drawdown date 提取日期	2 December 2011	30 December 2011	16 January 2012	5 March 2012	23 March 2012	Total
Drawdown amount 提取金額	HK\$26,000,000	HK\$17,000,000	HK\$10,000,000	HK\$10,000,000	HK\$17,000,000	
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	
	二零一一年 十二月二日	二零一一年 十二月三十日	二零一二年 一月十六日	二零一二年 三月五日	二零一二年 三月二十三日	
	26,000,000 港元	17,000,000 港元	10,000,000 港元	10,000,000 港元	17,000,000 港元	
	第一批	第二批	第三批	第四批	第五批	總計
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元

At 1 January 2013 (Audited)	於二零一三年一月一日 (經審核)	18,697,603	11,735,082	9,476,511	9,173,724	15,675,750	64,758,670
Interest charged	利息支出	5,989,404	3,958,109	1,661,767	1,679,804	2,762,441	16,051,525
Interest paid	已付利息	(2,600,000)	(1,700,000)	(1,000,000)	(1,000,000)	(1,700,000)	(8,000,000)
Liability component as at 31 December 2013 (Audited)	於二零一三年 十二月三十一日的 負債部份(經審核)	22,087,007	13,993,191	10,138,278	9,853,528	16,738,191	72,810,195
At 1 January 2014 (Audited)	於二零一四年一月一日 (經審核)	22,087,007	13,993,191	10,138,278	9,853,528	16,738,191	72,810,195
Interest charged	利息支出	3,508,490	2,340,476	881,600	894,726	1,462,713	9,088,005
Interest paid	已付利息	(1,300,000)	(850,000)	(500,000)	(500,000)	(850,000)	(4,000,000)
Liability component as at 30 June 2014 (Unaudited)	於二零一四年六月三十日 的負債部份(未經審核)	24,295,497	15,483,667	10,519,878	10,248,254	17,350,904	77,898,200

At 30 June 2014, convertible bonds are due for repayment as follows:

於二零一四年六月三十日，可換股債券於以下期間到期償還：

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	一年內	36,080,198
After 1 year but within 2 years	一年後但兩年內	36,729,997
	77,898,200	72,810,195
	77,898,200	72,810,195

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 CONVERTIBLE BONDS (continued)

(a) (continued)

The interest charged for the six months ended 30 June 2014 is calculated by applying an effective interest rate with a range from 17.54% p.a. to 33.73% p.a. (unaudited) (30 June 2013 (unaudited): 17.54% p.a. to 33.73% p.a.) to the liability component for the number of days to the end of reporting period since the bonds were issued.

(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 and its subsidiary, Long Chuan (“**Victory Dragon Group**”). The convertible bonds bear interest at 5% p.a. payable annually and are unsecured.

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. As a result of the said share consolidation in Note 25(e), the conversion price of outstanding convertible bonds of the Company was adjusted from HK\$0.126 per share to HK\$0.504 per share with effect on 29 July 2013 retrospectively.

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.

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

24 可換股債券 (續)

(a) (續)

截至二零一四年六月三十日止六個月的利息支出乃採用介乎負債部份17.54%至33.73% (未經審核) (二零一三年六月三十日 (未經審核) : 17.54%至33.73%) 的實際年利率，按債券發行起至報告期結束止的天數計算。

(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及其附屬公司龍川(「**凱龍集團**」)之部份代價。可換股債券的到期日為發行日期五週年當日。可換股債券按年利率5%計息及無抵押，利息須每年支付。

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。於附註25(e)之上述股份合併完成後，本公司尚未轉換的可換股債券的換股價自二零一三年七月二十九日起由每股0.126港元追溯調整至每股0.504港元。

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。

於二零一三年一月十五日，本金額為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港元之本公司普通股。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 CONVERTIBLE BONDS (continued)

(b) (continued)

Pursuant to an agreement signed for acquisition of 51% of the issued share capital of Victory Dragon Group, Voice Key Group Limited (“**First Vendor**”) and the guarantor, Mr. Chu Yuk Lung (the “**Guarantor**”) irrevocably warrant and guarantee to the Group that the audited consolidated net profit after tax and any extraordinary and exceptional items (“**Audited Profit**”) of Victory Dragon Group will not be less than RMB30,000,000 (“**Guaranteed Profit**”) for the period of 12 months commencing from the date of completion of the acquisition (“**Guaranteed Period**”).

If the Guaranteed Profit is not achieved for the Guaranteed Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds on a dollar for dollar basis which is equivalent to the difference between the Audited Profit and Guaranteed Profit. If Victory Dragon Group record a consolidated net loss after tax and any extraordinary and exceptional items for the Guarantee Period, the Group will be entitled to deduct from the outstanding principal amount of the convertible bonds which is equivalent to an amount of the summation of the loss and the Guaranteed Profit provided that the maximum compensation amount shall not exceed HK\$50,000,000.

The First Vendor (i.e. the bondholder) agrees that unless and until the delivery of the consolidated audited financial statements of Victory Dragon Group for the Guarantee Period showing that the Guaranteed Profit has been fulfilled, it will not convert, transfer or dispose of the convertible bonds such that the outstanding principal amount of the convertible bonds shall be less than HK\$50,000,000 or otherwise cause the outstanding principal amount of the convertible bonds below HK\$50,000,000.

On 30 August 2013, the Directors of the Company announced the audited financial statements of Victory Dragon Group for the Guarantee Period showed a net loss after tax and any extraordinary and exceptional items of HK\$8,228,917. Based on the exchange rate at that time, the Guaranteed Profit was HK\$38,090,401 (equivalent to RMB30,000,000), and hence, the actual shortfall between the audited net loss and the Guaranteed Profit was HK\$46,319,318. As such on 16 October 2013, the convertible bonds in the principal amount of HK\$46,319,318 was cancelled and deducted.

24 可換股債券(續)

(b) (續)

根據就收購凱龍集團已發行股本的51%而簽訂之協議，Voice Key Group Limited(「**第一賣方**」)及擔保人朱浴龍先生(「**擔保人**」)不可撤銷地向本集團承諾及擔保，凱龍集團自完成收購日期起計12個月期間(「**保證期**」)之除稅並計及任何特殊及非經常項目後的經審核綜合純利(「**經審核溢利**」)將不少於人民幣30,000,000元(「**保證溢利**」)。

倘於保證期內未能達致保證溢利，本集團將有權按等額現金基準自可換股債券的未償還本金額中扣除相等於經審核溢利與保證溢利之間的差額。倘凱龍集團於保證期內錄得除稅及任何特殊及非經常項目後綜合虧損淨額，本集團將有權自可換股債券的未償還本金額中扣除相等於虧損及保證溢利總值的金額，惟最高補償金額不得超過50,000,000港元。

第一賣方(即債券持有人)同意，除非及直至凱龍集團呈交保證期之綜合經審核財務報表，顯示已達致保證溢利，否則其將不會轉換、轉讓或出售可換股債券而致使可換股債券之未償還本金額少於50,000,000港元，或以其他方式致使可換股債券之未償還本金額少於50,000,000港元。

於二零一三年八月三十日，本公司董事宣佈，凱龍集團於保證期的經審核財務報表顯示，凱龍集團錄得除稅並計及任何特殊及非經常項目後虧損淨額8,228,917港元。按當時的匯率計算，保證溢利為38,090,401港元(相當於人民幣30,000,000元)，因此，經審核虧損淨額與保證溢利之間的實際差額為46,319,318港元。因此，於二零一三年十月十六日，本金額為46,319,318港元之可換股債券已獲註銷及扣除。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 CONVERTIBLE BONDS (continued)

(b) (continued)

As at the end of reporting period, the principal amount of convertible bonds being available was HK\$16,680,682 (unaudited) (31 December 2013 (audited): HK\$16,680,682).

The net proceeds received from the issuance of the convertible bonds have been split into the liability and equity components, as follows:

24 可換股債券 (續)

(b) (續)

於報告期末，可供轉換的可換股債券的本金額為16,680,682港元(未經審核)(二零一三年十二月三十一日(經審核)): 16,680,682港元)。

發行可換股債券所得款項淨額已分為負債部份及權益部份如下：

		Liability component 負債部份 HK\$ 港元	Equity component 權益部份 HK\$ 港元	Total 總計 HK\$ 港元
At 1 January 2013 (Audited)	於二零一三年一月一日 (經審核)	70,282,100	44,326,000	114,608,100
Interest charged	利息支出	3,310,892	-	3,310,892
Interest paid	已付利息	(5,372,268)	-	(5,372,268)
Conversion of convertible bonds	轉換可換股債券	(29,024,400)	(18,188,430)	(47,212,830)
Repayment of convertible bonds	償還可換股債券	(28,361,731)	(19,217,054)	(47,578,785)
At 31 December 2013 (Audited)	於二零一三年十二月三十一日 (經審核)	<u>10,834,593</u>	<u>6,920,516</u>	<u>17,755,109</u>
At 1 January 2014 (Audited)	於二零一四年一月一日 (經審核)	10,834,593	6,920,516	17,755,109
Interest charged	利息支出	857,901	-	857,901
Interest paid	已付利息	(417,015)	-	(417,015)
At 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)	<u>11,275,479</u>	<u>6,920,516</u>	<u>18,195,995</u>

The interest for the six months ended 30 June 2014 is calculated by applying an effective interest rate of 17.58% p.a. (unaudited) (30 June 2013 (unaudited): 17.58%) to the liability component for the number of days to the end of reporting period since the bonds were issued.

截至二零一四年六月三十日止六個月的利息乃採用負債部份17.58%(未經審核)(二零一三年六月三十日(未經審核): 17.58%)的實際年利率，按債券發行起至報告期結束止的天數計算。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

25 SHARE CAPITAL

25 股本

		Note 附註	At 30 June 2014 於二零一四年六月三十日		At 31 December 2013 於二零一三年十二月三十一日	
			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
			(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)
Authorised:	法定：	(a)				
At 1 January	於一月一日		-	-	10,000,000,000	250,000,000
Consolidation of shares	股份合併	(e)	-	-	(7,500,000,000)	-
At 30 June/31 December	於六月三十日/ 十二月三十一日	(b)	-	-	2,500,000,000	250,000,000
Issued and fully paid:	已發行及繳足：					
At 1 January	於一月一日		1,608,184,265	160,818,427	5,012,680,556	125,317,014
Consolidation of shares	股份合併	(e)	-	-	(4,020,462,798)	-
Conversion of convertible bonds	轉換可換股債券	(d)	-	-	347,936,507	8,698,413
Shares issued pursuant to a share placing	根據股份配售而發行的股份	(d)	-	-	268,030,000	26,803,000
Transition to no-par value regime on 3 March 2014	於二零一四年三月三日 過渡至無面值制度	(c)	-	690,145,419	-	-
At 30 June/31 December	於六月三十日/ 十二月三十一日		1,608,184,265	850,963,846	1,608,184,265	160,818,427

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.

(a) Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

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。

(a) 根據於二零一四年三月三日開始生效的新香港公司條例(第622章)，法定股本的概念不再存在。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

25 SHARE CAPITAL (continued)

(b) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(c) In accordance with the transitional provisions as set out in section 37 of Schedule 11 to Hong Kong Companies Ordinance (Cap. 622), any amount standing to the credit of the share premium has become part of the Company's share capital on 3 March 2014.

(d) Issue of shares

On 15 January 2013, the Company issued 347,936,507 ordinary shares of HK\$0.025 each in respect of the conversion of convertible bonds with a principal amount of HK\$43,840,000 held by Voice Key Group Limited (see Note 24(b)).

On 2 September 2013, 268,030,000 ordinary shares of HK\$0.10 each were issued at a price of HK\$0.168 each for cash consideration of HK\$45,029,040.

(e) Consolidation of shares

As announced by the Company on 12 July 2013, the Company proposed to effect a share consolidation and every four issued and unissued shares of the Company of HK\$0.025 each were consolidated into one consolidated share of HK\$0.10 each. An ordinary resolution approving the share consolidation was passed at the extraordinary general meeting of the Company held on 29 July 2013 and the share consolidation became effective on 30 July 2013.

25 股本 (續)

(b) 根據新香港公司條例(第622章)第135條，自二零一四年三月三日起，本公司股份不再有面值或票面價值。此過渡對已發行股份的數量或任何股東的相對權利並無影響。

(c) 根據香港公司條例(第622章)附表11第37條載列的過渡條文，於二零一四年三月三日，股份溢價賬上的任何貸方結餘已成為本公司股本的一部份。

(d) 發行股份

於二零一三年一月十五日，本公司就轉換 Voice Key Group Limited 持有本金額為 43,840,000 港元的可換股債券而發行 347,936,507 股每股面值 0.025 港元的普通股(見附註 24(b))。

於二零一三年九月二日，268,030,000 股每股面值 0.10 港元普通股已按每股 0.168 港元的價格發行，現金代價為 45,029,040 港元。

(e) 股份合併

誠如本公司於二零一三年七月十二日所公佈，本公司建議實行股份合併，每四股每股面值 0.025 港元的已發行及未發行股份合併為一股每股面值 0.10 港元的合併股份。批准股份合併的普通決議案已於本公司於二零一三年七月二十九日舉行的股東特別大會獲通過，而股份合併於二零一三年七月三十日生效。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 DISPOSAL OF SUBSIDIARIES

Pursuant to an agreement dated 16 October 2013 entered into between the Company and an independent third party (the "Purchaser"), the Company disposed of 100% equity interest in CVM International Limited ("CVMIL"), to the Purchaser at a consideration of US\$1,000,000 (equivalent to HK\$7,757,479). CVMIL and its subsidiaries, CVM Minerals Indonesia Sdn. Bhd., PT. Commerce Venture Coal and PT. Commerce Venture Iron Ore, are principally engaged in the business of exploration of minerals namely iron ore, coal and manganese in Aceh of Indonesia. The disposal was completed on 3 April 2014.

26 出售附屬公司

根據本公司與獨立第三方(「買方」)訂立日期為二零一三年十月十六日的協議，本公司向買方出售CVM International Limited(「CVMIL」)的全部股權，代價為1,000,000美元(相當於7,757,479港元)。CVMIL以及其附屬公司CVM Minerals Indonesia Sdn. Bhd.、PT. Commerce Venture Coal及PT. Commerce Venture Iron Ore主要於印尼亞齊省從事礦物(即鐵礦石、煤炭及錳)勘探業務。該項出售事項已於二零一四年四月三日完成。

		HK\$ 港元
Analysis of assets and liabilities over which control was lost	失去控制權的資產及負債分析	
Property, plant and equipment	物業、廠房及設備	112,095
Goodwill	商譽	-
Exploration and evaluation assets	勘探及評估資產	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	224,066
Cash and cash equivalents	現金及現金等價物	659
Trade and other payables	應付賬款及其他應付款項	(2,792,716)
Net liabilities disposal of	出售的負債淨額	<u>(2,455,896)</u>
Gain on disposal of subsidiaries	出售附屬公司的收益	
Consideration received	已收代價	7,757,479
Net liabilities disposal of	出售的負債淨額	2,455,896
Non-controlling interests	非控股權益	(1,263,559)
Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity to profit or loss on loss of control of the subsidiaries	有關失去附屬公司的控制權時將該等附屬公司的負債淨額自權益重新分類至損益的累計匯兌差異	<u>1,522,118</u>
Gain on disposal	出售收益	<u>10,471,934</u>
Net cash inflow arising on disposal of subsidiaries	出售附屬公司產生的現金流入淨額	
Cash consideration	現金代價	7,757,479
Less: cash and cash equivalents disposed of	減：出售的現金及現金等價物	(659)
		<u>7,756,820</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 30 June 2014 not provided for in the condensed consolidated interim financial statements were as follows:

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Contracted for	-	18,690,853
Authorised but not contracted for	-	-
	-	18,690,853

(b) Future minimum royalty payments

Pursuant to the Mining Agreement (Note 14), the royalties to MERSB are subject to a monthly minimum payment of RM33,000 (equivalent to approximately HK\$80,000) (unaudited) (31 December 2013 (audited): RM30,000 (equivalent to approximately HK\$73,900)) for a period of 20 years, unless early terminated by the Group by giving one month's written notice to MERSB. The total minimum royalties amounted to RM5,346,000 (equivalent to approximately HK\$12,885,000) (unaudited) (31 December 2013 (audited): RM5,580,000 (equivalent to approximately HK\$13,210,000) over the 20 years period.

27 承擔

(a) 資本承擔

於二零一四年六月三十日，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：

(b) 未來最低專利權費

根據採礦協議(附註14)，須按每月最低付款支付予MERSB的專利權費為33,000馬幣(相當於約80,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 30,000馬幣(相當於約73,900港元))，為期20年，除非本集團向MERSB發出一個月書面通知提前終止。20年期間的最低專利權費總額為5,346,000馬幣(相當於約12,885,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 5,580,000馬幣(相當於約13,210,000港元))。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 COMMITMENTS (continued)

(c) Operating lease commitments

At 30 June 2014, the total minimum lease payments under non-cancellable operating leases are payable as follows:

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	一年內	534,845	410,435
After 1 year but within 5 years	一年後但五年內	100,000	2,481
		634,845	412,916

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.

(d) Environmental contingencies

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;

27 承擔(續)

(c) 經營租賃承擔

於二零一四年六月三十日，根據不可撤銷經營租賃的應付最低租賃付款總額如下：

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	一年內	534,845	410,435
After 1 year but within 5 years	一年後但五年內	100,000	2,481
		634,845	412,916

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。

(d) 環境或然事項

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；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 COMMITMENTS (continued)

(d) Environmental contingencies

(continued)

- (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.

28 CONTINGENT LIABILITIES

Corporate guarantees issued

As at 30 June 2014, the Company has issued corporate guarantees totalling approximately RM184,600,000 (equivalent to approximately HK\$444,926,000) (unaudited) (31 December 2013 (audited): RM184,600,000 (equivalent to approximately HK\$436,987,000)) 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 2014 under the corporate guarantees issued is approximately RM172,600,000 (equivalent to approximately HK\$416,004,000) (unaudited) (31 December 2013 (audited): RM172,600,000 (equivalent to approximately HK\$408,581,000)).

In addition, as at 30 June 2014, the Company has issued a corporate guarantee totalling RM850,000 (equivalent to approximately HK\$2,049,000) (unaudited) (31 December 2013 (audited): RM850,000 (equivalent to approximately HK\$2,012,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

27 承擔(續)

(d) 環境或然事項(續)

- (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。

28 或然負債

已發出公司擔保

於二零一四年六月三十日，本公司已就CVMSB獲授之銀行貸款融資向銀行作出合共約184,600,000馬幣(相當於約444,926,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 184,600,000馬幣(相當於約436,987,000港元))之公司擔保。

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。本公司於二零一四年六月三十日發出公司擔保的負債上限約為172,600,000馬幣(相當於約416,004,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 172,600,000馬幣(相當於約408,581,000港元))。

此外，於二零一四年六月三十日，本公司就CVMSB購置液化石油氣向供應商發出公司擔保合共850,000馬幣(相當於約2,049,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 850,000馬幣(相當於約2,012,000港元))。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

28 CONTINGENT LIABILITIES (continued)

Corporate guarantees issued (continued)

As at 30 June 2014, the Company has issued corporate guarantees totalling RM159,160 (equivalent to approximately HK\$384,000) (unaudited) (31 December 2013 (audited): RM222,768 (equivalent to approximately HK\$530,000)) 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 2014 and 2013.

29 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2014 and 2013, in addition to the transactions and balances disclosed in notes 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 或然負債(續)

已發出公司擔保(續)

於二零一四年六月三十日，本公司就CVMSB購置汽車及設備的融資租賃債項發出公司擔保合共159,160馬幣(相當於約384,000港元)(未經審核)(二零一三年十二月三十一日(經審核): 222,768馬幣(相當於約530,000港元))。

截至二零一四年及二零一三年六月三十日止六個月，本公司並無確認公司擔保的任何遞延收入，乃因其公平值無法可靠地計量且其交易價格為零。

29 重大關連方交易

截至二零一四年及二零一三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") Ho Wah Genting Berhad (「HWGB」)	A shareholder of the Company 本公司股東
Ho Wah Genting Poipet Resorts Sdn. Bhd. ("HWGP") Ho Wah Genting Poipet Resorts Sdn. Bhd. (「HWGP」)	An associate of HWGB HWGB的聯營公司
HWG Tin Mining Sdn. Bhd. ("HWGTM") HWG Tin Mining Sdn. Bhd. (「HWGTM」)	A subsidiary of HWGB HWGB的附屬公司
Perak State Development Corporation ("PSDC") Perak State Development Corporation (「PSDC」)	A shareholder of the Company 本公司股東
PT Ho Wah Genting Berhad ("PTHWG") PT Ho Wah Genting Berhad (「PTHWG」)	A subsidiary of HWGB HWGB的附屬公司
Majuperak Energy Resources Sdn. Bhd. ("MERSB") Majuperak Energy Resources Sdn. Bhd. (「MERSB」)	A subsidiary of PSDC PSDC的附屬公司
Dato' Lim Hui Boon 拿督Lim Hui Boon	A father of a Director 一名董事的父親

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

29 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

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

(a) Recurring transactions

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Office rent payable to: HWGB	應付辦公室租金予： HWGB	<u>57,845</u>	<u>105,980</u>
Purchase of flight tickets from: HWGP	向下列關連方購買機票： HWGP	<u>154,563</u>	<u>163,066</u>
Maintenance fee payable to: MERSB	應付維護費予： MERSB	<u>477,223</u>	<u>499,621</u>
Drilling machines rental income from: HWGTM	向下列關連方收取鑽探機 的租金收入： HWGTM	<u>28,555</u>	<u>—</u>

(b) Amount due to a member of staff

		At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Dato' Lim Hui Boon	拿督 Lim Hui Boon	<u>29,595,977</u>	<u>4,101,894</u>

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

該款項為無抵押、免息且無固定還款期。

29 重大關連方交易 (續)

本集團與上述關連方進行的重大交易詳情如下：

(a) 經常交易

(b) 應付一名員工款項

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簡明綜合中期財務報表附註

29 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Amount due from a related party

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
HWGTM	—	9,476

29 重大關連方交易 (續)

(c) 應收一名關連方款項

(d) Amounts due to related parties

	At 30 June 2014 於二零一四年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2013 於二零一三年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
HWGB	105,086	777,048
HWGP	48,100	251,249
MERSB	1,710,051	1,210,829
PTHWG	326,929	—
	2,190,166	2,239,126

(d) 應付關連方款項

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。

(e) Key management personnel remuneration

	Six months ended 30 June 截至六月三十日止六個月 2014 二零一四年 HK\$ 港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$ 港元 (Unaudited) (未經審核)
Directors' fees	—	—
Salaries, allowances and benefits in kind	665,790	1,624,477
Retirement scheme contributions	7,500	30,841
	673,290	1,655,318

(e) 主要管理人員酬金

INTERIM DIVIDEND

The board (“**Board**”) of directors (“**Directors**”) of Ding He Mining Holdings Limited (“**Company**”, together with its subsidiaries “**Group**”) did not recommend the payment of any dividend in respect of the six months ended 30 June 2014 (six months ended 30 June 2013: nil). Accordingly, there will be no closure of the register of members of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2014, the Company has adopted the applicable code provisions and certain recommended best practices stipulated in the Corporate Governance Code (“**Code**”) as set out in Appendix 14 to the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**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 interim period, except for certain deviations which are 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 (“**Independent Non-executive Directors**”) 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 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.6.7

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Certain Independent Non-executive Directors were unable to attend the annual general meeting and extraordinary general meeting of the Company held on 13 June 2014 and 18 July 2014 respectively due to their other business engagements.

中期股息

鼎和礦業控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」)董事(「董事」)會(「董事會」)並不建議就截至二零一四年六月三十日止六個月派付任何股息(截至二零一三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

截至二零一四年六月三十日止六個月，本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載企業管治守則(「守則」)中所訂適用守則條文及若干建議的最佳常規。據董事所知，並無任何資料合理顯示本公司於中期期間任何時間有任何違反守則的守則條文的情況，惟下文概述的若干偏離行為除外：

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，並須經膺選連任。本公司獨立非執行董事(「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規定。

守則條文A.6.7條

根據守則的守則條文A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會並對股東的意見有公正的瞭解。若干獨立非執行董事因其他公務而未能出席本公司於二零一四年六月十三日舉行的股東週年大會及於二零一四年七月十八日舉行的股東特別大會。

OTHER INFORMATION 其他資料

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 18 July 2014 and the approval granted by the Registrar of Companies in Hong Kong Special Administrative Region (“**Hong Kong**”) on 1 August 2014, the name of the Company has been changed from “CVM Minerals Limited 南亞礦業有限公司” to “Ding He Mining Holdings Limited 鼎和礦業控股有限公司” (“**Change of Company Name**”).

Details of the Change of Company Name are set out in the announcement dated 6 August 2014.

ADOPTION OF NEW ARTICLES OF ASSOCIATION

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 18 July 2014, the Company has adopted the new articles of association of the Company (“**Articles of Association**”) to (a) facilitate the creation of the new class of convertible preference shares as contemplated under the capitalisation agreements in accordance with the loan capitalisation as detailed in the circular of the Company dated 24 June 2014; and (b) bring the Articles of Association into the line with the position of the new Companies Ordinance (Cap. 622) which took effect on 3 March 2014. The Articles of Association was published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dinghemining.com.hk).

BOARD OF DIRECTORS AND BOARD COMMITTEES

As at the date of this report, the composition of the board of Directors of the Company (“**Board**”) was as follows:

Executive Directors

Mr. Du Jian Jun (*Chairman*)
Mr. Ji Kuang (*Vice Chairman*)
Dato’ Lim Ooi Hong
Mr. Leung Wai Kwan (*Group Chief Executive Officer*)
Mr. Chong Cha Hwa
Ms. Meng Xiao Ying

Independent Non-executive Directors

Ms. Wong Choi Kay
Mr. Tony Tan
Mr. Cheung Ning
Mr. Chan Kin Ho Philip
Ms. Tian Jinghua

更改公司名稱

根據本公司於二零一四年七月十八日舉行之股東特別大會上通過之特別決議案及香港特別行政區(「香港」)公司註冊處處長於二零一四年八月一日之批准，本公司名稱已由「CVM Minerals Limited 南亞礦業有限公司」更改為「Ding He Mining Holdings Limited 鼎和礦業控股有限公司」(「更改公司名稱」)。

有關更改公司名稱之詳情載於日期為二零一四年八月六日之公告內。

採納新組織章程細則

根據本公司於二零一四年七月十八日舉行之股東特別大會上通過之特別決議案，本公司已採納本公司新組織章程細則(「組織章程細則」)以(a)根據本公司日期為二零一四年六月二十四日之通函所詳述之貸款資本化促成資本化協議項下擬增設可轉換優先股新類別股份；及(b)促使組織章程細則與自二零一四年三月三日起生效之新公司條例(第622章)規定一致。組織章程細則已刊載於聯交所網站(www.hkexnews.hk)及本公司網站(www.dinghemining.com.hk)。

董事會及董事委員會

於本報告日期，本公司董事會(「董事會」)成員如下：

執行董事

杜建軍先生(主席)
嵇匡先生(副主席)
拿督林偉雄
梁維君先生(集團行政總裁)
張家華先生
孟小英女士

獨立非執行董事

黃賽琦女士
陳業強先生
張寧先生
陳建豪先生
田晶華女士

Since 1 January 2014 and up to the date of this report, there have been a number of changes in the Board as set out below:

- Mr. Chong Cha Hwa and Ms. Meng Xiao Ying were appointed as executive Directors of the Company (“**Executive Directors**”) with effect from 26 February 2014.
- Mr. Du Jian Jun was appointed as Executive Director and Chairman of the Company (“**Chairman**”) with effect from 16 June 2014.
- Mr. Ji Kuang was re-designated as vice chairman of the Company (“**Vice Chairman**”) with effect from 16 June 2014.
- Dato’ Lim Ooi Hong resigned as Vice Chairman with effect from 16 June 2014.
- Mr. Cheung Ning was appointed the Independent Non-executive Director with effect from 17 June 2014.
- Mr. Chan Kin Ho Philip was appointed the Independent Non-executive Director with effect from 22 July 2014.
- Ms. Tian Jinghua was appointed the Independent Non-executive Director and Mr. Chong Lee Chang resigned as the Independent Non-executive Director with effect from 23 July 2014.

The composition of Board committees of the Company (“**Board Committees**”) remains the same as set out in the 2013 Annual Report, save that:

- Dato’ Lim Ooi Hong relinquished his role as a member of remuneration committee of the Company (“**Remuneration Committee**”) and Mr. Chong Cha Hwa was appointed as a member of Remuneration Committee with effect from 26 February 2014.
- Ms. Tian Jinghua was appointed as the member of each of the audit committee of the Company (“**Audit Committee**”), nomination committee of the Company (“**Nomination Committee**”) and Remuneration Committee on 23 July 2014.
- Mr. Chan Kin Ho Philip was appointed as the chairman of the Nomination Committee, member of each of the Audit Committee and the Remuneration Committee on 23 July 2014.
- Mr. Chong Lee Chang ceased to act as the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 23 July 2014 following his resignation as Independent Non-executive Director.

自二零一四年一月一日起及直至本報告日期止，董事會發生下列多項變動：

- 張家華先生及孟小英女士獲委任為本公司執行董事(「**執行董事**」)，自二零一四年二月二十六日起生效。
- 杜建軍先生獲委任為執行董事兼本公司主席(「**主席**」)，自二零一四年六月十六日起生效。
- 嵇匡先生獲調任為本公司副主席(「**副主席**」)，自二零一四年六月十六日起生效。
- 拿督林偉雄辭任副主席，自二零一四年六月十六日起生效。
- 張寧先生獲委任為獨立非執行董事，自二零一四年六月十七日起生效。
- 陳建豪先生獲委任為獨立非執行董事，自二零一四年七月二十二日起生效。
- 田晶華女士獲委任為獨立非執行董事，而張爾泉先生則辭任獨立非執行董事，自二零一四年七月二十三日起生效。

本公司董事委員會(「**董事委員會**」)成員與二零一三年年報所載者相同，惟下述者除外：

- 拿督林偉雄不再擔任本公司薪酬委員會(「**薪酬委員會**」)成員，而張家華先生則獲委任為薪酬委員會成員，自二零一四年二月二十六日起生效。
- 於二零一四年七月二十三日，田晶華女士獲委任為本公司審核委員會(「**審核委員會**」)、本公司提名委員會(「**提名委員會**」)及薪酬委員會成員。
- 於二零一四年七月二十三日，陳建豪先生獲委任為提名委員會主席兼審核委員會及薪酬委員會成員。
- 於二零一四年七月二十三日，張爾泉先生於辭任獨立非執行董事後不再擔任提名委員會主席以及審核委員會及薪酬委員會成員。

OTHER INFORMATION 其他資料

CHANGES IN INFORMATION OF DIRECTORS

The following information is set out pursuant to the requirements of Rule 13.51B(1) of the Listing Rules:

Mr. Du Jian Jun, the Executive Director and Chairman appointed on 16 June 2014, has entered into a service agreement with the Company on 1 July 2014 in relation to his appointment. Pursuant to the service agreement, Mr. Du receives a monthly salary of HK\$40,000 commencing from the date of his appointment and is also entitled to discretionary bonus, share options and other incentives. His remuneration package is recommended by the Remuneration Committee and determined by the Board with reference to his duties and prevailing market conditions.

Ms. Meng Xiao Ying, the Executive Director appointed on 26 February 2014, has entered into a service agreement with the Company on 1 July 2014 in relation to her appointment. Pursuant to the service agreement, Ms. Meng receives a monthly salary of HK\$40,000 commencing from the date of her appointment and is also entitled to discretionary bonus, share options and other incentives. Her remuneration package is recommended by the Remuneration Committee and determined by the Board with reference to her duties and prevailing market conditions.

Mr. Chong Cha Hwa, the Executive Director appointed on 26 February 2014, has not entered into a service contract with the Company. Mr. Chong received a monthly director's fee of HK\$20,000 for the period from 1 March 2014 to 30 June 2014. From 1 July 2014 onwards, Mr. Chong receives a monthly director's fee of HK\$40,000 and a hardship allowance of HK\$30,000 for his appointment as the Executive Director. His remuneration package is recommended by the Remuneration Committee and determined by the Board with reference to his duties and prevailing market conditions.

On 12 November 2013, Mr. Leung Wai Kwan was appointed the independent non-executive director of Yi Hua Department Store Holdings Limited (Stock Code: 2213), which shares are listed on the Stock Exchange.

董事資料變動

根據上市規則第 13.51B(1) 條規定載列的資料如下：

杜建軍先生於二零一四年六月十六日獲委任為執行董事及主席，彼已於二零一四年七月一日就彼之委任與本公司訂立服務協議。根據服務協議，杜先生自彼獲委任當日起收取每月薪金 40,000 港元，亦有權收取酌情花紅、購股權及其他獎勵。彼之薪酬待遇經參考彼之職務及現行市況後，由薪酬委員會建議及由董事會釐定。

孟小英女士於二零一四年二月二十六日獲委任為執行董事，彼已於二零一四年七月一日就彼之委任與本公司訂立服務協議。根據服務協議，孟女士自彼獲委任當日起收取每月薪金 40,000 港元，亦有權收取酌情花紅、購股權及其他獎勵。彼之薪酬待遇經參考彼之職務及現行市況後，由薪酬委員會建議及由董事會釐定。

張家華先生於二零一四年二月二十六日獲委任為執行董事，彼並無與本公司訂立服務合約。張先生自二零一四年三月一日起至二零一四年六月三十日止期間收取每月董事袍金 20,000 港元。自二零一四年七月一日起，張先生就彼獲委任為執行董事收取每月董事袍金 40,000 港元及辛勞津貼 30,000 港元。彼之薪酬待遇經參考彼之職務及現行市況後，由薪酬委員會建議及由董事會釐定。

於二零一三年十一月十二日，梁維君先生獲委任為益華百貨控股有限公司（股份代號：2213）之獨立非執行董事，該公司之股份在聯交所上市。

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2014, the interests and short positions of each Director and chief executive 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 (“SFO”)) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”), were as follows:

Long positions in the shares:

董事於證券之權益

於二零一四年六月三十日，各董事及本公司主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有須(i)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之有關條文董事及主要行政人員被當作或視為擁有之權益及淡倉);(ii)記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉;或(iii)根據上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下:

股份之好倉:

Director	董事	Nature of Interest		Total Number of Shares	Approximate percentage of shareholding
		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
Leung Wai Kwan	梁維君	725,000	3,324,500	4,049,500	0.25%

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，於回顧期內，本公司或其附屬公司概無訂立任何安排，使董事及本公司主要行政人員(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。

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2014, the following shareholders of the Company (“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:

主要股東於證券之權益

於二零一四年六月三十日，下列本公司股東（「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：

Shareholder	Note	Capacity	Number of shares directly or indirectly held (Long Positions) 直接或間接持有之股份數目 (好倉)	Approximate percentage of shareholding 持股概約百分比
股東	附註	身份		
Ho Wah Genting Berhad	1	Beneficial owner	186,037,500	11.57%
Ho Wah Genting Berhad		實益擁有人		
Teoh Tek Siong	3	Beneficial owner and interest in controlled corporation	126,761,797	7.88%
Teoh Tek Siong		實益擁有人及受控制法團權益		
Silver Rhythm Sdn. Bhd.	2	Beneficial owner	125,511,797	7.80%
Silver Rhythm Sdn. Bhd.		實益擁有人		
Biosolid Investments Limited		Beneficial owner	107,460,000	6.68%
Biosolid Investments Limited		實益擁有人		
Wang Vickie	4	Interest in controlled corporation	107,460,000	6.68%
汪煒琪		受控制法團權益		
Cheung Hei Man		Beneficial owner and interest in controlled corporation	88,586,651	5.50%
張曦文		實益擁有人及受控制法團權益		
Jui Hon Cheong	5	Interest of spouse	88,586,651	5.50%
仇瀚樟		配偶權益		
Qian Xiwei		Beneficial owner	86,656,000	5.39%
錢喜偉		實益擁有人		

Notes:

- 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.
- Silver Rhythm Sdn. Bhd. is a private company incorporated under Malaysian law.
- Teoh Tek Siong holds 99% equity interest in the issued capital of Silver Rhythm Sdn. Bhd. By virtue of SFO, he was deemed to be interested in 125,511,797 shares of the Company which in turn was held by Silver Rhythm Sdn. Bhd. In addition, he was directly interested in 1,250,000 shares of the Company.
- Wang Vickie held the entire interest in Biosolid Investments Limited and was deemed to be interested in the same block of shares in which Biosolid Investments Limited was interested by virtue of SFO.
- Jui Hon Cheong is the spouse of Cheung Hei Man and was deemed to be interested in the same block of shares in which Cheung Hei Man was interested by virtue of SFO.

附註：

- Ho Wah Genting Berhad 為根據馬來西亞法律註冊成立之公眾股份有限公司，並於馬來西亞證券交易所主板上市。
- Silver Rhythm Sdn. Bhd. 為根據馬來西亞法律註冊成立之私人公司。
- Teoh Tek Siong 持有 Silver Rhythm Sdn. Bhd. 已發行股本之 99% 權益。根據證券及期貨條例，彼被視為擁有 Silver Rhythm Sdn. Bhd. 所持有 125,511,797 股本公司股份之權益。此外，彼直接擁有 1,250,000 股本公司股份之權益。
- 汪煒琪持有 Biosolid Investments Limited 全部權益，根據證券及期貨條例，彼被視為於 Biosolid Investments Limited 擁有權益之同一批股份中擁有權益。
- 仇瀚樟為張曦文之配偶，根據證券及期貨條例，仇瀚樟被視為於張曦文擁有權益之同一批股份中擁有權益。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct 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 2014 and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2014, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

The share option scheme of the Company ("Scheme") 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. 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標準守則

本公司已採納上市規則附錄10所載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二零一四年六月三十日止六個月及截至本報告日期均已全面遵守標準守則訂明的相關準則。

購買、出售或贖回本公司上市證券

截至二零一四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。

購股權計劃

本公司於二零零八年十月十四日採納本公司購股權計劃（「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；為合資格人士提供認購本公司股本權益的機會；以及藉連繫承授人與股東的利益，促進本公司長期財務成就。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的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決定的任何其他人士（如適用）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, 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 2014, no option has been granted or agreed to be granted under the Scheme.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises wholly Independent Non-executive Directors, 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 2014 with the management and external auditor of the Company.

可能因行使根據該計劃及任何其他計劃授出的所有未行使並仍可獲行使的購股權而發行的股份數目，不得超過本公司不時已發行股份的10%。可能因行使根據該計劃及本公司任何其他計劃授出的購股權而發行的股份總數，最多合共不得超過緊隨本公司股份在聯交所開始買賣後，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）而獲發行及可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的獨立批准，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（或董事會可書面訂明的較長期間）可供接納。承授人接納購股權建議時須向本公司支付1.00港元。董事會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。

截至二零一四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。

審核委員會審閱

由全體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及外聘核數師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二零一四年六月三十日止六個月的未經審核綜合中期財務業績。



DING HE MINING HOLDINGS LIMITED
鼎和礦業控股有限公司