



DING HE MINING HOLDINGS LIMITED

鼎和礦業控股有限公司

(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

2016 中期報告
INTERIM REPORT

CONTENTS 目錄

Corporate Information 公司資料	2
Management Discussion and Analysis 管理層討論及分析	4
Condensed Consolidated Statement of Profit or Loss 簡明綜合損益表	18
Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表	19
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	20
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	22
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	23
Notes to the Condensed Consolidated Interim Financial Statements 簡明綜合中期財務報表附註	24
Other Information 其他資料	85

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Du Jian Jun (*Chairman*)
Mr. Ji Kuang (*Co-Vice Chairman*)
Mr. Li Po Wai (*Co-Vice Chairman*)
Mr. Leung Wai Kwan (*Chief Executive Officer*)
Ms. Meng Xiao Ying
Mr. Fan Weipeng
Mr. Yin Shibo
Mr. Leung Kwok Peng Joseph

Independent Non-executive Directors

Mr. Chan Kin Ho Philip
Ms. Li Zhenzhen
Mr. Liu Bo
Mr. Tong Zhu

COMPANY SECRETARY

Ms. Sharon Kwan

AUDIT COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*)
Ms. Li Zhenzhen
Mr. Liu Bo
Mr. Tong Zhu

REMUNERATION COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*)
Ms. Li Zhenzhen
Mr. Liu Bo
Mr. Tong Zhu

NOMINATION COMMITTEE

Mr. Chan Kin Ho Philip (*Chairman*)
Ms. Li Zhenzhen
Mr. Liu Bo
Mr. Tong Zhu

AUTHORISED REPRESENTATIVES

Mr. Leung Wai Kwan
Ms. Sharon Kwan

董事會

執行董事

杜建軍先生 (*主席*)
嵇匡先生 (*聯席副主席*)
李寶偉先生 (*聯席副主席*)
梁維君先生 (*行政總裁*)
孟小英女士
范偉鵬先生
尹仕波先生
梁國鵬先生

獨立非執行董事

陳建豪先生
李珍珍女士
劉波先生
佟鑄先生

公司秘書

關紫芳女士

審核委員會

陳建豪先生 (*主席*)
李珍珍女士
劉波先生
佟鑄先生

薪酬委員會

陳建豪先生 (*主席*)
李珍珍女士
劉波先生
佟鑄先生

提名委員會

陳建豪先生 (*主席*)
李珍珍女士
劉波先生
佟鑄先生

授權代表

梁維君先生
關紫芳女士

CORPORATE INFORMATION

公司資料

LEGAL ADVISERS

As to Hong Kong Law
Michael Li & Co.

As to Malaysian Law
Tan, Goh & Associates

As to Indonesian Law
Wibowo Hadiwijaya & Co
Ombun Suryono Sidauruk & Partners

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants

SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33rd Floor
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

REGISTERED OFFICE AND HEAD OFFICE IN HONG KONG

Flat B, 21st Floor
Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

BRANCH OFFICE IN MALAYSIA

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

STOCK CODE

705

COMPANY WEBSITE

www.dinghemining.com.hk

法律顧問

香港法律
李智聰律師事務所

馬來西亞法律
Tan, Goh & Associates

印尼法律
Wibowo Hadiwijaya & Co
Ombun Suryono Sidauruk & Partners

核數師

天職香港會計師事務所有限公司
執業會計師

股份過戶登記處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

註冊辦事處及香港總辦事處

香港
灣仔
告士打道128號
祥豐大廈
21樓B室

馬來西亞辦事分處

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

股份代號

705

公司網址

www.dinghemining.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the first half of 2016, the continued existence of the unfavorable business climate affecting the global commodity market and the combination of internal factors such as limited financial resources affecting Ding He Mining Holdings Limited (the “**Company**”) and its Subsidiaries (collectively the “**Group**”) to perform effectively. For the six months ended 30 June 2016, the Group’s reportable business segments are namely (i) the mining of dolomite and manufacture of magnesium ingots; (ii) extraction and bottling of mineral water; and (iii) exploration for iron ore, coal and manganese.

Mining of Dolomite and Manufacture of Magnesium Ingots

The slowdown of the world economy and the depressed prices for magnesium continued in the first half of 2016. In the face of the challenges of the keen competition from other manufacturers and the cost-effectiveness of the operation, the smelter plant of the Group which situates in the State of Perak, Malaysia (the “**Smelter**”) maintained its manufacturing operation of refining magnesium crown for sale, instead of a full production line to manufacture magnesium ingots.

The revenue generated for the six months ended 30 June 2016 recorded a decrease of approximately 58.4% to approximately HK\$6,900,000, compared to the six months ended 30 June 2015 of approximately HK\$16,600,000.

Extraction of dolomite from the dolomite quarry has been halted since 2012. There was no dolomite extracted from the dolomite quarry for the first six months in 2016 (six months ended 30 June 2015: nil).

In light of the continuous gross losses recorded by the Smelter, the suspension of its mining activities and the partial operation of its production line since 2012, the directors (the “**Directors**”) of the Company have plan to review on the recoverable amount of this cash-generating unit at the end of financial year 2016 by referencing to the full-year market situation of magnesium so as to revise the cash flow projection for next year and calculate the value in use of dolomite and manufacture of magnesium ingots.

業務回顧

於二零一六年上半年，不利的業務環境持續影響全球商品市場，且多種內部因素（如財務資源有限）共同影響鼎和礦業控股有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」）的有效運營。截至二零一六年六月三十日止六個月，本集團的可呈報業務分部分別為(i)開採白雲石及生產鎂錠；(ii)提取及裝瓶礦泉水；及(iii)勘探鐵礦石、煤及錳。

開採白雲石及生產鎂錠

環球經濟放緩及鎂價格受壓持續至二零一六年上半年。面對其他製造商的激烈競爭及營運成本效益等挑戰，本集團位於馬來西亞霹靂州的冶煉廠（「**冶煉廠**」）繼續維持生產精煉鎂球以供出售，而非生產鎂錠的全面生產線。

截至二零一六年六月三十日止六個月產生的收入約為6,900,000港元，較截至二零一五年六月三十日止六個月約16,600,000港元減少約58.4%。

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。於二零一六年前六個月內概無於白雲石採石場開採白雲石（截至二零一五年六月三十日止六個月：無）。

鑑於冶煉廠錄得持續毛損以及自二零一二年起暫停其採礦活動及其生產線的部份運作，經參考鎂的整年市況後，本公司董事（「**董事**」）已計劃於二零一六年財政年度末對此現金產生單位的可收回金額進行審閱，以修訂下一年的現金流量預測及計算白雲石及生產鎂錠的使用價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 15 June 2006, CVMSB entered into an agreement (the “**Mining Agreement**”) with Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”) (formerly known as Harta Perak Corporation Sdn. Bhd.), a subsidiary of the Perak State Development Corporation (“**PSDC**”), 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 (see Note 25(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 2016 and 2015.

Mining activities for this dolomite project had started in 2010 and the amortisation charge relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2015: “administrative expenses”) in the condensed consolidated statement of profit or loss.

Extraction and Bottling of Mineral Water

During the first half of 2016, the investment plan of Victory Dragon Holdings Limited and its subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co. Ltd.) (“**Long Chuan**”) in a new production line for sparkling water is still in abeyance due to the limited cash resources available for the Group. In view thereof, the postponement of production line automation and new product line operation had hindered the sales generated by this business segment. The Company is negotiating with certain convenient stores, fuel stations and supermarkets in PRC for the sales of our bottled mineral water. Long Chuan recorded a turnover of approximately HK\$288,000 (six months ended 30 June 2015: approximately HK\$291,000) and gross loss of approximately HK\$354,000 (six months ended 30 June 2015: approximately HK\$206,000).

At 30 June 2016, the management performed a regular review and noted that the financial performance of Long Chuan during the six months ended 30 June 2016 was similar to that during the same period of last financial year. The Directors have already examined the discounted cash flow from Long Chuan and found no significant deterioration as compared to that of last year. The Company will review the fair value of the assets of Long Chuan at the end of this year.

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)(「**PSDC**」)的附屬公司Majuperak Energy Resources Sdn. Bhd.(「**MERSB**」)(前稱Harta Perak Corporation Sdn. Bhd.)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土地開採及提取鎂質白雲石的專有權，為期20年，可選擇續期10年。本集團可向MERSB發出一個月書面通知提早終止採礦協議。CVMSB須根據所提取白雲石的數量按每月最低付款向MERSB支付專利權費(見附註25(b))。截至二零一六年及二零一五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已於二零一零年開始，而有關期內項目的攤銷費用列入簡明綜合損益表的「行政開支」(截至二零一五年六月三十日止六個月：「行政開支」)內。

提取及裝瓶礦泉水

於二零一六年上半年，由於本集團的現金資源緊絀，故投資於凱龍集團有限公司及其附屬公司龍川升龍礦泉有限公司(「**龍川**」)以開發一條製造有氣水的新生產線的計劃仍然擱置。因此，生產線自動化及新生產線運作的延遲阻礙此業務分部產生的銷售額。本公司正與中國若干便利店、油站及超級市場就銷售瓶裝礦泉水進行磋商。龍川錄得營業額約288,000港元(截至二零一五年六月三十日止六個月：約291,000港元)及毛損約354,000港元(截至二零一五年六月三十日止六個月：約206,000港元)。

於二零一六年六月三十日，管理層進行定期審閱，發現龍川於截至二零一六年六月三十日止六個月的財務業績與上一財政年度同期相若。董事已審查龍川的已貼現現金流量，與去年相比並無重大惡化。本公司將於本年底審閱龍川資產的公平值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

There was no impairment loss recognised in the unaudited condensed consolidated statement of profit or loss for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

Exploration for Iron Ore, Coal and Manganese

The current investment of the Company in Indonesia is the exploration of manganese resources in Yogyakarta Province under the non-wholly owned subsidiary, PT. Laksbang Mediatama (“PTLM”).

As disclosed in the previous reports, the operation of PTLM (including the exploration project) has been suspended since 2012 due to the conflicts between the directors and legal representative of PTLM. In order to reinstate its operation and exploration activities, PTLM had applied to the Court in Yogyakarta for court ruling on the appointment of re-nominated directors and replacement of legal representative. In accordance with the legal opinion dated 15 March 2015 obtained from the lawyer of PTLM in Indonesia, the court has granted judgment on 19 November 2014 principally to stipulate PTLM to organise an extraordinary general meeting properly. PTLM is in the process of (i) identifying a legal firm to organise the extraordinary general meeting in accordance with the Indonesian laws and (ii) identifying suitable candidates with the appropriate experience and qualification to fill the vacancies as the legal representative and directors.

As a result of the postponement of the third hearing and additional time is required to identify suitable candidates to fill the vacancies, the potential revenue generating from PTLM was further delayed whereas the estimated future cash inflow derived from the exploration activities of PTLM was deferred. The Directors have already examined the discounted cash flow from the exploration activities of PTLM and found there was no significant deterioration comparing to that of last year. As at 30 June 2016, the book value of the exploration and evaluation assets under this business segment is approximately HK\$18.77 million. Therefore, the Directors considered that the book value is close to the fair value of the assets and will review the fair value of the assets again at the end of this year.

於截至二零一六年六月三十日止六個月的未經審核簡明綜合損益表中概無確認減值虧損(截至二零一五年六月三十日止六個月：無)。

勘探鐵礦石、煤及錳

本公司現時於印尼的投資為非全資附屬公司PT. Laksbang Mediatama(「PTLM」)於Yogyakarta省勘探錳資源。

誠如早前報告所披露，由於董事與PTLM的法律代表出現分歧，故PTLM(包括勘探項目)自二零一二年起暫停營運。為恢復PTLM的經營及勘探活動，PTLM已就委任重新提名董事及更換法律代表而向Yogyakarta省法院申請法院裁決。根據本公司於二零一五年三月十五日向PTLM的印尼律師取得的法律意見，法院已於二零一四年十一月十九日作出判決，主要為規定PTLM須適當地舉行股東特別大會。PTLM現正(i)物色一間律師事務所，以根據印尼法例舉行股東特別大會；及(ii)物色具備適當經驗及資歷的合適候選人，以填補法律代表及董事的空缺。

由於第三次聽證會延期並需額外時間物色合適候選人填補空缺，進一步推遲PTLM所產生的潛在收入，亦因此推遲PTLM的勘探活動所產生的估計未來現金流入。董事已審查PTLM的勘探活動的已貼現現金流量，與去年相比並無重大惡化。於二零一六年六月三十日，此業務分部的勘探及評估資產的賬面值約為18,770,000港元。因此，董事認為資產的賬面值與公平值相若，並將於本年底再次審閱資產的公平值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As explained in Note 14(c) to the condensed consolidated interim financial statements, the Group lost contact with the legal representatives of PT. Laksbang Mediatama (“PTLM”) in prior years and the re-nomination of the legal representatives 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 and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM’s legal representatives.

Exploration, Development and Mining Production Activities

Geological exploration

The Group has one 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 2016, the Group’s geological exploration expenditure amounted to nil (six months ended 30 June 2015: nil).

Mining of dolomite

As at 30 June 2016, the Group did not extract any dolomite from the dolomite land. Hence, the accumulated dolomite reserves identified up to 30 June 2016 remained at 19,970 MT (up to 30 June 2015: 19,970 MT).

The expenditure incurred on dolomite mining production activities, which was mainly minimum royalty payment, for the six months ended 30 June 2016 was Nil (six months ended 30 June 2015: approximately HK\$383,000).

There were no new contracts and commitments entered into during the six months ended 30 June 2016 other than those that were disclosed in the Annual Report 2015.

Iron ore, coal and manganese

During the financial period under review, there were no development or mining production activities in respect of iron ore and coal minerals.

誠如簡明綜合中期財務報表附註14(c)所闡釋，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，並可能影響PTLM履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。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。

勘探、發展及礦務生產活動

地質勘探

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。

截至二零一六年六月三十日止六個月，本集團的地質勘探支出為零(截至二零一五年六月三十日止六個月：無)。

開採白雲石

於二零一六年六月三十日，本集團概無從白雲石地塊開採任何白雲石。因此，截至二零一六年六月三十日，已識別累計白雲石儲量維持19,970公噸(截至二零一五年六月三十日：19,970公噸)。

截至二零一六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)為零(截至二零一五年六月三十日止六個月：約383,000港元)。

除二零一五年年報披露者外，本公司於截至二零一六年六月三十日止六個月內概無訂立新合約及承擔。

鐵礦石、煤炭及錳

於財政回顧期，並無就鐵礦石及煤炭礦物進行任何開發或礦務生產活動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

There were also no development or mining production activities in respect of manganese minerals in the six months ended 30 June 2016 due to the absence of the legal representative in the operation office in Indonesia. The expenditure incurred in these activities was therefore nil (six months ended 30 June 2015: nil).

There were no new contracts and commitments entered into during the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

Estimated Proved Reserves

The updated mineral reserves of the Group as at 30 June 2016 and 31 December 2015 were as follows:

截至二零一六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（截至二零一五年六月三十日止六個月：無）。

本公司於截至二零一六年六月三十日止六個月內概無訂立新合約及承擔（截至二零一五年六月三十日止六個月：無）。

估計探明儲量

本集團於二零一六年六月三十日及二零一五年十二月三十一日之礦產儲量更新如下：

Minerals	Location	Total area	Reserves identified by JORC standard (metric tonnes) as at 30 June 2016	Reserves identified by JORC standard (metric tonnes) as at 31 December 2015
			於二零一六年六月三十日 JORC 規則識別之儲量 (公噸) 探明	於二零一五年十二月三十一日 JORC 規則識別之儲量 (公噸) 探明
礦產	位置	總面積	儲量 (公噸) 探明	儲量 (公噸) 探明
Dolomite	Lots: HS (D) 13756, PT 13404 and HS (D) 13757, PT 13405 Mukim: Sungai Siput District: Kuala Kangsar State: Perak Country: Malaysia	13 hectares	19,970 ⁽¹⁾	19,970 ⁽¹⁾
白雲石	地段: HS (D) 13756, PT 13404 and HS (D) 13757, PT 13405 區域: Sungai Siput 區: Kuala Kangsar 州: 霹靂州 國家: 馬來西亞	13公頃	19,970 ⁽¹⁾	19,970 ⁽¹⁾
Manganese ⁽²⁾	Village: Jatimulyo Subdistrict: Girimulyo Regency: Kulon Progo Province: Daerah Istimewa Yogyakarta Country: Indonesia	195 hectares	Under exploration	Under exploration
錳 ⁽²⁾	村: Jatimulyo 分區: Girimulyo 區: Kulon Progo 省: Daerah Istimewa Yogyakarta 國家: 印尼	195公頃	勘探中	勘探中

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Notes:

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

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

(2) During the six month ended 30 June 2016 and up to the date of this interim report, the operations in Yogyakarta, Indonesia, had been hampered due to the failure to contact the legal representative of PT Laksbang Mediatama.

附註：

(1) 氧化鎂 (「MgO」) 及鎂 (「Mg」) 所佔平均百分比如下：

(2) 截至二零一六年六月三十日止六個月及截至本中期報告日期，於印尼 Yogyakarta 省之業務因無法聯絡 PT Laksbang Mediatama 法律代表而受到阻礙。

Outlook

Since the beginning of last year and till the date of this Report, the Group had strived its best efforts to make strengthen its financial positions and we have seen dramatic improvements in the six months ended 30 June 2016; the subsequent completion of the final repayment of the bank loans in August has finally made the success of the bank loan restructuring program which started from the end of 2014.

The completion of the debt restructuring has turned around the Group’s internal business environment from worse to ready for profit making, the Group is ready to take the next steps in its business plan, apart from improving the existing businesses, resolving past issues to clean up the corporate environment, we are also keeping eyes open for new business opportunities in a globalised prospective, these including but not limited to plans for strategic partnership alliance, business acquisitions, and investments.

展望

自去年年初以來及直至本報告日期，本集團致力於鞏固其財務狀況，於截至二零一六年六月三十日止六個月的財務狀況已有顯著改善；其後於八月份完成銀行貸款的最終還款使得自二零一四年底開始的銀行貸款重組計劃最終得以順利完成。

債務重組的完成扭轉了本集團的內部業務環境，使本集團由虧轉盈，除改善其現有業務外，本集團擬實施其業務計劃的下一步措施，以解決過往問題，進而淨化公司環境。我們亦將在全球尋求新的業務機遇，包括但不限於戰略聯盟合作夥伴計劃、業務收購及投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Turnover and Other Revenue

The Group's turnover for the six months ended 30 June 2016 was approximately HK\$7,230,000 (six months ended 30 June 2015: approximately HK\$16,890,000). The Group received interest income of HK\$281 from money deposited with approved financial institutions and no rental income from leasing of drilling machines for the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$681). The Group also recorded gain on loans reduction approximately HK\$192,990,000 (six months ended 30 June 2015: HK\$Nil) and sundry income HK\$7,134 (six months ended 30 June 2015: HK\$97,694).

Cost of Sales

Cost of sales of the Group for the six months ended 30 June 2016 amounted to approximately HK\$7,040,000 (six months ended 30 June 2015: approximately HK\$26,290,000) which mainly included staff costs, depreciation and amortisation. The decrease in the cost of sales was primarily attributable to the decrease in all components of the cost of sales for a lower operating volume at the Smelter.

Administrative Expenses

The administrative expenses increased by 123.7% to approximately HK\$29,570,000 in the first half of 2016 from approximately HK\$13,220,000 for the same period of last year.

Net Foreign Exchange Losses

During the period under review, the net losses of approximately HK\$140,000 (six months ended 30 June 2015: approximately HK\$70,000) on foreign exchange mainly represented the net realised losses 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 2016.

財務回顧

營業額及其他收入

本集團截至二零一六年六月三十日止六個月的營業額約為7,230,000港元(截至二零一五年六月三十日止六個月:約16,890,000港元)。截至二零一六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281港元及並無就租賃鑽探機收取租金收入(截至二零一五年六月三十日止六個月:681港元)。本集團亦錄得貸款減少收益約192,990,000港元(截至二零一五年六月三十日止六個月:零港元)及雜項收入7,134港元(截至二零一五年六月三十日止六個月:97,694港元)。

銷售成本

本集團截至二零一六年六月三十日止六個月的銷售成本約為7,040,000港元(截至二零一五年六月三十日止六個月:約26,290,000港元),主要包括員工成本、折舊及攤銷。銷售成本減少主要由於銷售成本全部組成部份因冶煉廠運作量下降而有所減少所致。

行政開支

行政開支由去年上半年約13,220,000港元增加123.7%至二零一六年同期約29,570,000港元。

外匯虧損淨額

於回顧期內,外匯虧損淨額約140,000港元(截至二零一五年六月三十日止六個月:約70,000港元)主要指本集團銷售款項的已變現虧損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。於截至二零一六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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance Costs

The Group's finance costs principally consisted of interest of approximately HK\$1,480,000 (six months ended 30 June 2015: approximately HK\$11,460,000) for convertible bonds issued by the Company, interest expenses of approximately HK\$150,000 on loans from third parties (six months ended 30 June 2015: approximately HK\$140,000) and interest on the Group's bank loans of approximately HK\$1,640,000 (six months ended 30 June 2015: approximately HK\$15,740,000).

Profit/(Loss) Before Taxation

The Group gain a profit before taxation of approximately HK\$157,810,000 for the six months ended 30 June 2016 (six months ended 30 June 2015: a loss before taxation of approximately HK\$51,530,000) primarily as a result of gain from operations of approximately HK\$161,120,000 (six months ended 30 June 2015: a result of loss from operations approximately HK\$23,390,000), finance costs of approximately HK\$3,310,000 (six months ended 30 June 2015: approximately HK\$28,140,000).

Such increase of profit is mainly due to the gain resulted from final reduced bank loans settlement of approximately HK\$193.0 million recognised in the current period. Such gain is one-off and non-recurring in nature and the Group is expected to have operational loss regarding that period.

Excluding the gain on loans reduction recognised for the six months ended 30 June 2016 of HK\$192,992,398 (unaudited) (six months ended 30 June 2015 (unaudited): HK\$Nil), the Group incurred a loss for the period attributable to owners of the Company of HK\$31,998,188 (unaudited) (six months ended 30 June 2015 (unaudited): HK\$49,112,954) and, as at 30 June 2016, the Group's current liabilities exceeded its current assets by HK\$157,125,247 (unaudited) (31 December 2015 (audited): HK\$314,988,278)

Earnings/(Loss) per Share

Earnings per share for the six months ended 30 June 2016 increased to HK2.92 cents (six months ended 30 June 2015: loss per share of HK1.78 cents).

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利息約1,480,000港元(截至二零一五年六月三十日止六個月:約11,460,000港元)、來自第三方貸款的利息開支約150,000港元(截至二零一五年六月三十日止六個月:約140,000港元)及本集團銀行貸款的利息約1,640,000港元(截至二零一五年六月三十日止六個月:約15,740,000港元)。

除稅前溢利/(虧損)

本集團於截至二零一六年六月三十日止六個月產生除稅前溢利約157,810,000港元(截至二零一五年六月三十日止六個月:除稅前虧損約51,530,000港元),主要由於產生經營收益約161,120,000港元(截至二零一五年六月三十日止六個月:產生經營虧損約23,390,000港元)、融資成本約3,310,000港元(截至二零一五年六月三十日止六個月:約28,140,000港元)所致。

有關溢利增加主要由於本期間確認最終銀行貸款結算減少而產生收益約193,000,000港元。有關收益屬一次性及非經常性,而本集團預期該期間將錄得經營虧損。

除截至二零一六年六月三十日止六個月確認的貸款減少收益192,992,398港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核):零港元)外,本集團於期內產生本公司擁有人應佔虧損31,998,188港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核):49,112,954港元),以及於二零一六年六月三十日,本集團流動負債超出流動資產157,125,247港元(未經審核)(二零一五年十二月三十一日(經審核):314,988,278港元)。

每股盈利/(虧損)

截至二零一六年六月三十日止六個月的每股盈利增加至2.92港仙(截至二零一五年六月三十日止六個月:每股虧損1.78港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL POSITION

Convertible Bonds

As at 30 June 2016, the remaining outstanding aggregate principal amount of convertible bonds of HK\$26,000,000 (the “**Matured Bonds**”) of the Second Tranche Bonds, the Fourth Tranche Bonds and the Fifth Tranche Bonds following their non-fully redemptions on 29 December 2014, 4 March 2015 and 22 March 2015, respectively, all the Matured Bonds were remained in default and immediately due for repayments as at 30 June 2016. The directors of the Company represented that (i) the Company is currently in the course of arm’s length negotiations with the holders of the Matured Bonds in relation to, among others, the possible extension of the Matured Bonds and other possible alteration of terms of the Matured Bonds (“**Proposed Alteration**”); (ii) as negotiated with the holders of the Matured Bonds, among them except for two holders are under settlement arrangement, they have verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of full redemption pursuant to the terms of the Matured Bonds. The interest (including default interest) thereon is HK\$1,478,826 charged to the six months ended 30 June 2016. As at the approval date of the condensed consolidated interim financial statements, the Proposed Alteration have not been fixed and confirmed yet.

財務狀況

可換股債券

於二零一六年六月三十日，隨著第二批債券、第四批債券及第五批債券分別於二零一四年十二月二十九日、二零一五年三月四日及二零一五年三月二十二日未予悉數贖回，餘下尚未償還可換股債券（「**到期債券**」）的本金額合共為26,000,000港元。所有到期債券仍拖欠還款並於二零一六年六月三十日到期時即時償還。本公司董事表示，(i)本公司正與到期債券持有人就（其中包括）到期債券建議延期及到期債券條款之其他建議修改（「**建議修改**」）進行公平磋商；(ii)與到期債券持有人磋商後，其中，除結算安排下的兩名債券持有人外，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii)根據到期債券條款，本公司將於悉數贖回日期前繼續支付到期債券利息。截至二零一六年六月三十日止六個月收取的有關利息（包括拖欠利息）為1,478,826港元。於簡明綜合中期財務報表批准日期，建議修改尚未決定及確認。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Secured bank loans

As at 30 June 2016, secured bank loans of HK\$87,412,588 (unaudited) (31 December 2015 (audited): HK\$260,423,032) are already due for repayment as the Company's wholly-owned subsidiary, CVM Magnesium Sdn. Bhd. ("CVMSB") is unable to fulfill the covenants set out in the facilities agreement. On 26 June 2015, the Group accepted the latest restructuring proposal offered by Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). Pursuant to which, the total amount owed and repayable to Bank Rakyat by CVMSB agreed to be reduced to RM113,040,000 (equivalents to approximately HK\$203,932,888) by means of cash settlements of RM68,040,000 (equivalents to approximately HK\$122,749,414) and redemption of charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The first cash repayment of RM11,300,000 (equivalents to approximately HK\$20,386,073) was settled by the Group on 2 July 2015 within 7 working days from 26 June 2015 and the remaining balance of RM56,740,000 (equivalents to approximately HK\$102,363,341) was settled by the Group on 30 November 2015 as per the extended settlement deadline. Upon full repayment of the cash settlements to Bank Rakyat, CVMSB is entitled to redeem the charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The redemption shall take place within six months from 26 June 2015 and at the discretion of Bank Rakyat, extend for further six months if there is a proof of sale provided by CVMSB. An additional charge calculated at a rate of 3.85% per annum shall be imposed on the outstanding balance of RM45,000,000 (equivalents to approximately HK\$81,183,475) after full repayment of the above mentioned cash settlements and until the full redemption payment of the charged properties. On 26 November 2015, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat has agreed to extend the charged properties' redemption until 30 June 2016. Accordingly, from January 2016 onwards, CVMSB is required to pay a monthly charge of RM144,375 (equivalent to approximately HK\$260,464) to Bank Rakyat until full settlement of the redemption payment for the redemption. On 29 June 2016, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat agreed to further extend the deadline for the charged properties' redemption, together with the monthly interests due, to on or before 12 July 2016.

有抵押銀行貸款

於二零一六年六月三十日，由於本公司全資附屬公司CVM Magnesium Sdn. Bhd. (「CVMSB」)未能履行融資協議所載契諾，故有抵押銀行貸款87,412,588港元(未經審核)(二零一五年十二月三十一日(經審核)：260,423,032港元)已到期償還。於二零一五年六月二十六日，本集團接納Bank Kerjasama Rakyat Malaysia Berhad (「Bank Rakyat」)提出的最新重組提案。據此，CVMSB所結欠及應償還予Bank Rakyat的總金額經協定後減少至113,040,000馬幣(相當於約203,932,888港元)，將以現金償付68,040,000馬幣(相當於約122,749,414港元)及贖回已押記物業45,000,000馬幣(相當於約81,183,475港元)的方式償還。本集團已於二零一五年七月二日(即二零一五年六月二十六日起計7個工作天內)償付首筆現金還款11,300,000馬幣(相當於約20,386,073港元)，且本集團已按照最後還款期限於二零一五年十一月三十日償付餘額56,740,000馬幣(相當於約102,363,341港元)。待向Bank Rakyat償清現金結算款後，CVMSB有權贖回45,000,000馬幣(相當於約81,183,475港元)的已押記物業。有關贖回將自二零一五年六月二十六日起計六個月內進行，而倘CVMSB提供有關銷售憑證，則Bank Rakyat可酌情再延長六個月。於償清上述現金結算款後，須按年息3.85%就未償還餘額45,000,000馬幣(相當於約81,183,475港元)加收費用，直至付清贖回已押記物業款項為止。於二零一五年十一月二十六日，Bank Rakyat致函CVMSB，向CVMSB表示Bank Rakyat同意延長已押記物業贖回期限至二零一六年六月三十日。因此，由二零一六年一月起，CVMSB須向Bank Rakyat每月支付144,375馬幣(相當於約260,464港元)直至就贖回結清贖回付款額為止。於二零一六年六月二十九日，Bank Rakyat致函CVMSB，向CVMSB表示Bank Rakyat同意將已押記物業最後贖回期限連同到期月息最後期限進一步延至二零一六年七月十二日或之前。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 10 August 2016 and 11 August 2016, Bank Rakyat acknowledged the Group that final settlement of RM45,000,000 (equivalent to approximately HK\$87,412,588) for the redemption of charged properties was received and Bank Rakyat will proceed with the process of the discharging the Group's properties in Malaysia pledged as security. Accordingly, a gain on loans reduction amounted to RM99,352,487 (equivalent to approximately HK\$192,992,398) was recognised in profit or loss during the period.

Liquidity and Financial Resources

Net current liabilities of the Group stood at approximately HK\$157,130,000 as at 30 June 2016 (31 December 2015: approximately HK\$314,990,000). Included in current liabilities were secured bank loans and finance lease creditors of approximately HK\$87,520,000 (31 December 2015: approximately HK\$260,600,000). These bank loans from Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat") bears an interest rate of 8.85% p.a. as at 30 June 2016 (31 December 2015: 8.85% 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 positive 1.75 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 2016 (31 December 2015: negative 3.11 times).

At 30 June 2016, the Group has cash and cash equivalents of HK\$4,641,747 (unaudited) (31 December 2015 (audited): HK\$11,964,081) which is insufficient to settle all the current liabilities, they mainly included accrued salaries of HK\$3,369,478 (unaudited) (31 December 2015 (audited): HK\$3,189,592) payables due in the immediate month, accrued interest on convertible bonds of HK\$4,253,881 (unaudited) (31 December 2015 (audited): HK\$2,979,773); and committed to contract for of HK\$15,337,464 (unaudited) (31 December 2015 (audited): HK\$14,244,500) in the Group's capital commitments.

Total equity attributable to owners of the Company was approximately HK\$71,610,000 as at 30 June 2016 which was increased from deficit of approximately HK\$93,840,000 as at 31 December 2015 mainly due to mixed of one-off and non-recurring gain in current period and huge accumulated losses in the previous years which have more than offset the balance in the stockholders' balance.

於二零一六年八月十日及二零一六年八月十一日，Bank Rakyat 確認本集團已收取贖回已押記物業的最終還款 45,000,000 馬幣（相當於約 87,412,588 港元），且 Bank Rakyat 將辦理手續解除本集團已質押馬來西亞物業作為抵押品。因此，貸款減少收益 99,352,487 馬幣（相當於約 192,992,398 港元）於期內損益中確認。

流動資金及財務資源

於二零一六年六月三十日，本集團的流動負債淨額約為 157,130,000 港元（二零一五年十二月三十一日：約 314,990,000 港元）。流動負債包括有抵押銀行貸款及融資租賃債項約 87,520,000 港元（二零一五年十二月三十一日：約 260,600,000 港元）。於二零一六年六月三十日，此等由 Bank Kerjasama Rakyat Malaysia Berhad（「Bank Rakyat」）提供的銀行貸款年利率為 8.85%（二零一五年十二月三十一日：8.85%），即 Bank Rakyat 的基本融資利率加 2% 的浮動年利率。本集團於二零一六年六月三十日的資產負債比率約為正 1.75 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）（二零一五年十二月三十一日：負 3.11 倍）。

於二零一六年六月三十日，本集團的現金及現金等價物為 4,641,747 港元（未經審核）（二零一五年十二月三十一日（經審核）：11,964,081 港元），其不足以支付所有流動負債（主要包括當月到期應付的應計薪金 3,369,478 港元（未經審核）（二零一五年十二月三十一日（經審核）：3,189,592 港元）、可換股債券的應計利息 4,253,881 港元（未經審核）（二零一五年十二月三十一日（經審核）：2,979,773 港元）；及本集團資本承擔中已承擔已訂約 15,337,464 港元（未經審核）（二零一五年十二月三十一日（經審核）：14,244,500 港元）。

本公司擁有人應佔權益總額由二零一五年十二月三十一日的虧損約 93,840,000 港元增至二零一六年六月三十日的約 71,610,000 港元，主要由於本期間一次性及非經常性收益以及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綜合導致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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) on 13 July 2016 and 1 August 2016, the Company borrowed HK\$42,000,000 and HK\$50,000,000 respectively from an independent third party, with interests bearing at 12% and 10% per annum respectively and repayable within two months after their respective drawdown dates or within 20 business days after the lender has served the Company a written notice for immediate repayment. The Company has also pledged the issued shares of CVMSB as security for the HK\$50,000,000 loan as aforementioned;
- (iii) all the Matured Bonds of the Group were remained in default and immediately due for repayments as at 30 June 2016. The Group is using their best efforts to (i) arrange to continue to pay the overdue interests to the bondholders in due course and (ii) further re-negotiate with bondholders for the extension of maturity dates and Proposed Alteration of terms of these convertible bonds; and
- (iv) the Group has extended its global searching for investors or strategic partners for the Group's projects in Hong Kong, the PRC and the rest of the world.

Capital Expenditure

The carrying amount of the Group's property, plant and equipment as at 30 June 2016 increase by 2.11% to approximately HK\$184,860,000 (31 December 2015: approximately HK\$181,040,000) mainly due to foreign exchange gain during the six months ended 30 June 2016.

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) 於二零一六年七月十三日及二零一六年八月一日，本公司分別向獨立第三方借入42,000,000港元及50,000,000港元，分別按年利率12%及10%計息，須於貸款各提款日期後兩個月內或貸方向本公司發出要求即時償還的書面通知後20個營業日內償還。本公司亦已押記CVMSB的已發行股份，作為上述50,000,000港元貸款的抵押；
- (iii) 本集團所有到期債券仍拖欠還款並於二零一六年六月三十日到期時即時償還。本集團正盡最大努力(i)適時安排向債券持有人繼續支付逾期利息及(ii)進一步與債券持有人就延長到期日及此等可換股債券的建議修改條款重新商討；及
- (iv) 本集團就其在中國、香港及世界其他地區的項目於全球範圍內物色投資者或策略夥伴。

資本開支

於二零一六年六月三十日，本集團物業、廠房及設備的賬面值增加2.11%至約184,860,000港元(二零一五年十二月三十一日：約181,040,000港元)，此乃主要由於截至二零一六年六月三十日止六個月外匯收益所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Charge on Assets

The bank loans are granted to the Group's wholly owned subsidiary, 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 rights, benefits and interest under insurance undertaken by CVMSB as part of its operations for the Project;
- (vi) an assignment over the existing revenue accounts maintained at Bank Rakyat and monies standing to the credit of the revenue account in favour of the bank, the revenue account shall be operated solely by the bank;
- (vii) a first fixed charge/assignment over the retorts of CVMSB;
- (viii) an assignment over the insurance policies of the retorts of CVMSB; and
- (ix) corporate guarantee by Ding He Mining Holding Limited.

On 10 August 2016 and 11 August 2016, Bank Rakyat acknowledged the Group that final settlement of RM45,000,000 (equivalent to approximately HK\$87,412,588) for the redemption of charged properties was received and Bank Rakyat will proceed with the process of discharging the Group's properties in Malaysia pledged as security.

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：

- (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轉讓在該銀行開設的現有收入戶及該收入戶的進賬款項，收入戶僅由該銀行操作；
- (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) 鼎和礦業控股有限公司作出的公司擔保。

於二零一六年八月十日及二零一六年八月十一日，Bank Rakyat告知本集團其已就贖回已押記物業收訖最終結算付款45,000,000馬幣(相當於約87,412,588港元)，且Bank Rakyat將著手解除本集團已質押馬來西亞物業的抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Human Resources

As at 30 June 2016 the Group had a total of approximately 80 employees (31 December 2015: 80 employees). Total staff costs (including Directors' remuneration) for the six months ended 30 June 2016 were approximately HK\$13,320,000 (six months ended 30 June 2015: approximately HK\$3,980,000) representing approximately 36.38% (six months ended 30 June 2015: 9.9%) 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.

人力資源

於二零一六年六月三十日，本集團共有約80名僱員（二零一五年十二月三十一日：80名僱員）。截至二零一六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13,320,000港元（截至二零一五年六月三十日止六個月：約3,980,000港元），佔本集團總銷售成本及行政開支約36.38%（截至二零一五年六月三十日止六個月：9.9%）。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。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
		Notes 附註	
Turnover	營業額	4	7,230,934
Cost of sales	銷售成本		(7,043,276)
Gross profit/(loss)	毛利/(損)		187,658
Other revenue	其他收入	5	192,999,813
Other net losses	其他虧損淨額	6	(144,646)
Selling and distribution expenses	出售及分銷開支		(2,352,119)
Administrative expenses	行政開支		(29,573,165)
Profit/(loss) from operations	經營溢利/(虧損)		161,117,541
Finance costs	融資成本	7(a)	(3,308,754)
Profit/(loss) before taxation	除稅前溢利/(虧損)	7	157,808,787
Income tax	所得稅	8	-
Profit/(loss) for the period	本期溢利/(虧損)		157,808,787
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人		160,994,210
Non-controlling interests	非控股權益		(3,185,423)
Profit/(loss) for the period	本期溢利/(虧損)		157,808,787
Earnings/(loss) per share	每股盈利/(虧損)		
Basic and diluted	基本及攤薄	9	2.92 cents 仙
			(1.78 cents 仙)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Profit/(loss) for the period	本期溢利／(虧損)	157,808,787	(51,527,147)
Other comprehensive (loss)/income for the period	本期其他全面(虧損)／收益		
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss:</i>	<i>已經或其後可能重新分類至損益的項目：</i>		
— Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	— 換算海外附屬公司財務報表的匯兌差異，扣除零稅項	(4,986,100)	16,448,668
Total comprehensive income/(loss) for the period	本期全面收益／(虧損)總額	152,822,687	(35,078,479)
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	157,072,494	(32,997,418)
Non-controlling interests	非控股權益	(4,249,807)	(2,081,061)
Total comprehensive income/(loss) for the period	本期全面收益／(虧損)總額	152,822,687	(35,078,479)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2016 於二零一六年六月三十日

(Expressed in Hong Kong dollars) (以港元列值)

			At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 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	181,009,110	177,870,889
— 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		3,851,658	3,173,431
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及 設備已付按金		9,646,137	9,866,833
Goodwill	商譽	13	—	—
Exploration and evaluation assets	勘探及評估資產	14	37,085,374	37,399,285
Mining deposit	採礦按金		174,825	162,367
			231,767,104	228,472,805
Current assets	流動資產			
Trade receivables	應收賬款	15	273,754	177,489
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	16	3,648,056	3,647,537
Amount due from a related party	應收一名關連方款項	19	464,792	475,426
Tax recoverable	可收回稅項		3,531	3,280
Cash and cash equivalents	現金及現金等價物		4,641,747	11,964,081
			9,031,880	16,267,813
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	17	38,383,690	37,441,499
Obligations under finance leases	融資租賃承擔	18	108,246	174,814
Amount due to a director	應付一名董事款項	19	—	347
Amounts due to related parties	應付關連方款項	19	2,452,603	2,416,399
Convertible bonds	可換股債券	20	26,000,000	29,000,000
Bank loans — secured	有抵押銀行貸款	21	87,412,588	260,423,032
Unsecured loans from third parties	來自第三方無抵押貸款	22	11,800,000	1,800,000
			166,157,127	331,256,091
Net current liabilities	流動負債淨額		(157,125,247)	(314,988,278)
Total assets less current liabilities	總資產減流動負債		74,641,857	(86,515,473)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

30 June 2016 於二零一六年六月三十日
(Expressed in Hong Kong dollars) (以港元列值)

			At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
		Note 附註		
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃承擔	18	–	51,005
Deferred tax liabilities	遞延稅項負債		7,952,143	7,952,143
			7,952,143	8,003,148
Net assets/(liabilities)	資產/(負債)淨額		66,689,714	(94,518,621)
Capital and reserves	資本及儲備			
Share capital	股本	23	1,367,875,301	1,367,875,301
Reserves	儲備		(1,296,260,988)	(1,461,719,130)
Total equity/(deficit) attributable to owners of the Company	本公司擁有人應佔權益/(虧損)總額		71,614,313	(93,843,829)
Non-controlling interests	非控股權益		(4,924,599)	(674,792)
Total equity/(deficit)	權益/(虧損)總額		66,689,714	(94,518,621)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Attributable to owners of the Company										Total equity/ (deficit) 權益/(虧損)
		本公司擁有人應佔										
		Share capital	Convertible preference shares	Exchange reserve	Capital reserve	Convertible bond equity reserve	Share option reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	
		股本	可換股優先股	滙兌儲備	資本儲備	可換股債券權益儲備	購股權儲備	其他儲備	累計虧損	總額	非控股權益	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
At 1 January 2015 (audited)	於二零一五年一月一日(經審核)	989,710,234	90,500,988	32,296,049	1,338,136	29,331,866	-	30,856,527	(1,478,600,873)	(304,567,073)	5,514,086	(299,052,987)
Changes in equity for the period:	本期權益變動:											
Loss for the period	本期虧損	-	-	-	-	-	-	-	(49,112,954)	(49,112,954)	(2,414,193)	(51,527,147)
Other comprehensive income	其他全面收益	-	-	16,115,536	-	-	-	-	-	16,115,536	333,132	16,448,668
Total comprehensive loss for the period	本期全面虧損總額	-	-	16,115,536	-	-	-	-	(49,112,954)	(32,997,418)	(2,081,061)	(35,078,479)
Conversion of convertible preference shares	轉換可轉換優先股	90,500,988	(90,500,988)	-	-	-	-	-	-	-	-	-
At 30 June 2015 (unaudited)	於二零一五年六月三十日(未經審核)	1,080,211,222	-	48,411,585	1,338,136	29,331,866	-	30,856,527	(1,527,713,827)	(337,564,491)	3,433,025	(334,131,466)
At 1 January 2016 (audited)	於二零一六年一月一日(經審核)	1,367,875,301	-	66,352,572	1,338,136	7,558,200	-	30,856,527	(1,567,824,565)	(93,843,829)	(674,792)	(94,518,621)
Changes in equity for the period:	本期權益變動:											
Profit for the period	本期溢利	-	-	-	-	-	-	-	160,994,210	160,994,210	(3,185,423)	157,808,787
Other comprehensive loss	其他全面虧損	-	-	(3,921,716)	-	-	-	-	-	(3,921,716)	(1,064,384)	(4,986,100)
Total comprehensive income for the period	本期全面收益總額	-	-	(3,921,716)	-	-	-	-	160,994,210	157,072,494	(4,249,807)	152,822,687
Share options granted	已授出購股權	-	-	-	-	-	8,385,648	-	-	8,385,648	-	8,385,648
Redemptions of convertible bonds	贖回可換股債券	-	-	-	-	(492,260)	-	-	492,260	-	-	-
At 30 June 2016 (unaudited)	於二零一六年六月三十日(未經審核)	1,367,875,301	-	62,430,856	1,338,136	7,065,940	8,385,648	30,856,527	(1,406,338,095)	71,614,313	(4,924,599)	66,689,714

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元列值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營業務		
Net cash used in operating activities	經營業務所用現金淨額	(12,196,554)	(13,506,536)
Investing activities	投資業務		
Decrease in pledged deposits	質押存款減少	–	2,735
Interest received	已收利息	281	681
Net cash generated from investing activities	投資業務所得現金淨額	281	3,416
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	(117,573)	(152,906)
Interest on finance lease rentals paid	已付融資租賃租金的利息	(4,748)	(12,289)
Interest paid	已付利息	(2,013,231)	(699,323)
Proceeds from unsecured loans from third parties	來自第三方無抵押貸款所得款項	10,000,000	42,200,000
Redemptions of convertible bonds	贖回可換股債券	(3,000,000)	(3,000,000)
Net cash generated from financing activities	融資業務所得現金淨額	4,864,448	38,335,482
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(7,331,825)	24,832,362
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	11,964,081	378,935
Effect of foreign exchange rate changes	匯率變動之影響	9,491	(14,249)
Cash and cash equivalents at end of the period	期終現金及現金等價物	4,641,747	25,197,048

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 (the “**Company**”) is a company incorporated and domiciled in Hong Kong. The address of its registered office is Flat B, 21/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong. The address of its principal place of business is 3/F., Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia. The Company’s shares are 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 2016 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 31 August 2016.

The condensed consolidated interim financial statements have not been audited.

1 公司資料

鼎和礦業控股有限公司(「**本公司**」)是一間於香港註冊成立及登記的公司。其註冊辦事處地址為香港灣仔告士打道128號祥豐大廈21樓B室。其主要營業地點地址為3/F, Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia。本公司股份在香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司於二零一六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二零一六年八月三十一日獲批准刊發。

簡明綜合中期財務報表未經審核。

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

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 2016. 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.

The financial information relating to the financial year ended 31 December 2015 that is included in the interim financial information as comparative information does not constitute the Group’s annual financial statements prepared under HKFRSs for that financial year but is derived from those financial statements. Further information relating to these annual financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the “HKCO”) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the HKCO.

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二零一六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。

載於中期財務資料有關截至二零一五年十二月三十一日止財政年度作為比較資料的財務資料並不構成本集團於該財政年度根據香港財務報告準則編製的年度財務報表，惟乃源自該等財務報表。有關此等年度財務報表的進一步詳情根據香港公司條例(「香港公司條例」)第436條披露如下：

本公司已根據香港公司條例第662(3)條及其附表6第3部向香港公司註冊處處長提交截至二零一五年十二月三十一日止年度的財務報表。

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 2015. 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 2015.

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 2015.

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二零一五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，且應與本集團截至二零一五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二零一五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。

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)*

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

- (i) excluding the gain on loans reduction recognised for the six months ended 30 June 2016 of HK\$192,992,398 (unaudited) (six months ended 30 June 2015 (unaudited): HK\$Nil), the Group incurred a loss for the period attributable to owners of the Company of HK\$31,998,188 (unaudited) (six months ended 30 June 2015 (unaudited): HK\$49,112,954) and, as at 30 June 2016, the Group's current liabilities exceeded its current assets by HK\$157,125,247 (unaudited) (31 December 2015 (audited): HK\$314,988,278);
- (ii) at 30 June 2016, the Group has cash and cash equivalents of HK\$4,641,747 (unaudited) (31 December 2015 (audited): HK\$11,964,081) which is insufficient to settle all the current liabilities, they mainly included accrued salaries of HK\$3,369,478 (unaudited) (31 December 2015 (audited): HK\$3,189,592) payables due in the immediate month, accrued interest on convertible bonds of HK\$4,253,881 (unaudited) (31 December 2015 (audited): HK\$2,979,773); and committed to contract for of HK\$15,337,464 (unaudited) (31 December 2015 (audited): HK\$14,244,500) in the Group's capital commitments;
- (iii) 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;
- (iv) as detailed in Notes 14(b) and 14(c) to the condensed consolidated interim financial statements, there were no exploration activities conducted in the six months ended 30 June 2016 for coal and manganese. This was because the Group is trying to reallocate its limited cash resources to other prospective business segments;

2 簡明綜合中期財務報表的編製基準(續)

在編製簡明綜合中期財務報表時，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) 除截至二零一六年六月三十日止六個月確認的貸款減少收益192,992,398港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核)：零港元)外，本集團於期內產生本公司擁有人應佔虧損31,998,188港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核)：49,112,954港元)，以及於二零一六年六月三十日，本集團流動負債超出流動資產157,125,247港元(未經審核)(二零一五年十二月三十一日(經審核)：314,988,278港元)；
- (ii) 於二零一六年六月三十日，本集團的現金及現金等價物為4,641,747港元(未經審核)(二零一五年十二月三十一日(經審核)：11,964,081港元)，其不足以支付所有流動負債(主要包括當月到期應付的應計薪金3,369,478港元(未經審核)(二零一五年十二月三十一日(經審核)：3,189,592港元)、可換股債券的應計利息4,253,881港元(未經審核)(二零一五年十二月三十一日(經審核)：2,979,773港元)；及本集團資本承擔中已承擔已訂約15,337,464港元(未經審核)(二零一五年十二月三十一日(經審核)：14,244,500港元)；
- (iii) 誠如簡明綜合中期財務報表附註14(a)所闡釋，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；
- (iv) 誠如簡明綜合中期財務報表附註14(b)及14(c)所詳述，截至二零一六年六月三十日止六個月並無就煤炭及錳進行勘探活動，此乃由於本集團正在嘗試重新分配其有限的現金資源至其他潛在的業務分部；

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)*

(v) as explained in Note 14(c) to the condensed consolidated interim financial statements, the Group lost contact with the legal representatives of PT. Laksbang Mediatama (“PTLM”) in prior years and the re-nomination of the legal representatives 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 and might impact the fulfillment of the obligations of PTLM in respect of its production operation mining permit for manganese and any other government regulations it would be subject to. The operations and future profitability of the Group might be affected by the loss of contact with the PTLM’s legal representatives;

(vi) as detailed in Note 20(a) to the condensed consolidated interim financial statements, the remaining outstanding aggregate principal amount of convertible bonds of HK\$26,000,000 (the “**Matured Bonds**”) of the Second Tranche Bonds, the Fourth Tranche Bonds and the Fifth Tranche Bonds following their non-fully redemptions on 29 December 2014, 4 March 2015 and 22 March 2015, respectively, all the Matured Bonds were remained in default and immediately due for repayments as at 30 June 2016. The Directors represented that (i) the Company is currently in the course of arm’s length negotiations with the holders of the Matured Bonds in relation to, among others, the possible extension of the Matured Bonds and/or other possible alteration of terms of the Matured Bonds (“**Proposed Alteration**”); (ii) as negotiated with the holders of the Matured Bonds, among them except for two holders are under settlement arrangements, they have verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of full redemption pursuant to the terms of the Matured Bonds. The interest (including default interest) thereon is HK\$1,478,826 charged to the six months ended 30 June 2016. As at the approval date of the condensed consolidated interim financial statements, the Proposed Alteration have not been fixed and confirmed yet;

2 簡明綜合中期財務報表的編製基準(續)

(v) 誠如簡明綜合中期財務報表附註14(c)所闡釋，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，並可能影響PTLM履行有關其錳生產經營開採許可證及任何其他其將須遵守的政府規例的責任。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；

(vi) 誠如簡明綜合中期財務報表附註20(a)所詳述，隨著第二批債券、第四批債券及第五批債券分別於二零一四年十二月二十九日、二零一五年三月四日及二零一五年三月二十二日未予悉數贖回，餘下尚未償還可換股債券(「**到期債券**」)的本金額合共為26,000,000港元。所有到期債券仍拖欠還款並於二零一六年六月三十日到期時即時償還。董事表示，(i)本公司正與到期債券持有人就(其中包括)到期債券建議延期及/或到期債券條款之其他建議修改(「**建議修改**」)進行公平磋商；(ii)與到期債券持有人磋商後，其中，除結算安排下的兩名持有人外，彼等口頭同意於建議修改確認前不贖回到期債券；及(iii)根據到期債券條款，本公司將於悉數贖回日期前繼續支付到期債券利息。截至二零一六年六月三十日止六個月收取的有關利息(包括拖欠利息)為1,478,826港元。於簡明綜合中期財務報表批准日期，建議修改尚未決定及確認；

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)

(vii) as detailed in Note 21 to the condensed consolidated interim financial statements, secured bank loans of HK\$87,412,588 (unaudited) (31 December 2015 (audited): HK\$260,423,032) are already due for repayment as the Company's wholly-owned subsidiary, CVM Magnesium Sdn. Bhd. ("CVMSB") is unable to fulfill the covenants set out in the facilities agreement. On 26 June 2015, the Group accepted the latest restructuring proposal offered by Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). Pursuant to which, the total amount owed and repayable to Bank Rakyat by CVMSB agreed to be reduced to RM113,040,000 (equivalents to approximately HK\$203,932,888) by means of cash settlements of RM68,040,000 (equivalents to approximately HK\$122,749,414) and redemption of charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The first cash repayment of RM11,300,000 (equivalents to approximately HK\$20,386,073) was settled by the Group on 2 July 2015 within 7 working days from 26 June 2015 and the remaining balance of RM56,740,000 (equivalents to approximately HK\$102,363,341) was settled by the Group on 30 November 2015 as per the extended settlement deadline. Upon full repayment of the cash settlements to Bank Rakyat, CVMSB is entitled to redeem the charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The redemption shall take place within six months from 26 June 2015 and at the discretion of Bank Rakyat, extend for further six months if there is a proof of sale provided by CVMSB. An additional charge calculated at a rate of 3.85% per annum shall be imposed on the outstanding balance of RM45,000,000 (equivalents to approximately HK\$81,183,475) after full repayment of the above mentioned cash settlements and until the full redemption payment of the charged properties. On 26 November 2015, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat has agreed to extend the charged properties' redemption until 30 June 2016. Accordingly, from January 2016 onwards, CVMSB is required to pay a monthly charge of RM144,375 (equivalent to approximately HK\$260,464) to Bank Rakyat until full settlement of the redemption payment for the redemption. On 29 June 2016, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat agreed to further extend the deadline for the charged properties' redemption, together with the monthly interests due, to on or before 12 July 2016; and

2 簡明綜合中期財務報表的編製基準(續)

(vii) 誠如簡明綜合中期財務報表附註21詳述，由於本公司全資附屬公司CVM Magnesium Sdn. Bhd. (「CVMSB」) 未能履行融資協議所載契諾，故有抵押銀行貸款87,412,588港元(未經審核)(二零一五年十二月三十一日(經審核): 260,423,032港元)已到期償還。於二零一五年六月二十六日，本集團接納Bank Kerjasama Rakyat Malaysia Berhad (「Bank Rakyat」) 提出的最新重組提案。據此，CVMSB所結欠及應償還予Bank Rakyat的總金額經協定後減少至113,040,000馬幣(相當於約203,932,888港元)，將以現金償付68,040,000馬幣(相當於約122,749,414港元)及贖回已押記物業45,000,000馬幣(相當於約81,183,475港元)的方式償還。本集團已於二零一五年七月二日(即二零一五年六月二十六日起計7個工作天內)償付首筆現金還款11,300,000馬幣(相當於約20,386,073港元)，且本集團已按照最後還款期限於二零一五年十一月三十日償付餘額56,740,000馬幣(相當於約102,363,341港元)。待向Bank Rakyat償清現金結算款後，CVMSB有權贖回45,000,000馬幣(相當於約81,183,475港元)的已押記物業。有關贖回將自二零一五年六月二十六日起計六個月內進行，而倘CVMSB提供有關銷售憑證，則Bank Rakyat可酌情再延長六個月。於償清上述現金結算款後，須按年息3.85%就未償還餘額45,000,000馬幣(相當於約81,183,475港元)加收費用，直至付清贖回已押記物業款項為止。於二零一五年十一月二十六日，Bank Rakyat致函CVMSB表示同意延長已押記物業贖回期限至二零一六年六月三十日。因此，由二零一六年一月起，CVMSB須向Bank Rakyat每月支付144,375馬幣(相當於約260,464港元)直至就贖回結清贖回付款額為止。於二零一六年六月二十九日，Bank Rakyat致函CVMSB表示同意將已押記物業最後贖回期限連同到期月息最後期限進一步延至二零一六年七月十二日或之前；及

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)*

(viii) as detailed in Note 26(b) to the condensed consolidated interim financial statements, the bondholders of the Matured Bonds may without further notice institute such proceedings as it may think fit to enforce repayment of the Matured Bonds.

The Directors have taken the following actions to mitigate the liquidity issues faced by the Group:

- (i) on 10 August 2016 and 11 August 2016, Bank Rakyat acknowledged the Group that final settlement of RM45,000,000 (equivalents to approximately HK\$87,412,588) for the redemption of charged properties was received and Bank Rakyat will proceed with the process of discharging the Group's properties in Malaysia pledged as security. Accordingly, an one-off non-recurring gain on loans reduction amounted to RM99,352,487 (equivalent to approximately HK\$192,992,398) was recognised in profit or loss during the period;
- (ii) on 13 July 2016 and 1 August 2016, the Company borrowed HK\$42,000,000 and HK\$50,000,000 respectively from an independent third party, with interests bearing at 12% and 10% per annum respectively and repayable within two months after their respective drawdown dates or within 20 business days after the lender has served the Company a written notice for immediate repayment. The Company has also pledged the issued shares of CVMSB as security for the HK\$50,000,000 loan as aforementioned;

2 簡明綜合中期財務報表的編製基準(續)

(viii) 誠如簡明綜合中期財務報表附註26(b)詳述，到期債券持有人毋需就構成其認為合適可強制償還到期債券的行動作進一步通知。

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) 於二零一六年八月十日及二零一六年八月十一日，Bank Rakyat 確認本集團已收取贖回已押記物業的最終還款45,000,000馬幣(相當於約87,412,588港元)，且Bank Rakyat將辦理手續解除本集團已質押馬來西亞物業作為抵押品。因此，貸款減少的一次性及非經常性收益99,352,487馬幣(相當於約192,992,398港元)於期內損益中確認；
- (ii) 於二零一六年七月十三日及二零一六年八月一日，本公司分別向獨立第三方借入42,000,000港元及50,000,000港元，分別按年利率12%及10%計息，須於各提款日期後兩個月內或貸方向本公司發出要求即時償還的書面通知後20個營業日內償還。本公司亦已押記CVMSB的已發行股份，作為上述50,000,000港元貸款的抵押；

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) as detailed in Notes 20(a) and 26(b), all the Matured Bonds were remained in default and immediately due for repayments as at 30 June 2016. The Group is using their best efforts to (i) arrange to continue to pay the overdue interests to the bondholders in due course and (ii) further re-negotiate with bondholders for the extension of maturity dates and Proposed Alteration of terms of these convertible bonds; and
- (IV) the Group has extended its global searching for investors or strategic partners for the Group's projects in Hong Kong, the PRC and the rest of the world.

The Directors consider that taking into account of 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 CVMSB and its indirectly owned subsidiary, 龍川升龍礦泉有限公司 (Long Chuan Shen Long Mineral Water Co., Ltd.) ("**Long Chuan**") and all existing loans 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) 誠如附註20(a)及26(b)所詳述，所有到期債券仍拖欠還款並於二零一六年六月三十日到期時即時償還。本集團正盡最大努力(i)適時安排向債券持有人繼續支付逾期利息及(ii)進一步與債券持有人就延長到期日及此等可換股債券條款的建議修改重新商討；及
- (IV) 本集團就其在中國、香港及世界其他地區的項目於全球範圍內物色投資者或戰略夥伴。

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，以及全部現有貸款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 2015.

The HKICPA has issued a number of new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2016, the adoption has no significant impact on the Group's condensed consolidated interim financial statements; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's consolidated financial statements.

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二零一五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。就於二零一六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簡明綜合中期財務報表並無重大影響，而就尚未生效者而言，本集團正在評估該等準則對本集團綜合財務報表的影響。

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	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of bottled mineral water	銷售瓶裝礦泉水	288,060	290,723
Sales of magnesium ingots and related materials	銷售鎂錠及相關物料	6,942,874	16,603,361
		7,230,934	16,894,084

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	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Interest income	利息收入	281	681
Gain on loans reduction (Note 21)	貸款減少收益(附註21)	192,992,398	—
Sundry income	雜項收入	7,134	97,694
		192,999,813	98,375

6 OTHER NET LOSSES

6 其他虧損淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Net foreign exchange losses	外匯虧損淨額	(144,646)	(72,258)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

7 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(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	1,642,180	15,735,507
Interest on convertible bonds	可換股債券利息	1,478,826	11,460,817
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	153,000	142,312
Amortisation of loan transaction costs	貸款交易成本攤銷	–	178,104
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	4,748	12,289
Other borrowings costs	其他借貸成本	30,000	610,194
		3,308,754	28,139,223

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(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	4,781,047	3,841,245
Share-based payments	以股份為基礎的付款	8,385,648	–
Contributions to defined contribution retirement plan	向界定供款退休計劃供款	150,471	135,219
		13,317,166	3,976,464

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

7 PROFIT/(LOSS) BEFORE TAXATION (continued) 7 除稅前溢利/(虧損)(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
(c) Other items:	(c) 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	55,026	61,834
Cost of inventories sold #	已售存貨成本#	7,043,276	26,285,117
Depreciation	折舊	8,470,097	11,529,007
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	—	224,744
— office premises	— 辦公室物業	522,817	180,845

The cost of inventories sold includes HK\$Nil (unaudited) (six months ended 30 June 2015 (unaudited): HK\$12,015,009) 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零港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核): 12,015,009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

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. On the basis stated below, no income tax has been provided by the Group for the six months ended 30 June 2016 and 2015 (unaudited).

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2015: 16.5%) of the estimated assessable profits for the six months ended 30 June 2016. No provision for Hong Kong Profits Tax had 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 2016 and 2015 (unaudited).

8 所得稅

本集團須就於本集團成員公司註冊成立及經營業務所在司法權區所產生或賺取的溢利，按實體基準繳納所得稅。基於下列基準，截至二零一六年及二零一五年六月三十日止六個月(未經審核)，本集團並無就所得稅作出撥備。

香港利得稅乃根據截至二零一六年六月三十日止六個月的估計應課稅溢利按16.5%(截至二零一五年六月三十日止六個月: 16.5%)計算。由於截至二零一六年及二零一五年六月三十日止六個月(未經審核)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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

8 INCOME TAX (continued)

Malaysian Income Tax is calculated at 25% (six months ended 30 June 2015: 25%) of assessable profits for the six months ended 30 June 2016. 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 2016 and 2015 (unaudited).

In accordance with the tax laws of Indonesia, companies engaged in metal, mineral and coal mining are governed by a particular contract of work and this is used for computation of the domestic income tax relating to that contract of work. Since the natural resources located in Indonesia are still in a preliminary exploration phase, the management 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 2016 and 2015. 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 2016 and 2015 (unaudited).

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 2015: 25%) for the six months ended 30 June 2016. No provision for PRC Enterprise Income Tax has been made as the Group did not have assessable profit which is subject to the PRC Income Tax for the six months ended 30 June 2016 and 2015 (unaudited).

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

At 30 June 2016 and 2015 (unaudited), 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.

8 所得稅(續)

馬來西亞所得稅乃根據截至二零一六年六月三十日止六個月的應課稅溢利按25%(截至二零一五年六月三十日止六個月:25%)計算。由於截至二零一六年及二零一五年六月三十日止六個月(未經審核)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二零一六年及二零一五年六月三十日止六個月須應用之稅率。由於截至二零一六年及二零一五年六月三十日止六個月(未經審核)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,中國附屬公司截至二零一六年六月三十日止六個月之稅率為25%(截至二零一五年六月三十日止六個月:25%)。由於截至二零一六年及二零一五年六月三十日止六個月(未經審核)本集團並無應課稅溢利須繳納中國所得稅,故並無就中國企業所得稅作出撥備。

根據英屬處女群島(「**英屬處女群島**」)規則及規例,本集團毋須在此司法權區繳納任何所得稅。

由於在相關稅務司法權區內將不大可能有可用作抵免虧損的未來應課稅溢利,故本集團於二零一六年及二零一五年六月三十日(未經審核)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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$160,994,210 (unaudited) (six months ended 30 June 2015 (unaudited): loss attributable to owners of the Company of HK\$49,112,954) and the weighted average number of 5,509,623,921 (unaudited) (30 June 2015 (unaudited): 2,751,704,235) ordinary shares in issue during the six months ended 30 June 2016, calculated as follows:

		2016 二零一六年 (Unaudited) (未經審核)	2015 二零一五年 (Unaudited) (未經審核)
Issued ordinary shares at 1 January	於一月一日的已發行普通股	5,509,623,921	2,495,451,437
Effect of conversion of convertible preference shares	轉換可轉換優先股的影響	-	256,252,798
Weighted average number of shares at 30 June	於六月三十日的股份加權平均數	<u>5,509,623,921</u>	<u>2,751,704,235</u>

(b) Diluted earnings/(loss) per share

The computation of diluted earnings/(loss) per share does not assume the conversions/exercises of the Company's outstanding convertible bonds and share options since their conversions/exercises would have an anti-dilutive effect on the basic earnings/(loss) per share.

10 INTERIM DIVIDENDS

The Directors do not recommend the payment of dividend for the six months ended 30 June 2016 and 2015.

9 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利乃基於截至二零一六年六月三十日止六個月本公司擁有人應佔溢利160,994,210港元(未經審核)(截至二零一五年六月三十日止六個月(未經審核):本公司擁有人應佔虧損49,112,954港元)及已發行普通股加權平均數5,509,623,921股(未經審核)(二零一五年六月三十日(未經審核):2,751,704,235股)計算如下:

(b) 每股攤薄盈利/(虧損)

每股攤薄盈利/(虧損)的計算並無假設轉換/行使本公司尚未轉換/行使的可換股債券及購股權,此乃由於其轉換/行使將會對每股基本盈利/(虧損)產生反攤薄影響。

10 中期股息

董事並不建議就截至二零一六年及二零一五年六月三十日止六個月派付股息。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

11 SEGMENT REPORTING

The Group has identified the reportable segments set out below. The segment information reported internally to the Group's CODM for the purposes of resource 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 South America, Malaysia and China.

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.

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南美洲、馬來西亞及中國進行。

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 include all non-current assets and current assets with the exception of pledged deposits, cash and cash equivalents and other corporate assets. Segment liabilities include non-current liabilities and current liabilities with the exception of liabilities associated with 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 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 resource 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相關的負債。

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 for magnesium ingots 開採白雲石 及生產鎂錠 HK\$ 港元	Exploration of iron ore, coal and manganese 勘探鐵礦石、 煤及錳 HK\$ 港元	Extraction and bottling of mineral water 提取及裝瓶 礦泉水 HK\$ 港元	Total 總計 HK\$ 港元
Six months ended 30 June 2016 (unaudited)	截至二零一六年 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)	6,942,874	–	288,060	7,230,934
Segment loss	分部虧損	(8,536,416)	96,306	(6,204,956)	(14,645,066)
Interest income	利息收入	–	–	192	192
Depreciation and amortisation	折舊及攤銷	(7,914,428)	(60,844)	(324,451)	(8,299,723)
Finance costs	融資成本	(1,646,295)	–	–	(1,646,295)
As at 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)				
Segment assets	分部資產	176,896,930	18,851,312	34,847,239	230,595,481
Segment liabilities	分部負債	(5,134,934)	(1,565,309)	(6,179,997)	(12,880,240)

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 2015 (unaudited)	截至二零一五年 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)	16,603,361	-	290,723	16,894,084
Segment loss	分部虧損	(2,365,898)	(211,077)	(4,030,476)	(6,607,451)
Interest income	利息收入	659	-	22	681
Depreciation and amortisation	折舊及攤銷	(10,833,281)	(64,381)	(614,234)	(11,511,896)
Finance costs	融資成本	(15,922,226)	-	(1,682)	(15,923,908)
As at 31 December 2015 (audited)	於二零一五年十二月 三十一日(經審核)				
Segment assets	分部資產	171,965,167	18,400,546	35,878,510	226,244,223
Segment liabilities	分部負債	(3,321,457)	(1,516,380)	(5,716,965)	(10,554,802)

Note:

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the six months ended 30 June 2016 and 2015.

附註：

上文所呈報分部收入指來自外部客戶的收入。截至二零一六年及二零一五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	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收入		
Reportable segment revenue	可呈報分部收入	7,230,934	16,894,084
Profit/(loss)	溢利/(虧損)		
Reportable segment loss	可呈報分部虧損	(14,645,066)	(6,607,451)
Interest income	利息收入	192	681
Depreciation and amortisation	折舊及攤銷	(8,299,723)	(11,511,896)
Finance costs	融資成本	(1,646,295)	(15,923,908)
Other unallocated amounts	其他未分配金額		
— Interest income	— 利息收入	89	—
— Depreciation and amortisation	— 折舊及攤銷	(225,400)	(78,945)
— Finance costs	— 融資成本	(1,662,459)	(12,215,315)
— Others	— 其他	184,287,449	(5,190,313)
Consolidated profit/(loss) before taxation	除稅前綜合溢利/(虧損)	157,808,787	(51,527,147)

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 2016 於二零一六年 六月三十日 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 (Audited) (經審核)
Assets	資產		
Reportable segment assets	可呈報分部資產	230,595,481	226,244,223
Unallocated corporate assets:	未分配公司資產：		
— Cash and cash equivalents	— 現金及現金等價物	4,641,747	11,964,081
— Others	— 其他	5,561,756	6,532,314
Consolidated total assets	綜合總資產	240,798,984	244,740,618
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	(12,880,240)	(10,554,802)
Unallocated corporate liabilities:	未分配公司負債：		
— Bank loans — secured	— 有抵押銀行貸款	(87,412,588)	(260,423,032)
— Convertible bonds	— 可換股債券	(26,000,000)	(29,000,000)
— Unsecured loans from third parties	— 來自第三方無抵押貸款	(11,800,000)	(1,800,000)
— Deferred tax liabilities	— 遞延稅項負債	(7,952,143)	(7,952,143)
— Others	— 其他	(28,064,299)	(29,529,262)
Consolidated total liabilities	綜合總負債	(174,109,270)	(339,259,239)

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, deposits paid for acquisition of property, plant, and equipment, 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 and 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、收購物業、廠房及設備已付按金、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(倘屬無形資產及商譽)業務所在地分類。

	South America 南美洲		Asia 亞洲		The PRC 中國		Europe 歐洲		Total 總計	
	Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)

Turnover	營業額	-	16,603,361	5,226,874	-	288,060	290,723	1,716,000	-	7,230,934	16,894,084
----------	-----	---	------------	-----------	---	---------	---------	-----------	---	-----------	------------

	Hong Kong 香港		Malaysia 馬來西亞		The PRC 中國		Indonesia 印尼		Total 總計	
	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	於二零一六年	於二零一五年	於二零一六年	於二零一五年	於二零一六年	於二零一五年	於二零一六年	於二零一五年	於二零一六年	於二零一五年
	六月三十日	十二月三十一日	六月三十日	十二月三十一日	六月三十日	十二月三十一日	六月三十日	十二月三十一日	六月三十日	十二月三十一日
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)	(未經審核)	(經審核)

Specified non-current assets	指定非流動資產	689,268	914,668	180,064,379	175,157,108	32,510,724	33,473,868	18,502,733	18,927,161	231,767,104	228,472,805
------------------------------	---------	---------	---------	-------------	-------------	------------	------------	------------	------------	-------------	-------------

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 major customers, each of whom amounted to 10% or more of the Group's total revenue, is set out as below:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer A ¹	客戶 A ¹	3,689,400	N/A ² 不適用 ²
Customer B ¹	客戶 B ¹	3,253,474	N/A ² 不適用 ²
Customer C ¹	客戶 C ¹	N/A ² 不適用 ²	14,876,024

¹ All revenue disclosed above is related to the mining of dolomite and manufacture of magnesium ingots segment.

² The corresponding revenue did not contribute 10% or more of the Group's total revenue.

11 分部報告(續)

(d) 有關主要客戶的資料

來自主要客戶的收入(每名客戶佔本集團總收入10%或以上)載列如下:

¹ 上文披露的所有收入與開採白雲石及製造鎂錠分部有關。

² 相關收入佔本集團總收入未達10%或以上。

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016 and 2015 (unaudited), no property, plant and equipment was acquired by the Group.

No assets were written off during the six months ended 30 June 2016 and 2015 (unaudited).

During the six months ended 30 June 2016 and 2015 (unaudited), no assets were disposed.

12 物業、廠房及設備

截至二零一六年及二零一五年六月三十日止六個月(未經審核),本集團並無收購物業、廠房及設備。

截至二零一六年及二零一五年六月三十日止六個月(未經審核),並無資產已撇銷。

截至二零一六年及二零一五年六月三十日止六個月(未經審核),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

13 GOODWILL

13 商譽

		HK\$ 港元
Cost:	成本：	
At 1 January 2015 (audited), 31 December 2015 (audited), 1 January 2016 (audited) and 30 June 2016 (unaudited)	於二零一五年一月一日(經審核)、二零一五年十二月三十一日(經審核)、二零一六年一月一日(經審核)及二零一六年六月三十日(未經審核)	252,803,090
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2015 (audited), 31 December 2015 (audited), 1 January 2016 (audited) and 30 June 2016 (unaudited)	於二零一五年一月一日(經審核)、二零一五年十二月三十一日(經審核)、二零一六年一月一日(經審核)及二零一六年六月三十日(未經審核)	252,803,090
Carrying amount:	賬面值：	
At 30 June 2016 (unaudited)	於二零一六年六月三十日(未經審核)	-
At 31 December 2015 (audited)	於二零一五年十二月三十一日(經審核)	-

14 EXPLORATION AND EVALUATION ASSETS

14 勘探及評估資產

		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Audited) (經審核)
Cost:	成本：		
At 1 January	於一月一日	437,456,163	441,911,769
Exchange adjustments	匯兌調整	(2,579,890)	(4,455,606)
At 30 June/31 December	於六月三十日/十二月三十一日	434,876,273	437,456,163
Accumulated amortisation and impairment:	累計攤銷及減值：		
At 1 January	於一月一日	400,056,878	400,251,369
Impairment loss	減值虧損	-	3,736,391
Exchange adjustments	匯兌調整	(2,265,979)	(3,930,882)
At 30 June/31 December	於六月三十日/十二月三十一日	397,790,899	400,056,878
Carrying amount:	賬面值：		
At 30 June/31 December	於六月三十日/十二月三十一日	37,085,374	37,399,285

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**”) (formerly known as Harta Perak Corporation Sdn. Bhd.), a subsidiary of the Perak State Development Corporation (“**PSDC**”), 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 (see Note 25(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 2016 and 2015.

Mining activities for this dolomite project had started in 2010 and the amortisation charge relating to the project for the period is included in “administrative expenses” (six months ended 30 June 2015: “administrative expenses”) in the condensed consolidated statement of profit or loss.

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) (“**PSDC**”) 的附屬公司 Majuperak Energy Resources Sdn. Bhd. (“**MERSB**”) (前稱 Harta Perak Corporation Sdn. Bhd.) 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向 MERSB 支付專利權費(見附註25(b))。截至二零一六年及二零一五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提取任何白雲石。

本白雲石項目的開採活動自二零一零年已經開始，而有關本期間項目的攤銷費用列入簡明綜合損益表的「行政開支」(截至二零一五年六月三十日止六個月：「行政開支」)內。

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) PT. Commerce Venture Iron Ore (“**PTCV Iron**”) and PT. Commerce Venture Coal (“**PTCV Coal**”), both are indirectly held subsidiaries of the Company, have exploration mining permits in relation to the mining and extraction of coal, iron ore and manganese in Indonesia. Both PTCV Iron and PTCV Coal were disposed to an independent third party on 3 April 2014 (the “**Disposal**”).

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

PTCV Iron holds exploration mining permits for (i) coal exploration in an area of 9,825 hectares in Kuala and Tadu Raya Subdistrict, Nagan Raya Regency, Nanggroe Aceh Darussalam Province of Indonesia, valid until 5 March 2014 (the “**Permit 3**”); and (ii) iron ore exploration in an area of 450 hectares in Pananggalan Subdistrict, Subulussalam City, Nanggroe Aceh Darussalam Province of Indonesia, valid until 14 December 2012 (the “**Permit 4**”). On 5 September 2013, the relevant local authorities informed the Group that the Permit 4 could not be extended or renewed due to environmental issues surrounding the relevant exploration activities location and the authorities will reconsider the renewal application if the situation has improved.

During the year ended 31 December 2013, the Permit 1, 2 and 4 had expired and Group did not submit applications to the relevant local authorities for extension of these permits in the view that the Group is going to dispose of all its equity interests in PTCV Coal and PTCV Iron.

14 勘探及評估資產(續)

- (b) 本公司間接附屬公司PT. Commerce Venture Iron Ore(「**PTCV Iron**」)與PT. Commerce Venture Coal(「**PTCV Coal**」)擁有在印尼開採及提取煤炭、鐵礦石及錳之勘探開採許可證。PTCV Iron及PTCV Coal均已於二零一四年四月三日出售予一名獨立第三方(「**出售**」)。

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

PTCV Iron持有的勘探開採許可證可(i)於印尼Nanggroe Aceh Darussalam省Nagan Raya區的Kuala及Tadu Raya分區9,825公頃面積從事煤炭勘探，有效期至二零一四年三月五日(「**3號許可證**」)；及(ii)於印尼Nanggroe Aceh Darussalam省Subulussalam市Pananggalan分區450公頃面積從事鐵礦石勘探，有效期至二零一二年十二月十四日(「**4號許可證**」)。於二零一三年九月五日，相關地方政府機關通知本集團4號許可證因相關勘探活動地區周邊的環境問題而不獲批續期或續領，而有關政府機關將於情況有所改善時重新考慮續領申請。

截至二零一三年十二月三十一日止年度，1號、2號及4號許可證經已屆滿，由於本集團將出售其於PTCV Coal及PTCV Iron的全部股權，本集團尚未向相關地方政府機關申請為該等許可證續期。

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)

During the six months ended 30 June 2016 and 2015, the Group did not conduct any exploration in these mines due to its limited cash resources. No exploration and evaluation costs were capitalised and no income was derived from these mines during the six months ended 30 June 2016 and 2015.

(c) PTLM holds a production operation mining permit for manganese (the “**Mining Permit**”) in an area of 195 hectares in the Jatimulyo Village, Girimulyo Subdistrict, Kulon Progo Regency, Daerah Istimewa Yogyakarta Province, Indonesia (the “**Mining area**”). The Mining 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 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. In prior years, PTLM had undertaken various feasibility studies in relation to the mining of and exploration for manganese in the Mining area.

14 勘探及評估資產(續)

(b) (續)

截至二零一六年及二零一五年六月三十日止六個月，由於本集團現金資源有限，故並無於此等礦山中進行任何勘探。截至二零一六年及二零一五年六月三十日止六個月，此等礦山並無任何勘探及評估成本被資本化及並無產生任何收入。

(c) PTLM持有錳生產經營開採許可證(「**開採許可證**」)，涉及面積195公頃，位於印尼Daerah Istimewa Yogyakarta省Kulon Progo區的Girimulyo分區Jatimulyo村(「**礦區**」)。開採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。開採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。於過往年度，PTLM曾進行有關在礦區開採及勘探錳的各種可行性研究。

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)

No exploration activities were conducted in the mine as the Group lost contact with the legal representatives of PTLM in 2012. This brought to a halt to the daily operations and mining activities of PTLM and might impact the fulfillment of the obligations of PTLM in respect of its Mining Permit and any other government regulations it would be subject to. During the year ended 31 December 2014, re-nominating the legal representatives according to the relevant legal requirements of Indonesia was being undertaken. On 21 August 2014 and 13 October 2014 respectively, PTLM received warning letters from Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo Regency reminding PTLM to immediately implement its obligations as the holder of Mining Permit by submitting the tax form and reporting of PTLM's status to the relevant Indonesian authority with the legal representatives' signatures, not later than one month from the date of these letters. On 22 September 2014 and 4 November 2014 respectively, the management of the Company reiterated that it is currently undergoing management restructuring and therefore all activities are currently being suspended temporarily until the management restructuring is completed. Besides, once the management restructuring has been completed, PTLM will resume with investment and other mining activities. Due to previous failure in calling for extraordinary meetings for appointing new directors and legal representative to the board of PTLM, PTLM had applied to the Court in Yogyakarta for a court ruling on the appointment of re-nominated directors and replacement of legal representative. Nevertheless, the third hearing was further postponed by the court to 30 September 2014. On 19 November 2014, court judgement stipulated that the holding company of PTLM could organize an extraordinary general meeting (the "EGM") of the Company to undergo the re-nomination of the legal representative. The EGM and the re-nomination of the legal representative according to the relevant legal requirement of Indonesia are still in process as at the approval date of the condensed consolidated interim financial statements.

14 勘探及評估資產(續)

(c) (續)

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，並可能影響PTLM履行有關其開採許可證及任何其他其將須遵守的政府規例的責任。截至二零一四年十二月三十一日止年度，已根據印尼相關法律規定重新提名法律代表。PTLM分別於二零一四年八月二十一日及二零一四年十月十三日接獲Trade and Energy Industries of Resource of Minerals Office Government of Kulon Progo區發出的警告函，提示PTLM不得遲於此等函件發出日期起計一個月向有關印尼當局提交附有法定代表署名的稅項表格及就PTLM的狀況作出匯報，即時履行其作為開採許可證持有人的責任。本公司管理層分別於二零一四年九月二十二日及二零一四年十一月四日重申，現正進行管理架構重組，因此所有活動現已暫時停止，直至管理架構重組完成為止。此外，管理架構重組一旦完成，PTLM將恢復投資及其他採礦活動。由於早前未能就PTLM董事會委任新董事及法律代表召開特別大會，故PTLM已就委任該等獲重新提名董事及替任法律代表而向Yogyakarta省法院申請法院裁決。然而，法院已將第三次聽證會進一步延期至二零一四年九月三十日。於二零一四年十一月十九日，法院判決訂明PTLM的控股公司可舉行本公司股東特別大會(「股東特別大會」)以重新提名法律代表。於簡明綜合中期財務報表批准日期，根據印尼相關法律規定舉行的股東特別大會及重新提名法律代表的事宜仍在進行中。

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)

No exploration and evaluation costs were capitalised and no income was derived from the mining of manganese during the six months ended 30 June 2016 and 2015.

(d) Long Chuan holds a mineral water permit (礦泉水取水許可證) to extract maximum volume of water up to 33,000 meter cube per annum in relation to the Longchuan Spring (the “**Water Permit**”) from 1 March 2007 to 26 February 2015. The application for renewal of the Water Permit was submitted in December 2014 and has been renewed on 1 March 2015. Long Chuan had also been granted in prior years a mineral water extraction permit (礦泉水採礦許可證) with a right to extract mineral water in the stipulated mining area for a period from 23 December 2011 to 23 December 2021. Nonetheless, the statutory required mineral water registration certificate (礦泉水註冊登記證) (the “**Water Registration Certificate**”) had expired on 31 December 2012 already and not yet been renewed up to the approval date of the condensed consolidated interim financial statements. The main reason was due to the change in approval procedures of the State Land Resources Bureau in Guangzhou since August 2012 whereas the approval power has been delegated to County Land Resources Bureau in Guangzhou who has no relevant experience of how to approve such licenses or registration certificates. This had caused a substantial delay in the renewal of the Water Registration Certificate. Long Chuan had submitted a renewal application of the Water Registration Certificate in December 2014 and had passed through to the intermediate stage of the renewal process because Long Chuan had received from County Land Resources Bureau in Guangzhou an acknowledgement of receipt in writing on 17 December 2014 and a progress confirmation on 15 March 2016 of its renewal application being in process.

14 勘探及評估資產(續)

(c) (續)

截至二零一六年及二零一五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並無產生任何收入。

(d) 龍川持有礦泉水取水許可證(「取水許可證」)，二零零七年三月一日至二零一五年二月二十六日龍川泉最大提取水量為每年最多33,000立方米。重續取水許可證的申請已於二零一四年十二月提交，並已於二零一五年三月一日獲重續。龍川於過往年度亦獲授予礦泉水採礦許可證以於自二零一一年十二月二十三日起至二零二一年十二月二十三日止期間在指定開採區域抽取礦泉水。然而，所須的規定礦泉水註冊登記證(「水註冊登記證」)已於二零一二年十二月三十一日屆滿，且於簡明綜合中期財務報表批准日期尚未重續。主要原因乃由於自二零一二年八月起廣州市國土資源局的審批程序變動所致，據此，審批權已下放至廣州縣國土資源局，其並無審批有關許可證或註冊登記證的相關經驗，故導致重續水註冊登記證出現重大延誤。龍川已於二零一四年十二月提交水註冊登記證的重續申請，並已通過重續過程的中期階段，此乃由於龍川已於二零一四年十二月十七日接獲廣州縣國土資源局發出收到申請的書面確認，並於二零一六年三月十五日收到進度確認，確認其重續申請正在進行中。

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)

(d) (continued)

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 six of the eight prescribed minerals in sufficient quantity to quality, including free carbon dioxide.

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 2016, the business operated by Long Chuan is not commercially viable, as a result, the mineral water extraction permit had not been reclassified to an intangible asset.

14 勘探及評估資產(續)

(d) (續)

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六種(包括遊離二氧化碳)，從數量到質量均合乎要求。

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、銦及鋅。

經考慮持續錄得經營虧損及由二零一二年四月收購日至二零一六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，礦泉水採礦許可證並無重新分類為無形資產。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

15 TRADE RECEIVABLES

15 應收賬款

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
--	---	--

Trade receivables	應收賬款	273,754	177,489
-------------------	------	----------------	---------

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

所有應收賬款預期將於一年內收回。

(a) Ageing analysis

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

(a) 賬齡分析

根據發票日期的應收賬款賬齡分析如下：

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 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	18,364	49,428
Less than 1 month past due	逾期少於一個月	-	-
1 month to 2 months past due	逾期一個月至兩個月	38,595	-
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	65,806	16,936
Over 12 months past due	逾期超過十二個月	150,989	111,125
Amounts past due	逾期金額	255,390	128,061
Total	總計	273,754	177,489

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

15 TRADE RECEIVABLES (continued)

(a) Ageing analysis (continued)

Trade receivables derived from sales of magnesium ingots are due within 14 days (unaudited) (31 December 2015 (audited): 14 days) from the date of the bill of lading for exports sales or date of invoice for local sales. Other than that the Group has a policy of allowing customers for domestic trading and distribution in the PRC with credit terms or 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 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 2016, none of trade receivables (unaudited) (31 December 2015 (audited): HK\$Nil) were pledged as security for banking facilities granted to the Group.

15 應收賬款(續)

(a) 賬齡分析(續)

來自銷售鎂錠的應收賬款自出口銷售的提單日期或本地銷售的發票日期起計14日(未經審核)(二零一五年十二月三十一日(經審核): 14日)內到期。除此以外,本集團的政策可向於中國本地買賣及分銷的客戶提供信貸期,或一般以貨到付款形式進行交易。

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

- (b) 於二零一六年六月三十日,並無應收賬款(未經審核)(二零一五年十二月三十一日(經審核): 零港元)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

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

16 預付款項、按金及其他應收款項

		At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Other receivables	其他應收款項	2,447,585	2,062,576
Advance payment to a contractor (Note (a))	向一名承包商墊款 (附註(a))	13,048,722	13,767,479
Prepayments for raw materials and machinery (Note (b))	原料及機器的預付款項 (附註(b))	592,817	625,470
Deposits and prepayments	按金及預付款項	1,200,471	1,584,961
		17,289,595	18,040,486
Less: Impairment losses	減：減值虧損		
— advance payment to a contractor (Note (a))	— 向一名承包商墊款 (附註(a))	(13,048,722)	(13,767,479)
— prepayments for raw materials and machinery (Note (b))	— 原料及機器的預付款項 (附註(b))	(592,817)	(625,470)
		3,648,056	3,647,537

Apart from certain of the Group's deposits and prepayments of HK\$562,058 as at 30 June 2016 (unaudited) (31 December 2015 (audited): HK\$438,834), the remaining prepayments, deposits and other receivables of the Group are expected to be recovered or recognised as expenses within one year.

除本集團於二零一六年六月三十日的若干按金及預付款項562,058港元(未經審核)(二零一五年十二月三十一日(經審核): 438,834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) In prior years, the Group advanced a total of HK\$13,048,722 (unaudited) (31 December 2015 (audited): HK\$13,767,479) 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 2016 and 31 December 2015.

(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13,048,722港元(未經審核)(二零一五年十二月三十一日(經審核): 13,767,479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, 並已於二零一六年六月三十日及二零一五年十二月三十一日作出全數撥備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(b) In prior years, the Group had made prepayments of HK\$592,817 (unaudited) (31 December 2015 (audited): HK\$625,470) 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 had been made as at 30 June 2016 and 31 December 2015.

16 預付款項、按金及其他應收款項(續)

(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592,817港元(未經審核)(二零一五年十二月三十一日(經審核): 625,470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，故已於二零一六年六月三十日及二零一五年十二月三十一日作出全數撥備。

17 OTHER PAYABLES AND ACCRUALS

17 其他應付款項及應計費用

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Accrued interest on bank loans	841,346	-
Accrued interest on convertible bonds	4,253,881	2,979,773
Accrued salaries	3,369,478	3,189,592
Other payables and accrued expenses	29,918,985	31,272,134
	38,383,690	37,441,499

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

18 OBLIGATIONS UNDER FINANCE LEASES

At 30 June 2016, the Group had obligations under finance leases repayable as follows:

18 融資租賃承擔

於二零一六年六月三十日，本集團的應償還融資租賃承擔如下：

		At 30 June 2016 於二零一六年六月三十日		At 31 December 2015 於二零一五年十二月三十一日	
		Present value of the minimum lease payments 最低租賃 付款現值 HK\$ 港元 (Unaudited) (未經審核)		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 (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)	Total minimum lease payments 最低租賃 付款總值 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	108,246	111,745	174,814	181,403
After 1 year but within 2 years	一年後但兩年內	-	-	51,005	52,171
After 2 years but within 5 years	兩年後但五年內	-	-	-	-
		-	-	51,005	52,171
		108,246	111,745	225,819	233,574
Less: total future interest expenses	減：未來利息開支總額		(3,499)		(7,755)
Present value of lease obligations	租賃承擔現值		108,246		225,819

The policies of the Group are to lease certain of its motor vehicles and furniture and fittings under finance leases expiring in 1 year (unaudited) (31 December 2015 (audited): 1-2 years). As at 30 June 2016, the effective borrowing rates of the Group was 3.68% p.a. (unaudited) (31 December 2015 (audited): a range from 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出租其若干汽車以及傢俬及裝置，年期為一年(未經審核)(二零一五年十二月三十一日(經審核)：一年至兩年)。於二零一六年六月三十日，本集團實際借貸年利率為3.68%(未經審核)(二零一五年十二月三十一日(經審核)：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置。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

19 AMOUNT(S) DUE FROM/(TO) A DIRECTOR AND RELATED PARTIES

19 應收／(應付)一名董事及關連方款項

		At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trading account	貿易賬戶	(2,452,603)	(2,416,399)
Current account	往來賬戶	464,792	475,079
		(1,987,811)	(1,941,320)
Classified as:	分類為：		
Amounts due from a related party (Note 27(b))	應收一名關連方款項 (附註27(b))	464,792	475,426
Amount due to a director (Note 27(c))	應付一名董事款項(附註27(c))	-	(347)
Amounts due to related parties (Note 27(d))	應付關連方款項 (附註27(d))	(2,452,603)	(2,416,399)
		(2,452,603)	(2,416,746)
Total	總計	(1,987,811)	(1,941,320)

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

該等款項為無抵押、免息且無固定還款期。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 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 period of eight months to three years from 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 the reporting period, the remaining outstanding aggregate principal amount of convertible bonds being available was HK\$26,000,000 (unaudited) (31 December 2015 (audited): HK\$29,000,000).

The bondholders at any time before maturity can convert the whole or part of the principal amount of the convertible bonds into ordinary shares of the Company at the conversion price of HK\$0.10 per share. As a result of the share consolidation in July 2013, 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.

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.

20 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，內容有關發行本金總額80,000,000港元的可換股債券，可換股債券自發行日期起八個月至三年內到期。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餘下尚未償還本金總額為26,000,000港元(未經審核)(二零一五年十二月三十一日(經審核)：29,000,000港元)。

債券持有人可於到期前的任何時間按每股0.10港元的換股價將全部或部份可換股債券的本金額轉換成本公司的普通股。由於二零一三年七月進行的股份合併，本公司尚未轉換的可換股債券的換股價由每股0.10港元調整至每股0.40港元，於二零一三年七月二十九日生效。

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，於直至到期日為止任何時間按債券未償還本金額的面值提早贖回，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，表示其有意進行該贖回。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(a) (continued)

The original maturity date of the five principal amounts (out of which 2 principal amounts were redeemed in prior years) of remaining outstanding convertible bonds of HK\$Nil (the “**First Tranche Bonds**”), HK\$12,000,000 (the “**Second Tranche Bonds**”), HK\$Nil (the “**Third Tranche Bonds**”), HK\$10,000,000 (the “**Fourth Tranche Bonds**”) and HK\$4,000,000 (the “**Fifth Tranche Bonds**”) is 1 December 2014, 29 December 2014, 9 January 2015, 4 March 2015 and 22 March 2015 respectively. The above remaining outstanding aggregate principal amount of HK\$26,000,000 is collectively referred to as the “**Matured Bonds**”. As at 30 June 2016, all the Matured Bonds were remained in default and immediately due for repayments. The Directors represented that (i) the Company is currently in the course of arm’s length negotiations with the holders of the Matured bonds in relation to the Proposed Alteration; (ii) as negotiated with the holders of the Matured Bonds, among them except for two holders are under settlement arrangements, they have verbally agreed not to redeem the Matured Bonds until the Proposed Alteration is confirmed; and (iii) the interest on the Matured Bonds will continue to be payable by the Company until the date of full redemption pursuant to the terms of the Matured Bonds. As at the approval date of the condensed consolidated interim financial statements, the Proposed Alteration of the Matured Bonds have not been fixed and confirmed yet.

20 可換股債券(續)

(a) (續)

本金額分別為零港元(「**第一批債券**」)、12,000,000港元(「**第二批債券**」)、零港元(「**第三批債券**」)、10,000,000港元(「**第四批債券**」)及4,000,000港元(「**第五批債券**」)之五批(其中,有兩批已於過往年度贖回)餘下尚未轉換的可換股債券之原始到期日分別為二零一四年十二月一日、二零一四年十二月二十九日、二零一五年一月九日、二零一五年三月四日及二零一五年三月二十二日。上述剩餘未償還本金總額26,000,000港元,統稱為「**到期債券**」。於二零一六年六月三十日,所有到期債券仍拖欠還款且須到期立即償還。董事表示,(i)本公司正與到期債券持有人就建議修改進行公平磋商;(ii)與到期債券持有人磋商後,其中,除結算安排下的兩名債券持有人外,彼等口頭同意於建議修改確認前不贖回到期債券;及(iii)根據到期債券條款,本公司將於悉數贖回日期前繼續支付到期債券利息。於簡明綜合中期財務報表批准日期,該等到期債券之建議修改尚未決定及確認。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(a) (continued)

At 30 June 2016, convertible bonds are due for repayment as follows:

20 可換股債券(續)

(a) (續)

於二零一六年六月三十日，可換股債券於以下期間到期償還：

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Already past due or within 1 year	26,000,000	29,000,000

The interest charged for the six months ended 30 June 2016 is calculated by applying an effective interest rate with a range from 17.62% p.a. to 33.73% p.a. (unaudited) (30 June 2015 (unaudited): a range from 17.54% p.a. to 33.73% p.a.) to the liability component for the number of days to the end of the reporting period since the bonds were issued.

截至二零一六年六月三十日止六個月的利息支出乃採用介乎負債部份 17.62% 至 33.73% (未經審核) (二零一五年六月三十日 (未經審核)：介乎 17.54% 至 33.73%) 的實際年利率，按債券發行起至報告期末止的天數計算。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 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:

20 可換股債券(續)

(a) (續)

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：

		First Tranche Bonds 第一批債券 HK\$ 港元	Second Tranche Bonds 第二批債券 HK\$ 港元	Third Tranche Bonds 第三批債券 HK\$ 港元	Fourth Tranche Bonds 第四批債券 HK\$ 港元	Fifth Tranche Bonds 第五批債券 HK\$ 港元	Total 總金額 HK\$ 港元
At 1 January 2015 (audited)	於二零一五年一月一日 (經審核)	26,000,000	17,000,000	10,916,090	10,657,809	17,987,860	82,561,759
Interest charged	利息支出	-	-	83,910	342,191	712,140	1,138,241
Interest paid	已付利息	-	-	(1,000,000)	(1,000,000)	(1,700,000)	(3,700,000)
Redemptions of convertible bonds	贖回可換股債券	(26,000,000)	(5,000,000)	(10,000,000)	-	(10,000,000)	(51,000,000)
Liability component as at 31 December 2015 (audited)	於二零一五年 十二月三十一日的負債 部份(經審核)	-	12,000,000	-	10,000,000	7,000,000	29,000,000
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	-	12,000,000	-	10,000,000	7,000,000	29,000,000
Redemptions of convertible bonds	贖回可換股債券	-	-	-	-	(3,000,000)	(3,000,000)
Liability component as at 30 June 2016 (unaudited)	於二零一六年 六月三十日的 負債部份(未經審核)	-	12,000,000	-	10,000,000	4,000,000	26,000,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

- (b) In 2012, the Company issued convertible bonds with maturity date on the fifth anniversary of the date of issue (i.e. 17 April 2017) for an aggregate principal amount of HK\$106,840,000 as part consideration for the acquisition of Victory Dragon Group in 2012. 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 a fixed conversion price of HK\$0.126 per share. As a result of the share consolidation in July 2013, 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.

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 original 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.

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

20 可換股債券(續)

- (b) 於二零一二年，本公司發行本金總額106,840,000港元的可換股債券，作為於二零一二年收購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（即二零一七年四月十七日）。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的任何時間按每股0.126港元的固定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成本公司普通股。由於在二零一三年七月進行股份合併，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。

本公司可於原始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。

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**」）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(b) (continued)

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 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.

During the year ended 31 December 2015, all the outstanding principal amount of convertible bonds in relation to the Victory Dragon Group was redeemed.

20 可換股債券(續)

(b) (續)

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，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。

截至二零一五年十二月三十一日止年度，與凱龍集團有關的可換股債券的所有尚未償還本金額均已獲贖回。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

20 CONVERTIBLE BONDS (continued)

(b) (continued)

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

		Liability component	Equity component	Total
		負債部份	權益部份	總計
		HK\$	HK\$	HK\$
		港元	港元	港元
At 1 January 2015 (audited)	於二零一五年一月一日 (經審核)	11,716,364	6,920,516	18,636,880
Interest charged	利息支出	8,107,630	–	8,107,630
Interest paid	已付利息	(573,780)	–	(573,780)
Redemptions of convertible bonds	贖回可換股債券	(19,250,214)	(6,920,516)	(26,170,730)
At 31 December 2015 (audited), 1 January 2016 (audited) and 30 June 2016 (unaudited)	於二零一五年十二月三十一日(經審核)、二零一六年一月一日(經審核)及二零一六年六月三十日(未經審核)	–	–	–

The interest for the year ended 31 December 2015 was calculated by applying an effective interest rate of 17.58% p.a. (audited) to the liability component for the number of days to the end of the reporting period since the bonds were issued.

截至二零一五年十二月三十一日止年度的利息乃採用負債部份 17.58% (經審核) 的實際年利率，按債券發行起至報告期結束止的天數計算。

21 BANK LOANS — SECURED

21 有抵押銀行貸款

	At 30 June 2016			At 31 December 2015		
	於二零一六年六月三十日			於二零一五年十二月三十一日		
	Nominal value	unamortised costs	Total	Nominal value	unamortised costs	Total
	減：	減：		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	87,412,588	–	87,412,588	260,423,032	–	260,423,032
有抵押銀行貸款	87,412,588	–	87,412,588	260,423,032	–	260,423,032

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

At 30 June 2016, interest bearing bank loans are due for repayment as follows:

21 有抵押銀行貸款(續)

於二零一六年六月三十日，計息銀行貸款於以下期間到期償還：

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Already past due or within 1 year	87,412,588	260,423,032

Already past due or within 1 year

已逾期或一年內

87,412,588

260,423,032

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Transaction costs		

Transaction costs

交易成本

Cost:

成本：

At 1 January

於一月一日

—

8,699,851

Write off

撇銷

—

(7,791,815)

Exchange adjustments

匯兌調整

—

(908,036)

At 30 June/31 December

於六月三十日／十二月三十一日

—

—

Accumulated amortisation:

累計攤銷：

At 1 January

於一月一日

—

6,879,229

Write off

撇銷

—

(7,791,815)

Amortisation for the period/year

期／年內攤銷

—

1,630,597

Exchange adjustments

匯兌調整

—

(718,011)

At 30 June/31 December

於六月三十日／十二月三十一日

—

—

Unamortised transaction costs

未攤銷交易成本

—

—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

The secured bank loans as at 30 June 2016 are interest bearing at 8.85% p.a. (unaudited) (31 December 2015 (audited): 8.85% p.a.). These bank loans were restructured on 25 July 2011 by Bank Rakyat. In accordance with the restructured bank loan agreement, the Group is required to repay the bank loans by monthly instalment of RM670,000 (equivalent to HK\$1,586,032) with effect from August 2011 to December 2013 and increasing to RM4,200,000 (equivalent to HK\$9,942,287) from January 2014 to the second last repayment of the loans in 2018.

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 HSBC Amanah Malaysia Berhad 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) corporate guarantee by Ding He Mining Holding Limited.

21 有抵押銀行貸款(續)

於二零一六年六月三十日的有抵押銀行貸款按年利率8.85%(未經審核)(二零一五年十二月三十一日(經審核): 年利率8.85%)計息。此等銀行貸款於二零一一年七月二十五日由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1,586,032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9,942,287港元)。

授予CVMSB的銀行貸款按以下方式作出擔保:

- (i) 就CVMSB所持土地及在其上興建的廠房設立法定押記;
- (ii) 轉讓應收賬款;
- (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HSBC Amanah Malaysia Berhad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) 鼎和礦業控股有限公司作出的公司擔保。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

All of the Group's banking facilities are subject to the fulfilment 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 year ended 31 December 2013, the Group defaulted on the repayments of bank loans since November 2013 and breached one of the covenants of the banking facilities. Upon discovery of the breach, the Directors commenced a negotiation of the terms of the loans with Bank Rakyat. These negotiations had concluded on 24 February 2014 whereby Bank Rakyat agreed to extend a one year grace period without executing legal proceeding against the Company and CVMSB until 31 December 2014. CVMSB is required to repay monthly instalment of RM670,000 (equivalent to HK\$1,586,032) for the year ended 31 December 2014.

On 15 December 2014, the Group had accepted the restructuring proposal discussed and offered by Bank Rakyat in respect of the outstanding loans owing by CVMSB (the "Proposal"). Pursuant to the Proposal, the full and final settlement sum by CVMSB shall be reduced to RM113,040,000 (equivalent to approximately HK\$258,850,469) which is repayable to Bank Rakyat on or before 30 June 2015, in which (i) an amount of RM4,020,000 (equivalent to approximately HK\$9,205,404) must be settled to Bank Rakyat on or before 31 December 2014; (ii) a monthly sum of RM200,000 (equivalent to approximately HK\$457,980) shall be repayable to Bank Rakyat on the last day of each calendar month commencing from January 2015 to June 2015 and the final instalment of RM2,820,000 (equivalent to approximately HK\$6,457,522) will be paid as bullet payment latest by 30 June 2015; and (iii) a full and final settlement sum of RM105,000,000 (equivalent to approximately HK\$240,439,661) be repayable by CVMSB to Bank Rakyat on 30 June 2015.

21 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。

於截至二零一三年十二月三十一日止年度,本集團自二零一三年十一月起未能償還銀行貸款及違反其中一份銀行融資契諾。發現有關違約後,董事開始與Bank Rakyat磋商貸款的條款。此等磋商已於二零一四年二月二十四日結束, Bank Rakyat同意延長一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。截至二零一四年十二月三十一日止年度, CVMSB須償還每月分期還款670,000馬幣(相當於1,586,032港元)。

於二零一四年十二月十五日,本集團已經接受Bank Rakyat就CVMSB結欠的未償還貸款所討論及提出的重組提案(「該提案」)。根據該提案, CVMSB的全部和最終的還款金額減少至113,040,000馬幣(相當於約258,850,469港元),並將於二零一五年六月三十日或之前償還予Bank Rakyat,其中(i)4,020,000馬幣(相當於約9,205,404港元)必須於二零一四年十二月三十一日或之前償還予Bank Rakyat;(ii)自二零一五年一月至二零一五年六月每個曆月的最後一日向Bank Rakyat每月還款200,000馬幣(相當於約457,980港元),及最後一期還款為2,820,000馬幣(相當於約6,457,522港元)將以期末整付形式最遲在二零一五年六月三十日支付;及(iii)CVMSB將於二零一五年六月三十日向Bank Rakyat償還全部和最終的還款金額105,000,000馬幣(相當於約240,439,661港元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

During the year ended 31 December 2014 and due to continued negative cashflows, the Group defaulted on the repayments of bank loans of RM4,020,000 (equivalent to approximately HK\$9,205,404) and breached one of the covenants of the banking facilities. Upon discovery of the breach, the Directors commenced a negotiation of the terms of the loans with Bank Rakyat. These negotiations had concluded on 12 January 2015 whereby Bank Rakyat has agreed to defer the repayment by CVMSB of the bank loan amounting at RM4,020,000 (equivalent to approximately HK\$9,205,404) to 16 January 2015, which was originally repayable on or before 31 December 2014. According to Bank Rakyat, such deferral is final and Bank Rakyat shall not allow any further delay and/or failure on the part of CVMSB to meet its payment obligation. However, the bank loan of RM4,020,000 (equivalent to approximately HK\$9,205,404) was defaulted again and not yet repaid up to March 2015.

On 17 March 2015, the Company received a letter issued by Bank Rakyat indicating that the continued failure to fulfil the repayment obligations as set out in the Proposal constituted a breach of terms and therefore the above Proposal was terminated and/or allowed to be terminated. Accordingly, the total amount owed and repayable to Bank Rakyat was restored to RM203,141,864 (equivalent to approximately HK\$465,174,866) as at 28 February 2015 (the “**Outstanding Loan**”) which was required to be settled within 14 days from the date of that letter. According to Bank Rakyat, legal actions will be commenced against CVMSB including all its corporate guarantors if CVMSB failed, neglected or refused to settle the Outstanding Loan within the given period.

21 有抵押銀行貸款(續)

截至二零一四年十二月三十一日止年度，由於持續出現負現金流量，故本集團未能償還銀行貸款4,020,000馬幣(相當於約9,205,404港元)及違反其中一份銀行融資契諾。發現有關違約後，董事開始與Bank Rakyat磋商貸款的條款。此等磋商已於二零一五年一月十二日結束，Bank Rakyat已同意CVMSB延遲至二零一五年一月十六日償還該筆原定應於二零一四年十二月三十一日或之前償付總金額為4,020,000馬幣(相當於約9,205,404港元)之銀行貸款。根據Bank Rakyat，是次延期乃屬最終延期，Bank Rakyat不允許任何額外延誤及／或CVMSB不履行其還款義務。然而，銀行貸款4,020,000馬幣(相當於約9,205,404港元)再次拖欠且於二零一五年三月尚未償還。

於二零一五年三月十七日，本公司接獲Bank Rakyat發出的函件，指出本公司因持續未能履行該提案所載的償還責任而違反條款，故此，該提案經已終止及／或被終止。因此，於二零一五年二月二十八日所結欠及應償還予Bank Rakyat的總金額回復至203,141,864馬幣(相當於約465,174,866港元)(「**未償還貸款**」)，並須於該函件日期起計14日內償付。根據Bank Rakyat，倘CVMSB於上述期間內未能、忘記或拒絕償還未償還貸款，其將會向CVMSB(包括所有公司擔保人)提出法律訴訟。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

On 26 June 2015, the Group further accepted the latest restructuring proposal offered by Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). Pursuant to which, the total amount owed and repayable to Bank Rakyat by CVMSB agreed to be reduced to RM113,040,000 (equivalents to approximately HK\$203,932,888) by means of cash settlements of RM68,040,000 (equivalents to approximately HK\$122,749,414) and redemption of charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The first cash repayment of RM11,300,000 (equivalents to approximately HK\$20,386,073) was settled by the Group on 2 July 2015 within 7 working days from 26 June 2015 and the remaining balance of RM56,740,000 (equivalents to approximately HK\$102,363,341) was settled by the Group on 30 November 2015 as per the extended settlement deadline. Upon full repayment of the cash settlements to Bank Rakyat, CVMSB is entitled to redeem the charged properties for RM45,000,000 (equivalents to approximately HK\$81,183,475). The redemption shall take place within six months from 26 June 2015 and at the discretion of Bank Rakyat, extend for further six months if there is a proof of sale provided by CVMSB. An additional charge calculated at a rate of 3.85% per annum shall be imposed on the outstanding balance of RM45,000,000 (equivalents to approximately HK\$81,183,475) after full repayment of the above mentioned cash settlements and until the full redemption payment of the charged properties. On 26 November 2015, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat has agreed to extend the charged properties' redemption until 30 June 2016. Accordingly, from January 2016 onwards, CVMSB is required to pay a monthly charge of RM144,375 (equivalent to approximately HK\$260,464) to Bank Rakyat until full settlement of the redemption payment for the redemption. On 29 June 2016, Bank Rakyat issued a letter to CVMSB informing CVMSB that Bank Rakyat agreed to further extend the deadline for the charged properties' redemption, together with the monthly interests due, to on or before 12 July 2016.

21 有抵押銀行貸款(續)

本集團進一步於二零一五年六月二十六日接納 Bank Kerjasama Rakyat Malaysia Berhad (「Bank Rakyat」) 提出的最新重組提案。據此，CVMSB 所結欠及應償還予 Bank Rakyat 的總金額經協定後減少至 113,040,000 馬幣(相當於約 203,932,888 港元)，將以現金償付 68,040,000 馬幣(相當於約 122,749,414 港元)及贖回已押記物業 45,000,000 馬幣(相當於約 81,183,475 港元)的方式償還。本集團已於二零一五年七月二日(即二零一五年六月二十六日起計 7 個工作天內)償付首筆現金還款 11,300,000 馬幣(相當於約 20,386,073 港元)，且本集團已按照最後還款期限於二零一五年十一月三十日償付餘額 56,740,000 馬幣(相當於約 102,363,341 港元)。待向 Bank Rakyat 償清現金結算款後，CVMSB 將有權贖回 45,000,000 馬幣(相當於約 81,183,475 港元)的已押記物業。有關贖回將自二零一五年六月二十六日起計六個月內進行，而倘 CVMSB 提供有關銷售憑證，則 Bank Rakyat 可酌情再延長六個月。於償清上述現金結算款後，須按年息 3.85% 就未償還餘額 45,000,000 馬幣(相當於約 81,183,475 港元)加收費用，直至付清贖回已押記物業款項為止。於二零一五年十一月二十六日，Bank Rakyat 致函 CVMSB 表示同意延長已押記物業贖回期限至二零一六年六月三十日。因此，由二零一六年一月起，CVMSB 須向 Bank Rakyat 每月支付 144,375 馬幣(相當於約 260,464 港元)直至就贖回結清贖回付款額為止。於二零一六年六月二十九日，Bank Rakyat 致函 CVMSB 表示同意進一步延長已押記物業最後贖回期限及到期月息至二零一六年七月十二日或之前。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

21 BANK LOANS — SECURED (continued)

On 10 August 2016 and 11 August 2016, Bank Rakyat acknowledged the Group that final settlement of RM45,000,000 (equivalents to approximately HK\$87,412,588) for the redemption of charged properties was received and Bank Rakyat will proceed with the process of discharging the Group's properties in Malaysia pledged as security. Accordingly, an one-off non-recurring gain on loans reduction amounted to RM99,352,487 (equivalent to approximately HK\$192,992,398) was recognised in profit or loss during the period.

21 有抵押銀行貸款(續)

於二零一六年八月十日及二零一六年八月十一日，Bank Rakyat 確認本集團已收取贖回已押記物業的最終還款45,000,000馬幣(相當於約87,412,588港元)，且Bank Rakyat 將辦理手續解除本集團已質押馬來西亞物業作為抵押品。因此，貸款減少的一次性及非經常性收益99,352,487馬幣(相當於約192,992,398港元)於期內損益中確認。

22 UNSECURED LOANS FROM THIRD PARTIES

22 來自第三方無抵押貸款

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	11,800,000	1,800,000

Within 1 year

一年內

11,800,000

1,800,000

During the six months ended 30 June 2016, the Company borrowed unsecured interest bearing loans totaling HK\$10,000,000 from independent third parties. The loans are repayable within 2 to 3 months from the end of the reporting period.

截至二零一六年六月三十日止六個月，本公司向獨立第三方借入合共10,000,000港元的無抵押計息貸款。此等貸款須由報告期間結束起計二至三個月內償還。

During the year ended 31 December 2015, the Company entered into a loan agreement with an independent third party for an unsecured loan of HK\$1,800,000 at an interest rate of 24% per annum. The loan was subsequently repaid in July 2016.

截至二零一五年十二月三十一日止年度，本公司與一名獨立第三方就1,800,000港元的無抵押貸款訂立貸款協議，年利率為24%。該貸款隨後於二零一六年七月被償還。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 簡明綜合中期財務報表附註

23 SHARE CAPITAL

23 股本

	Note 附註	At 30 June 2016 於二零一六年六月三十日		At 31 December 2015 於二零一五年十二月三十一日	
		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)
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：				
At 1 January	於一月一日	5,509,623,921	1,367,875,301	2,495,451,437	989,710,234
Conversion of convertible preference shares	轉換可轉換優先股	(i)	-	565,631,177	90,500,988
Shares issued pursuant to a share placing	根據股份配售而發行的股份	(i)	-	612,000,000	109,935,500
Shares issued pursuant to an open offer	根據公開發售而發行的股份	(i)	-	1,836,541,307	177,728,579
At 30 June/31 December	於六月三十日/十二月三十一日	<u>5,509,623,921</u>	<u>1,367,875,301</u>	<u>5,509,623,921</u>	<u>1,367,875,301</u>

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

23 SHARE CAPITAL (continued)

(i) Issue of shares

On 10 April 2015, the Company's convertible preference shares with principal value of HK\$90,500,988 were converted into 565,631,177 ordinary shares of the Company at a conversion price of approximately HK\$0.16 per ordinary share. Accordingly, an aggregate amount of HK\$90,500,988 was released from convertible preference shares reserve, and was credited to share capital account.

On 7 August 2015, 612,000,000 ordinary shares were issued by placing at HK\$0.185 each for cash consideration of HK\$109,935,500, net of expenses incurred.

On 19 November 2015, 1,836,541,307 ordinary shares were issued by open offer at HK\$0.10 each for cash consideration of HK\$177,728,579, net of expenses incurred.

24 SHARE-BASED PAYMENTS

Pursuant to the written resolution passed on 4 February 2016, the Company adopted a new share option scheme (the "Scheme") to (i) motivate the eligible persons to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain on going business relationship with the eligible persons whose contributions are or will be beneficial to the long-term growth of the Group. The Scheme is to remain in force for a period of 10 years from the date of adoption of such scheme and will expire on 3 February 2026.

Under the Scheme, the Directors may at their discretion grant options to (i) any directors, employees, executives or officers of the Company or any subsidiary; or (ii) any consultant, adviser, supplier, customer or agent of the Company or any subsidiary; or (iii) any other person determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

23 股本(續)

(i) 發行股份

於二零一五年四月十日，本公司本金額為90,500,988港元的可轉換優先股已按每股普通股約0.16港元的換股價轉換為565,631,177股本公司普通股。因此，總額90,500,988港元已自可轉換優先股儲備中解除，並已計入股本賬。

於二零一五年八月七日，612,000,000股普通股已透過配售按每股0.185港元的價格發行，現金代價為109,935,500港元(扣除產生開支)。

於二零一五年十一月十九日，1,836,541,307股普通股已透過公开发售按每股0.10港元的價格發行，現金代價為177,728,579港元(扣除產生開支)。

24 以股份為基礎的付款

本公司根據於二零一六年二月四日通過之書面決議案採納新購股權計劃(「計劃」)，旨在(i)激勵合資格人士為本集團利益而提高工作效率；及(ii)吸引及挽留或維持與其貢獻有利於或將會有利於本集團之長期發展的合資格人士的持續業務關係。計劃自其採納當日起計十年內有效，並將於二零二六年二月三日屆滿。

根據計劃，董事可酌情向(i)本公司或任何附屬公司的任何董事、僱員、行政人員或高級人員；或(ii)本公司或任何附屬公司的任何顧問、諮詢人、供應商、客戶或代理；或(iii)董事不時釐定的任何其他人士授出可認購本公司股份(「股份」)的購股權。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 SHARE-BASED PAYMENTS (continued)

Options granted must be taken up within 30 days of the date of grant, upon payment of HK\$1 per option. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options granted to directors, substantial shareholders or any of their respective associates (as defined in the Listing Rules) are required to be approved by the independent non-executive directors (excluding any independent non-executive director who is a grantee). Options granted to substantial shareholders, independent non-executive directors or any of their respective associates (as defined in the Listing Rules) in aggregate in excess of 0.1% of the issued share capital of the Company or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

Options granted may be exercised at any time from date of grant of the share option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the higher of the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options and the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

24 以股份為基礎的付款(續)

授出的購股權須在授出日期後30日內支付每份購股權1港元付款方獲接納。可能根據計劃授出的購股權所涉股份數目上限不得超過計劃獲採納當日本公司已發行股本10%。該上限可隨時更新，惟新上限合共不得超過股東在股東大會上批准當日本公司已發行股本10%。然而，可能因行使根據計劃及本公司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總數，合共不得超過本公司不時已發行股份的30%。於任何十二個月期間可授予任何個別人士的購股權所涉股份數目上限不得超過本公司該十二個月期間屆滿當日已發行股份的1%，惟已根據上市規則獲本公司股東批准除外。

向董事、主要股東或任何彼等各自的聯繫人(定義見上市規則)授出的購股權，須獲獨立非執行董事(不包括身為承授人的任何獨立非執行董事)批准。向主要股東、獨立非執行董事或任何彼等各自的聯繫人(定義見上市規則)授出的購股權合共超過本公司已發行股本0.1%或價值超過5,000,000港元，須事先獲本公司股東批准。

購股權可自授出購股權當日至授出購股權十週年止期間(可由董事釐定)隨時行使。行使價由董事釐定，且不得低於授出購股權日期聯交所每日報價表所列每股收市價及緊接授出購股權日期前五個營業日聯交所每日報價表所列每股收市價的平均價兩者之較高者。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 SHARE-BASED PAYMENTS (continued)

On 12 May 2016, the Company granted 245,178,252 share options in aggregate to certain directors, employees and consultants of the Group under the Scheme. The terms and conditions of the options granted are as follows:

24 以股份為基礎的付款(續)

於二零一六年五月十二日，本公司根據計劃向本集團若干董事、僱員及顧問合共授出245,178,252份購股權。已授出購股權的條款及條件如下：

		Number of share options	Vesting conditions	Contractual life of options	Expiry date
		購股權數目	歸屬條件	購股權的合約年期	屆滿日期
Options granted to directors	授予董事的購股權	173,553,145	(i)	10 years 十年	11 May 2026 二零二六年五月十一日
Options granted to employees	授予僱員的購股權	66,115,485	(i)	10 years 十年	11 May 2026 二零二六年五月十一日
Options granted to consultants	授予顧問的購股權	5,509,622	(i)	10 years 十年	11 May 2026 二零二六年五月十一日
Total share options granted	授出購股權的總數	<u>245,178,252</u>			

Note:

(i) become exercisable from the date of grant to the 10th anniversary of the date of grant.

附註：

(i) 購股權可自授出購股權當日至授出購股權十週年止期間行使。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 SHARE-BASED PAYMENTS (continued)

Details of the outstanding share options are as follows:

24 以股份為基礎的付款(續)

尚未行使購股權詳情如下：

		2016 二零一六年		2015 二零一五年	
		Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		購股權數目 (Unaudited) (未經審核)	加權平均 行使價 (Unaudited) (未經審核)	購股權數目 (Audited) (經審核)	加權平均 行使價 (Audited) (經審核)
Outstanding at 1 January	於一月一日尚未行使	-	N/A 不適用	-	N/A 不適用
Granted during the period/year	於期內/年內授出	245,178,252	HK\$0.100 0.100 港元	-	N/A 不適用
Outstanding at 30 June/31 December	於六月三十日/十二月 三十一日尚未行使	245,178,252	HK\$0.100 0.100 港元	-	N/A 不適用
Exercisable at 30 June/ 31 December	於六月三十日/十二月 三十一日可予行使	245,178,252	HK\$0.100 0.100 港元	-	N/A 不適用

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 10 years.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial model. Expectations of early exercise are incorporated into the binomial model.

於報告期末尚未行使購股權的加權平均餘下合約年期為十年。

以授出購股權作為酬謝所收取服務之公平值，乃根據所授出購股權的公平值計量。所授出購股權的公平值是根據二項式模型估計。對提早行使的預期納入二項式模型內。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

24 SHARE-BASED PAYMENTS (continued)

The inputs into the model were as follows:

Grant date	12 May 2016
Spot price	HK\$0.069
Contractual life	10 years
Exercise price	HK\$0.100
Expected volatility	88.649%
Risk-free rate	1.243%
Dividend yield	0%

The expected volatility is based on the historical volatility of the Company's share price over the most recent period commensurate with the contractual life of the share options.

24 以股份為基礎的付款(續)

該模型的輸入數據如下：

授出日期	二零一六年五月十二日
現價	0.069 港元
合約年期	十年
行使價	0.100 港元
預期波幅	88.649%
無風險率	1.243%
股息率	0%

預期波幅乃根據本公司股價於最近期(相當於購股權的合約年期)的歷史波幅計算。

25 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 30 June 2016 not provided for in the condensed consolidated interim financial statements were as follows:

25 承擔

(a) 資本承擔

於二零一六年六月三十日，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：

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Contracted for	15,337,464	14,244,500
Authorised but not contracted for	—	—
	15,337,464	14,244,500

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

25 COMMITMENTS (continued)

(b) Future minimum royalty payments

Pursuant to the Mining Agreement (Note 14(a)), the royalties to MERSB are subject to a monthly minimum payment of RM30,000 (equivalent to approximately HK\$58,275) (unaudited) (31 December 2015 (audited): RM30,000 (equivalent to approximately HK\$54,122)) 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 RM5,040,000 (equivalent to approximately HK\$9,790,210) (unaudited) (31 December 2015 (audited): RM5,220,000 (equivalent to approximately HK\$9,417,283)) over the 20 years period.

(c) Operating lease commitments

At 30 June 2016, the total minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Within 1 year	<u>308,000</u>	<u>578,000</u>

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

25 承擔(續)

(b) 未來最低專利權費

根據採礦協議(附註14(a))，須按每月最低付款支付予MERSB的專利權費為30,000馬幣(相當於約58,275港元)(未經審核)(二零一五年十二月三十一日(經審核): 30,000馬幣(相當於約54,122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5,040,000馬幣(相當於約9,790,210港元)(未經審核)(二零一五年十二月三十一日(經審核): 5,220,000馬幣(相當於約9,417,283港元))。

(c) 經營租賃承擔

於二零一六年六月三十日，根據不可撤銷經營租賃的應付最低租賃付款總額如下：

本集團為持作經營租賃的若干辦公室物業承租人。租約一般初步為期一年，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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

25 COMMITMENTS (continued)

(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 legislations, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include:

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

The amount of such future cost is indeterminable due to such 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 proposed for future environmental legislation cannot be reasonably estimated at present and could be material.

25 承擔(續)

(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；
- (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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 CONTINGENT LIABILITIES

(a) Corporate guarantees issued

As at 30 June 2016, the Company has issued a corporate guarantee totalling RM850,000 (equivalent to approximately HK\$1,651,000) (unaudited) (31 December 2015 (audited): RM850,000 (equivalent to approximately HK\$1,533,000)) to a supplier in respect of the purchase of liquefied petroleum gas made by CVMSB.

As at 30 June 2016, the Company has issued corporate guarantees totalling RM133,004 (equivalent to approximately HK\$260,000) (unaudited) (31 December 2015 (audited): RM133,004 (equivalent to approximately HK\$240,000)) for finance lease creditors in respect of the purchase of motor vehicles and equipment by CVMSB.

In respect of the Company's corporate guarantee provided in relation to above other financing facilities granted to a supplier of liquefied petroleum gas made by CVMSB and the guarantee given to finance lease creditors of motor vehicles and equipment purchased by CVMSB, the Directors consider the possibility of being materialised is remote and immaterial. The Directors consider that no such liabilities are required to be recognised as at 30 June 2016 (unaudited) and 31 December 2015 (audited).

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 HK\$ Nil for the six months ended 30 June 2016 and 2015 (unaudited).

26 或然負債

(a) 已發出公司擔保

於二零一六年六月三十日，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1,651,000港元)(未經審核)(二零一五年十二月三十一日(經審核)：850,000馬幣(相當於約1,533,000港元))。

於二零一六年六月三十日，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133,004馬幣(相當於約260,000港元)(未經審核)(二零一五年十二月三十一日(經審核)：133,004馬幣(相當於約240,000港元))。

就有關CVMSB向一名液化石油氣供應商授出的上述其他財務融資，以及CVMSB購買汽車及設備之融資租賃債項授出的擔保而提供的本公司公司擔保而言，董事認為作出公司擔保的可能性不大。於二零一六年六月三十日(未經審核)及二零一五年十二月三十一日(經審核)，董事認為概無有關負債須予確認。

截至二零一六年及二零一五年六月三十日止六個月(未經審核)，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港元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

26 CONTINGENT LIABILITIES (continued)

(b) Contingent liability arising from default of convertible bonds

As explained in Note 20(a) to the condensed consolidated interim financial statements, the Matured Bonds were remained in defaulted and immediately due for repayments as at 30 June 2016. Pursuant to the convertible bonds agreements, at any time after the convertible bonds have become payable, the respective convertible bondholders may without further notice institute such proceedings as it may think fit to enforce payment of the monies due.

27 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2016 and 2015, in addition to the transactions and balances disclosed in Note 19 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.

26 或然負債(續)

(b) 自拖欠可換股債券產生的或然負債

誠如簡明綜合中期財務報表附註20(a)所述，到期債券仍拖欠還款並於二零一六年六月三十日到期時即時償還。根據可換股債券協議，於可換股債券成為應付後的任何時間，各可換股債券持有人毋須就構成其認為合適可強制償還到期款項的行動作進一步通知。

27 重大關連方交易

截至二零一六年及二零一五年六月三十日止六個月，除簡明綜合中期財務報表附註19所披露的交易及結餘外，以下關連方交易在本集團與關連方之間按有關雙方互相協定的條款進行。

Name of party 關連方名稱	Relationship 關係
Ho Wah Genting Berhad ("HWGB")	A shareholder of the Company
Ho Wah Genting Berhad (「HWGB」)	本公司股東
Ho Wah Genting Holiday Sdn. Bnd. ("HWGH")	A subsidiary of HWGB
Ho Wah Genting Holiday Sdn. Bnd. (「HWGH」)	HWGB的附屬公司
HWG Tin Mining Sdn. Bhd. ("HWGTM")	A subsidiary of HWGB
HWG Tin Mining Sdn. Bhd. (「HWGTM」)	HWGB的附屬公司
Ho Wah Genting Poipet Resorts Sdn. Bhd. ("HWGP")	An associate of HWGB
Ho Wah Genting Poipet Resorts Sdn. Bhd. (「HWGP」)	HWGB的聯營公司
Perak State Development Corporation ("PSDC")	A shareholder of the Company
Perak State Development Corporation (「PSDC」)	本公司股東
Majuperak Energy Resources Sdn. Bhd. ("MERSB")	A subsidiary of PSDC
Majuperak Energy Resources Sdn. Bhd. (「MERSB」)	PSDC的附屬公司
PT Ho Wah Genting Berhad ("PTHWG")	A subsidiary of HWGB
PT Ho Wah Genting Berhad (「PTHWG」)	HWGB的附屬公司
HK New Huang Pu Finance Holdings Limited ("HKNHPF")	A company with common director of the Company
香港新黃埔金融控股集團有限公司(「香港新黃埔金融」)	與本公司有共同董事的一間公司
Dato' Lim Hui Boon*	A father of a director
拿督 Lim Hui Boon*	一名董事的父親

* On 8 May 2015, Dato' Lim Hui Boon ceased to be a related party of the Group upon the resignation of Dato' Lim Ooi Hong as a director of the Company.

* 於二零一五年五月八日，拿督林偉雄在辭任本公司董事後，拿督 Lim Hui Boon 不再為本集團之關連方。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 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	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Office rent payable to:	應付辦公室租金予：		
HWGB	HWGB	45,498	54,193
Purchase of flight tickets from:	向下列關連方購買機票：		
HWGP	HWGP	-	53,975
Maintenance fee payable to:	應付維護費予：		
MERSB	MERSB	-	421,799

(b) Amount due from a related party

		At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
HKNHPF	香港新黃埔金融	464,792	475,426

The amount due from HKNHPF is unsecured, interest-free and has no fixed terms of repayment. Fan Wei Peng is a common director of HKNHPF and of the Company.

27 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) 應收一名關連方款項

應收香港新黃埔金融的款項為無抵押、免息且無固定還款期。范偉鵬為香港新黃埔金融與本公司之共同董事。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Amount due to a director

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Leung Wai Kwan 梁維君	—	347

Leung Wai Kwan

梁維君

—

347

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

該款項為無抵押、免息且無固定還款期。

(d) Amounts due to related parties

	At 30 June 2016 於二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
MERSB	2,452,603	2,133,502
PTHWG	—	282,897
	2,452,603	2,416,399

MERSB
PTHWG

MERSB
PTHWG

2,452,603
—
2,452,603

2,133,502
282,897
2,416,399

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

簡明綜合中期財務報表附註

27 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(e) Key management personnel remuneration

27 重大關連方交易 (續)

(e) 主要管理人員酬金

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Directors' fees	董事袍金	1,306,290	–
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	827,500	1,523,290
Share-based payments	以股份為基礎的付款	6,595,020	–
Retirement scheme contributions	退休計劃供款	16,300	29,680
		8,745,110	1,552,970

28 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in Notes 2, 21 and 22 to the condensed consolidated interim financial statements, there are no other material non-adjusting events subsequent to the end of the reporting period and up to the approval date of the condensed consolidated interim financial statements.

28 報告期末後非調整事項

除簡明綜合中期財務報表附註2、21及22所披露外，於報告期末後及直至簡明綜合中期財務報表批准日期止，並無其他重大非調整事項。

INTERIM DIVIDEND

The Board of Directors of the Company did not recommend the payment of any dividend in respect of the six months ended 30 June 2016 (six months ended 30 June 2015: 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 2016, the Company has adopted the applicable code provisions and certain recommended best practices stipulated in the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Listing rules. No Director is aware of any information that reasonably reveals that there is any non-compliance with the code provisions on the Code by the Company during any time of the 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 (the “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 of the Company held on 28 June 2016.

中期股息

本公司董事會並不建議就截至二零一六年六月三十日止六個月派付任何股息(截至二零一五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

截至二零一六年六月三十日止六個月，本公司已採納上市規則附錄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：

守則條文第A.4.1條

守則條文第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。

守則條文第A.6.7條

根據守則的守則條文第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了解。若干獨立非執行董事未能出席本公司於二零一六年六月二十八日舉行的股東週年大會。

OTHER INFORMATION 其他資料

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 (*Co-Vice Chairman*)

Mr. Li Po Wai (*Co-Vice Chairman*)

Mr. Leung Wai Kwan (*Group Chief Executive Officer*)

Mr. Fan Weipeng

Ms. Meng Xiao Ying

Mr. Yin Shibo

Mr. Leung Kwok Peng Joseph (appointed on 29 June 2016)

Independent Non-executive Directors

Mr. Chan Kin Ho Phillip

Ms. Li Zhenzhen

Mr. Liu Bo

Mr. Tong Zhu (appointed on 29 June 2016)

Since 1 January 2016 and up to the date of this report, there have a number of changes in the Board as set out below:

- Ms. Tian Jinghua retired as independent non-executive director of the Company with effect from 28 June 2016; and
- Mr. Leung Kwok Peng Joseph and Mr. Tong Zhu have been appointed as executive director and independent non-executive director respectively of the Company with effect from 29 June 2016.

The composition of Board committees of the Company (“**Board Committees**”) remains the same as set out in the 2015 Annual Report, save that:

- Mr. Tong Zhu, the Independent Non-executive Director be appointed as the member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 29 June 2016; and
- Ms. Tian Jinghua ceased to act as the member of Audit Committee, Remuneration Committee and Nomination Committee of the Company on 28 June 2016 following her retirement as the Independent Non-executive Director.

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（聯席副主席）

李寶偉先生（聯席副主席）

梁維君先生（集團行政總裁）

范偉鵬先生

孟小英女士

尹仕波先生

梁國鵬先生（於二零一六年六月二十九日獲委任）

獨立非執行董事

陳建豪先生

李珍珍女士

劉波先生

佟鑄先生（於二零一六年六月二十九日獲委任）

自二零一六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：

- 田晶華女士退任本公司獨立非執行董事，自二零一六年六月二十八日起生效；及
- 梁國鵬先生及佟鑄先生分別獲委任為本公司執行董事及獨立非執行董事，自二零一六年六月二十九日起生效。

本公司董事委員會（「**董事委員會**」）成員與二零一五年年報所載者相同，惟下述者除外：

- 獨立非執行董事佟鑄先生於二零一六年六月二十九日獲委任為本公司審核委員會、薪酬委員會及提名委員會成員；及
- 田晶華女士辭任獨立非執行董事後，於二零一六年六月二十八日不再為本公司審核委員會、薪酬委員會及提名委員會成員。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2016, 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:

董事及主要行政人員於證券之權益

於二零一六年六月三十日，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：

OTHER INFORMATION 其他資料

Long positions in the shares:

股份之好倉：

Name	Capacity/Nature of Interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives	Approximate percentage of interest in the issued shares of the Company
姓名	身份／權益性質	持有普通股數目	根據股本衍生工具持有的相關股份數目	佔本公司已發行股份權益之概約百分比
Du Jian Jun 杜建軍	Beneficial owner 實益擁有人	–	55,096,239	1.00%
Ji Kuang 嵇匡	Beneficial owner 實益擁有人	–	11,019,247	0.20%
Li Po Wai 李寶偉	Beneficial owner 實益擁有人	–	11,019,247	0.20%
Leung Wai Kwan 梁維君	Beneficial owner 實益擁有人	2,095,500	55,096,239	1.04%
	Interest of spouse (Note 1) 配偶權益(附註1)	4,986,750	–	0.09%
Fan Weipeng 范偉鵬	Beneficial owner 實益擁有人	–	11,019,247	0.20%
Meng Xiao Ying 孟小英	Beneficial owner 實益擁有人	–	11,019,247	0.20%
Yin Shibo 尹仕波	Beneficial owner 實益擁有人	–	5,509,623	0.10%
Chan Kin Ho Philip 陳建豪	Beneficial owner 實益擁有人	–	5,509,623	0.10%
Li Zhenzhen 李珍珍	Beneficial owner 實益擁有人	–	2,754,811	0.05%
Liu Bo 劉波	Beneficial owner 實益擁有人	–	2,754,811	0.05%
Tian Jing Hua (Note 2) 田晶華(附註2)	Beneficial owner 實益擁有人	–	2,754,811	0.05%

Note 1: Madam Leung Nim Hing, the spouse of Mr. Leung Wai Kwan has personal interest of 4,986,750 shares. Mr. Leung Wai Kwan is deemed to be interest in the aforesaid interests of Madam Leung Nim Hing by virtue of Part XV of the SFO.

附註1：梁維君先生的配偶Leung Nim Hing女士擁有4,986,750股股份的個人權益。根據證券及期貨條例第XV部，梁維君先生被視為於Leung Nim Hing女士上述權益中擁有權益。

Note 2: Ms. Tian Jing Hua was retired on 28 June 2016.

附註2：田晶華女士已於二零一六年六月二十八日退休。

OTHER INFORMATION 其他資料

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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2016, the interests of persons, other than the directors or chief executive of the Company in the shares and the underlying shares of the Company representing 5% or more that nominal value of shares comprised in the relevant share capital of the Company as recorded in the register kept by the Company under Section 336 of the SFO were as follow:

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。

主要股東於證券之權益

於二零一六年六月三十日，個人（董事或本公司主要執行人員除外）於本公司股份及相關股份的權益（記錄於本公司根據證券及期貨條例第336條存置之登記冊，佔本公司相關股本所包括股份面值的5%或以上）如下：

Name of shareholder	Capacity	Number of ordinary shares	Approximate% of interest in the Company 佔本公司權益之概約百分比
股東姓名	身份	普通股數目	百分比
Gu Zhuoheng 谷卓恒	Beneficial owner 實益擁有人	332,466,000	6%

Save as disclosed above, at no time during the period under review is known to the Directors and the chief executives of the Company, no person has interests or short positions in the shares and underlying shares of the Company or any of its associated corporations which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 336 of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of share capital carrying rights to vote in all circumstances at general meetings of the Company.

除上文披露者外，於回顧期內，董事及本公司主要行政人員概無知悉任何人士於本公司或其任何相聯法團之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文向本公司披露之權益或淡倉以及記錄於證券及期貨條例第336條規定本公司須予存置之登記冊之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本公司股東大會上投票之股本面值5%或以上之權益。

OTHER INFORMATION 其他資料

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 2016 and up to the date of this interim report.

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

For the six months ended 30 June 2016, 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二零一六年六月三十日止六個月及截至本中期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

截至二零一六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

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per option. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 10% of the shares in issue from time to time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing rules. Options granted to substantial shareholders or independent non-executive directors in excess of issued share capital of the Company or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

Options granted may be exercised at any time from date of grant of the share option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the higher of the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options, the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options, and the nominal value of a share.

授出的購股權須在授出日期後28日內支付每份購股權1港元付款接納。可能根據該計劃授出的購股權所涉股份數目上限不得超過本公司採納該計劃當日本公司已發行股本10%。該上限可隨時更新，惟新上限合共不得超過股東在股東大會上批准當日本公司已發行股本10%。然而，可能因行使根據該計劃及本公司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總數，合共不得超過不時已發行股份的10%。於任何十二個月期間可授予任何個別人士的購股權所涉股份數目上限不得超過本公司該十二個月期間屆滿當日已發行股份的1%，惟已根據上市規則獲本公司股東批准除外。向主要股東或獨立非執行董事授出的購股權超過本公司已發行股本或價值超過5,000,000港元，須事先獲本公司股東批准。

購股權可自授出購股權當日至授出購股權當日十週年止期間(可由董事釐定)隨時行使。行使價由董事釐定，且不得低於授出購股權日期聯交所每日報價表所列每股收市價、緊接授出購股權日期前五個營業日聯交所每日報價表所列每股平均收市價及股份面值三者之較高者。

OTHER INFORMATION 其他資料

New Share Option Scheme

In view of the fact that the existing Share Option Scheme will expire and the amendments to the relevant Listing Rules since the adoption of the existing Share Option Scheme, an ordinary resolution was duly passed in the extraordinary general meeting held on 4 February 2016 to terminate the existing Share Option Scheme and adopt the new share option scheme of the Company (the “**New Share Option Scheme**”).

The purpose of the New Share Option Scheme is (i) to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Under the New Share Option Scheme, the Board shall be entitled at any time (except for the period as defined under the Listing Rules whereby 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.

新購股權計劃

由於現有購股權計劃即將到期，加上自現有購股權計劃獲採納以來相關上市規則有所修訂，一項普通決議案已於二零一六年二月四日舉行之股東特別大會獲正式通過，以終止現有購股權計劃及採納本公司的新購股權計劃（「**新購股權計劃**」）。

新購股權計劃旨在 (i) 鼓勵合資格參與人士為本集團利益而提高工作效率；及 (ii) 吸納及留聘對或將對本集團長遠發展帶來有利貢獻的合資格參與人士，或以其他方式與之維持持續的業務關係。根據新購股權計劃，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

Subject to the refreshment of the Scheme Limit, the maximum number of shares in respect of which options may be granted (including shares in respect of which options, whether exercised or still outstanding, have already been granted) under the New Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the adoption date of the New Share Option Scheme (the “**Scheme Limit**”), excluding for this purpose Shares which would have been issuable pursuant to Options which have lapsed in accordance with the terms of the New Share Option Scheme (or any other share option schemes of the Company). 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. Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time (the “**Maximum Limit**”).

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; and (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. The acceptance date of an offer shall be a date not later than 30 days after the offer date. 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 shall not exceed 10 years from the date of grant of the relevant option.

受計劃限額的更新所規限，根據新購股權計劃及本公司任何其他購股權計劃可予授出的購股權所涉及的股份數目上限（包括已授出的已行使或尚未行使購股權所涉及的股份），合共不得超過新購股權計劃採納日期已發行股份總數的10%（「**計劃限額**」），就此而言，不包括根據新購股權計劃或本公司任何其他購股權計劃的條款已失效的購股權原應可予發行的股份。在任何十二個月期間，因為每位承授人行使獲授之購股權（包括已行使或尚未行使者）而已發行及將發行之股份總數不得超過本公司已發行股份之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。因悉數行使根據新購股權計劃及本公司任何其他購股權計劃已授出但尚未行使之購股權而可予發行之股份，不得超過不時已發行股份之30%（「**最高限額**」）。

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；及(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收市價的平均價。建議接納日期不得遲於自建議日期起計30日當日。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。

OTHER INFORMATION 其他資料

On 4 February 2016, the Company granted options to subscribe for a total of 245,178,252 shares under the Option Scheme to certain directors and employees of the Company with the following details:

於二零一六年二月四日，本公司已根據購股權計劃，向若干董事及本公司僱員授出可認購合共245,178,252股股份的購股權，詳情如下：

(1) Directors

(1) 董事

Name 姓名	Capacity 身份	Date of Grant 授出日期	Exercise Price 行使價格 (HK\$) (港元)	Granted during the period 期內已授出	Number of Share Option reclassified during the period 期內重新分類的購股權數目	Outstanding at 30 June 2016 二零一六年六月三十日尚未行使
Du Jian Jun 杜建軍	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	55,096,239	-	55,096,239
Ji Kuang 嵇匡	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	11,019,247	-	11,019,247
Leung Wai Kwan 梁維君	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	55,096,239	-	55,096,239
Li Po Wai 李寶偉	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	11,019,247	-	11,019,247
Meng Xiao Ying 孟小英	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	11,019,247	-	11,019,247
Fan Weipeng 范偉鵬	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	11,019,247	-	11,019,247
Yin Shibo 尹仕波	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	5,509,623	-	5,509,623
Chan Kin Ho Philip 陳建豪	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	5,509,623	-	5,509,623
Tian Jinghua (retired on 28 June 2016) 田晶華(於二零一六年六月二十八日退任)	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	2,754,811	-	2,754,811
Li Zhenzhen 李珍珍	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	2,754,811	-	2,754,811
Liu Bo 劉波	Beneficial owner 實益擁有人	12/05/2016 二零一六年五月十二日	0.10	2,754,811	-	2,754,811

OTHER INFORMATION 其他資料

(2) Employees and consultants

(2) 僱員及顧問

Date of Grant 授出日期	Exercise Price 行使價格 (HK\$) (港元)	Granted during the period 期內已授出	Number of Share Option reclassified during the period 期內重新分類 的購股權數目	Outstanding at 30 June 2016 二零一六年 六月三十日 尚未行使
12/05/2016 二零一六年五月十二日	0.10	71,625,107	–	71,625,107

Notes:

- (i) As for the share options granted on 4 February 2016, the closing price of the shares on the Stock Exchange of Hong Kong Limited (“HKEX”) immediately before the date on which the options were granted was HK\$0.069.
- (ii) The share options re-classified to employees due to the retirement of a director.

附註：

- (i) 就二零一六年二月四日已授出的購股權而言，於香港聯合交易所有限公司（「香港交易所」）上市的股份在緊接期權授出日期前之收市價為0.069港元。
- (ii) 由於董事退任重新劃分至僱員部分。

OTHER INFORMATION 其他資料

AUDIT COMMITTEE REVIEW

The audit committee of the Company comprises wholly independent non-executive Directors, has reviewed the consistency of the accounting principles and practices adopted by the Group in enquiring with external auditors and has reviewed and discussed 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 2016 with the management.

The figures in respect of the interim results announcement have been agreed by Baker Tilly Hong Kong Limited (“**Baker Tilly Hong Kong**”), to the amounts as set out in the Group’s underlying condensed consolidated interim financial statements for the six months ended 30 June 2016. As the work performed by Baker Tilly Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards of 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.

審核委員會審閱

由全體獨立非執行董事組成的本公司審核委員會已審閱本集團向外聘核數師查詢後採納的會計原則及慣例是否一致，並已與管理層檢討及討論內部監控及財務報告事宜，包括審閱本集團截至二零一六年六月三十日止六個月的未經審核綜合中期財務業績。

天職香港會計師事務所有限公司(「**天職香港**」)已將有關中期業績公告的數字與本集團截至二零一六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。



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