



N A R
 NORTH ASIA RESOURCES
 北亞資源

NORTH ASIA RESOURCES HOLDINGS LIMITED
北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)(於百慕達註冊成立之有限公司)
 Stock Code 股份代號 : 0061



Annual Report
2016 年報

CONTENTS

目錄

2	Corporate Information	公司資料
4	Board's Profile	董事會簡介
8	Chairman's Statement	主席報告
10	Management Discussion and Analysis	管理層討論及分析
24	Report of Directors	董事會報告
40	Corporate Governance Report	企業管治報告
59	Independent Auditor's Report	獨立核數師報告
63	Consolidated Statement of Profit or Loss	綜合損益表
64	Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及 其他全面收益表
65	Consolidated Statement of Financial Position	綜合財務狀況表
67	Consolidated Statement of Changes in Equity	綜合權益變動表
68	Consolidated Statement of Cash Flows	綜合現金流量表
70	Notes to the Consolidated Financial Statements	綜合財務報表附註



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Sanhuo (*Chairman*)

Mr. Huang Boqi (*Deputy Chairman & Chief Executive Officer*)

Mr. Tse Michael Nam

Non-executive Director

Mr. Zou Chengjian

Independent Non-executive Directors

Ms. Leung Yin Fai

Mr. Leung Po Wing, Bowen Joseph *GBS, JP*

Mr. Zhou Chunsheng

COMPANY SECRETARY

Mr. Shek Wing Wa *ACIS ACS*

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND

PRINCIPAL PLACE OF BUSINESS

Units 2001-2, 20th Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch

Ngau Tau Kok Sub-Branch

Shop G1 & G2, G/F.

Phase I, Amoy Plaza

77 Ngau Tau Kok Road, Kowloon

董事會

執行董事

張三貨先生 (主席)

黃伯麒先生 (副主席兼行政總裁)

謝南洋先生

非執行董事

鄒承健先生

獨立非執行董事

梁燕輝女士

梁寶榮先生 *GBS, JP*

周春生先生

公司秘書

石永華先生 *ACIS ACS*

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

總辦事處及

主要營業地點

香港

德輔道中189號

李寶椿大廈

20樓2001-2室

主要往來銀行

交通銀行股份有限公司香港分行

牛頭角支行

九龍牛頭角道77號

淘大商場一期地下

G1及G2號舖

CORPORATE INFORMATION

公司資料

LEGAL CONSULTANT

Michael Li & Co.
19/F, Prosperity Tower
39 Queen's Road Central
Hong Kong

AUDITOR

SHINewing (HK) CPA Limited
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Corporate Services (Bermuda) Limited ^{Note}
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

<http://www.northasiareources.com>

Note:

- Name changed with effect from 1 April 2017 and formerly known as Codan Services Limited

法律顧問

李智聰律師事務所
香港
中環皇后大道中39號
豐盛創建大廈19樓

核數師

信永中和(香港)會計師事務所有限公司
香港銅鑼灣
希慎道33號
利園一期43樓

主要股份登記及 過戶處

Codan Corporate Services (Bermuda) Limited ^{附註}
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份登記及 過戶分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

網址

<http://www.northasiareources.com>

附註:

- 於二零一七年四月一日開始變更名稱，前稱Codan Services Limited



BOARD'S PROFILE

董事會簡介

MR. ZHANG SANHUO

– Executive Director (Chairman)

Mr. Zhang Sanhuo, aged 51, joined the Company on 7 June 2013 and now being as an Executive Director, Chairman of the Board, chairman of nomination committee and member of the remuneration committee of the Company, graduated from 山西財經大學 (Shanxi University of Finance & Economics*) (formerly known as 山西財經學院 (Shanxi Institute of Finance & Economics*)) with a bachelor's degree in accounting and obtained a master's degree in business administration from 長江商學院 (Cheung Kong Graduate School of Business). Mr. Zhang has over 20 years of experience in corporate management in mining, investment, finance and other industries.

MR. HUANG BOQI

– Executive Director (Deputy Chairman & Chief Executive Officer)

Mr. Huang Boqi, aged 51, joined the Company in 6 October 2014 as an Executive Director, deputy Chairman and chief executive officer of the Company. He obtained his Bachelor degree in Engineering from South China University of Technology (formerly known as South China Institute of Technology) in 1987 and a Master degree in Economics from Jiangxi University of Finance and Economics in 1999. He was the chairman and executive director of China Best Group Holding Limited (Hong Kong listed company, Stock Code: 370) from June 2011 to July 2014. He was also a chairman, executive director and interlocking chief executive officer of Goldmond Holdings Limited (Hong Kong listed company, Stock Code: 8190) from February 2005 to March 2010. He has over 20 years of experience in corporate management, corporate finance and capital operation, merger and acquisition transactions. He also has extensive experience in the field of information technology and electronics industries as well as mining industry.

* For identification purpose only

張三貨先生

– 執行董事 (主席)

張三貨先生，51歲，於二零一三年六月七日加入本公司，現為本公司之執行董事、董事會主席，提名委員會之主席及薪酬委員會成員，彼畢業於山西財經大學（前稱山西財經學院），持有會計學學士學位，並於長江商學院取得工商管理碩士學位。張先生有逾20年之企業管理經驗，其中包括礦業、開採、投資及金融行業等。

黃伯麒先生

– 執行董事 (副主席及行政總裁)

黃伯麒先生，51歲，於二零一四年十月六日加入本公司，現為本公司之執行董事、董事會副主席兼行政總裁，彼於一九八七年獲得華南理工大學（前稱華南工學院）工學學士學位，於一九九九年再取得江西財經大學經濟學碩士學位。彼於二零一一年六月至二零一四年七月期間為國華集團控股有限公司（香港上市公司，股份代號：370）之主席及執行董事。彼亦於二零零五年二月至二零一零年三月期間出任康佰控股有限公司（香港上市公司股份代號：8190）之主席、執行董事並兼任行政總裁。黃先生於公司管理、企業融資和投資和併購交易等資本運營方面擁有逾20年豐富經驗，同時亦具備資訊科技、電子以及礦產資源等行業之深厚經驗。

* 僅供識別

BOARD'S PROFILE

董事會簡介

MR. TSE MICHAEL NAM

– Executive Director

Mr. Tse Michael Nam, aged 59, joined the Company on 12 February 2007 as an Executive Director and currently in charging of the new mining operations. Mr. Tse has over 28 years of experience in corporate management in the agriculture, manufacturing, mining and M&A sectors. Mr. Tse was a registered consultant to Asian Development Bank and has held key positions in several companies listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) such as being Executive Director of Asia Coal Limited (stock code 835) and as the Vice Chairman and Managing Director of Asia Aluminum Holdings Limited (a company previously listed on the Hong Kong Stock Exchange under stock code 930). Mr. Tse holds a Bachelor of Science degree in Biological Science from the University of California, Berkeley and a Master of Business Administration degree from the University of San Francisco.

MR. ZOU CHENGJIAN

– Non-executive Director

Mr. Zou Chengjian, aged 74, joined the Company on 7 June 2013 as a non-Executive Director, graduated from 山東礦業學院 (Shandong Institute of Mining and Technology*) with a bachelor degree in mining since September 1965. From September 1965 to January 1970, he worked as a mining technician at 西山礦務局西銘礦 (Xishan Mining Administration Ximing Mine*). He was promoted to the position of executive mining technician in January 1970 and acted as the mining engineer, the deputy technical manager and the acting manager of the mining area successively from January 1970 to April 1980. He served at the development headquarters of 西山礦務局古交礦區 (Xishan Mining Administration Gujiao Mine District*) from April 1980 to April 1985, during which period he worked as the deputy group leader of the development group of 西山礦務局西曲礦 (Xishan Mining Administration Ximing Mine*), the chief engineer and the mine manager of such mine. He then served as the leader of such development headquarters and its deputy general and production director from April 1985 to April 1995. From December 1995 to December 1997, he acted as the director of 淮南礦務局 (Huainan Mining Administration*). He subsequently worked as the deputy general manager and general manager of 華晉焦煤公司 (Huajin Coking Coal Company*) successively from December 1997 to June 2003. Since 2004, he has acted as the technical consultant of Shanxi Changtong and had been the dean of 煤炭工業合肥設計研究院山西分院 (Shanxi Branch of Hefei Design Research Institute for Coal Industry*).

* For identification purpose only

謝南洋先生

– 執行董事

謝南洋先生，59歲，於二零零七年二月十二日出任本公司執行董事及現時負責新採礦業務營運。謝先生於農業、生產、採礦及併購行業擁有超過28年企業管理經驗。謝先生曾任亞洲開發銀行之註冊顧問，亦曾於多間於香港聯合交易所（「香港聯交所」）上市之公司出任要職，包括亞洲煤業有限公司（股份代號835）之執行董事，及先前於香港聯交所上市之亞洲鋁業控股有限公司之副主席兼董事總經理。謝先生持有加州大學伯克萊分校生物科學及海洋生物學學士學位及三藩市大學工商管理碩士學位。

鄒承健先生

– 非執行董事

鄒承健先生，74歲，於二零一三年六月七日加入本公司，現為本公司非執行董事，彼自一九六五年九月起畢業於山東礦業學院，持有採礦學士學位。於一九六五年九月至一九七零年一月，彼擔任西山礦務局西銘礦採礦技術員。彼於一九七零年一月獲晉陞為執行採礦技術員，並於一九七零年一月至一九八零年四月期間歷任採礦工程師、技術副經理及礦區代理礦長。彼於一九八零年四月至一九八五年四月任職於西山礦務局古交礦區開發總部，期間擔任西山礦務局西曲礦開發組副組長、首席工程師及該礦礦長。其後於一九八五年四月至一九九五年四月，彼出任該開發總部領導及其總務及生產副總監。於一九九五年十二月至一九九七年十二月，彼擔任淮南礦務局局長，其後於一九九七年十二月至二零零三年六月任職於華晉焦煤公司，歷任副總經理及總經理。自二零零四年起，彼擔任山西昌通技術顧問，並曾任煤炭工業合肥設計研究院山西分院院長。

* 僅供識別

BOARD'S PROFILE

董事會簡介

MS. LEUNG YIN FAI

– Independent Non-executive Director

Ms. Leung Yin Fai, aged 52, joined the Company on 1 April 2014 and now being as an independent non-executive Director and chairman of each of the audit and remuneration committees and member of nomination committee of the Company, obtained the master degree of commerce from the University of New South Wales, Australia. She is currently the managing director of K E Management & Consultancy (Shanghai) Co., Ltd.. Prior to this, Ms. Leung acted as the office head of KCS Management & Consultancy (China) Co., Ltd. Beijing Branch and Tianjin Branch for 7 years and worked in one of international CPA firms for 20 years.

Ms. Leung is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and Association of Chartered Certified Accountants.

MR. LEUNG PO WING, BOWEN JOSEPH GBS, JP

– Independent Non-executive Director

Mr. Leung Po Wing, Bowen Joseph GBS, JP, aged 67, joined the Company on 26 March 2010 and now being as an independent non-executive Director and member of each of the audit, nomination and remuneration committees of the Company, is currently serving as an independent non-executive director for three other companies listed on the Hong Kong Stock Exchange namely Paliburg Holdings Limited (stock code 0617), Regal REIT (HK Stock Code 1881) and Quali-Smart Holdings Limited (stock code 1348). Mr. Leung previously served as the Director of the Office of the Government of the Hong Kong Special Administrative Region in Beijing until his retirement in November 2005. During his tenure with the Government, Mr. Leung has served in various senior positions including the Deputy Secretary for District Administration (later re-titled as Deputy Secretary of Home Affairs), Deputy Secretary for Planning, Environment and Lands, Private Secretary, Government House, and Secretary for Planning Environment and Lands. Mr. Leung has extensive experience in corporate leadership and public administration. Mr. Leung was conferred with the Gold Bauhinia Star honour in 2004 and appointed as a Justice of Peace in 2007, for his very distinguished services to the Hong Kong community.

梁燕輝女士

– 獨立非執行董事

梁燕輝女士，52歲，於二零一四年四月一日加入本公司，現為本公司之獨立非執行董事、審核及薪酬委員會之主席及提名委員會之成員，彼於澳洲新南威爾士大學取得商業碩士學位。彼現為凱誠管理諮詢(上海)有限公司之執行董事。於此之前，梁女士曾為凱譽管理諮詢(中國)有限公司北京及天津分公司之主管七年。梁女士亦曾任職於一國際會計公司二十年。

梁女士現為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。

梁寶榮先生GBS, JP

– 獨立非執行董事

梁寶榮先生GBS, JP，67歲，於二零一零年三月二十六日加入本公司，現為本公司之獨立非執行董事以及為審核、薪酬及提名委員會成員。梁先生現任其他三家香港聯交所上市公司百利保控股有限公司(股份代號0617)、富豪產業信託(股份代號1881)及滙達富控股有限公司(股份代號1348)之獨立非執行董事。梁先生以往任香港特別行政區政府駐北京辦事處主任，於二零零五年十一月退休。在政務職系服務期間，梁先生曾任職多個高層職位，包括：副政務司(後改稱民政事務局副秘書長)、副規劃環境地政司、總督府私人秘書及規劃環境地政司。梁先生於企業領導及公共管理饒富經驗。因其對香港社區十分傑出服務，梁先生於二零零四年獲授金紫荊星章及於二零零七年獲頒太平紳士銜。

BOARD'S PROFILE

董事會簡介

MR. ZHOU CHUNSHENG

– Independent Non-executive Director

Mr. Zhou Chunsheng, aged 50, joined the Company on 14 June 2013 and now being as an independent non-executive Director and member of each of the audit, nomination and remuneration committees of the Company, is currently a professor-in-residence and was director of the executive master of business administration program of 長江商學院 (Cheung Kong Graduate School of Business). He was an assistant dean, director of the executive education program and a professor of finance of 光華管理學院 (Guanghua School of Management) of 北京大學 (Peking University). He is a distinguished economist, a winner of the National Excellent Young Researcher Grant, an honorary professor at the University of Hong Kong, a visiting professor at the City University of Hong Kong and a member of the 1st and 2nd Listing Committee of the Shenzhen Stock Exchange. Mr. Zhou obtained a master degree in mathematics from Peking University and a doctoral degree in economics (finance) from Princeton University in the United States. From 1994 to 1995, he was awarded an honorary doctoral scholarship excellence from Princeton University. During 1997 to 2001, Mr. Zhou worked for the University of California and the School of Business of the University of Hong Kong. From April to December 2001, at the invitation of China Securities Regulatory Commission (“CSRC”), Mr. Zhou acted as a member (deputy level) of the planning and development committee of CSRC. He also became the head of the finance department of 光華管理學院 (Guanghua School of Management). Mr. Zhou is an expert in analysing financial investment, securities markets, capital operation and financial derivatives.

Mr. Zhou is an independent non-executive director of each of Zhejiang Transfar Co., Ltd. (Stock Code: 002010: Shenzhen Stock Exchange), Guosheng Financial Holding Inc. (Stock Code 002670: Shenzhen Stock Exchange), Kunwu Jiuding Investment Holdings Co., Ltd (Stock Code 600053: Shanghai Stock Exchange), China ITS (Holdings) Co., Ltd. (Stock Code 1900: Hong Kong Stock Exchange) and Zhonghong Holding Co. Ltd. (Stock Code 000979: Shenzhen Stock Exchange).

周春生先生

– 獨立非執行董事

周春生先生，50歲，於二零一三年六月十四日加入本公司，現為本公司之獨立非執行董事以及為審核、提名及薪酬委員會成員。彼為長江商學院常駐教授，曾任高級工商管理碩士課程學術主任。周先生曾任北京大學光華管理學院院長助理，高層管理者培訓與發展中心主任、金融教授，是著名經濟學家，國家傑出青年基金獲得者，香港大學榮譽教授，香港城市大學客座教授，深圳證券交易所首屆和第二屆上市委員會委員。周先生獲北京大學數學系碩士學位，美國普林斯頓大學的金融經濟學博士學位，並於一九九四年至一九九五年獲普林斯頓大學最優博士生榮譽獎學金。一九九七年至二零零一年間，周先生受聘於加州大學及香港大學商學院。二零零一年四月至十二月，周先生應中國證券監督管理委員會（「中國證監會」）的邀請，回國工作，擔任中國證監會規劃發展委員會委員（副局級），並兼任光華管理學院金融系主任職務。周先生在金融投資、證券市場、資本運營與金融衍生工具分析領域有很深的造詣。

周先生為以下公司之獨立非執行董事：浙江傳化股份有限公司（深圳證券交易所，證券代碼：002010）、廣東國盛金控集團股份有限公司（深圳證券交易所，證券代碼：002670）、昆吾九鼎投資控股股份有限公司（上海證券交易所，證券代碼：600053）、中國智能交通系統（控股）有限公司（香港聯交所，股份代號：1900）及中弘控股股份有限公司（深圳證券交易所，證券代碼：000979）。



CHAIRMAN'S STATEMENT

主席報告

Dear Stakeholders,

On behalf of the board of directors (the "Board") of North Asia Resources Holdings Limited ("the Company, together with its subsidiaries, the "Group"), I am pleased to present the annual results of the Group for the year ended 31 December 2016.

At the end of the year 2016, one of the coal mines operation went smoothly. In the past few years, the government enhanced its environmental protection efforts at the national level, especially formulating more clear guidance on the safety and environmental requirement standards for coal mines in Shanxi. Lots of the coal mines operation in Shanxi had been ordered to suspended for rectification in order to implement the safety measures for coal mines. As disclosed in the announcement of the Company dated 3 February 2017, all the reconstruction and technical improvement of Fuchang Mine has been completed, inspected and approved by the relevant authorities in Shanxi. It is expected that the commercial operation of Fuchang Mine will be commenced on or before 30 April 2017.

During the year 2016, in order to expand the business of the Company and achieve sustainable development of the Company, management of the Company was optimistic on recycling economy of agricultural plantation, bio-cleaning fuel and fine processing for recycling through market analyses. Therefore, the Group had explored the new business segment which was expected to provide a good future prospect to the Group. The Group has currently in Cambodia engaged in (i) planting cassava; (ii) producing and processing of cassava starch; and (iii) exporting and trading the cassava starch. For further expanding this segment of business, the Group will acquire some lands in Cambodia for cultivation of cassava, to build up the factory for processing the cassava starch and to produce fine-processed products with higher value. The Group would develop recycling industrial economy focusing on downstream products, and to construct product research and development base and eco-industrial park. Meanwhile, the Group had approached certain famous research institutions and organizations to seek for cooperation in respect of developing new products and optimizing technical process and explore with well-known enterprises in the industry for the possibility of joint venture and cooperation.

致各位股東：

本人謹代表北亞資源控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」）董事會（「董事會」），欣然提呈本集團截至二零一六年十二月三十一日止年度之年度業績。

於二零一六年底，其中一項煤礦業務進展順利。在過往數年，政府在全國加強環保工作，對山西煤礦之安全及環境規定標準更作出了明確的指引。為執行煤礦之安全規定，眾多山西煤礦業務已被勒令停工整頓。誠如本公司日期為二零一七年二月三日之公佈中所披露，福昌礦區已經完成所有重建與技改整，並已通過了山西省相關部門的驗收。本集團預計福昌礦區將於二零一七年四月三十日或以前開始商業運營。

於二零一六年，本集團為了提升公司的業務，實現公司能夠可持續性發展，公司管理層經過市場分析後看好農業種植、生物清潔燃料、深加工再利用的循環經濟產業。借此本集團現已開展了這項新的業務，預期其將為本集團帶來良好的發展前景。本集團現已在柬埔寨開展(i)木薯種植；(ii)生產及加工木薯澱粉；及(iii)木薯澱粉出口和貿易的業務。為進一步擴展此業務，本集團將在柬埔寨收購大面積的種植土地，建造加工木薯澱粉的工廠以及其它高附加值的生物產品，並將圍繞下游產品開發可循環利用的產業經濟，建設產品研發基地和生態工業園區；同時本集團已就新產品的開發、以及工藝流程優化與中國若干知名研究院校和機構展開洽談合作，與行業知名企業探討進行合資、合作的可能性。

CHAIRMAN'S STATEMENT

主席報告

The demand for cassava products (premium cassava flour, starch, syrups and glucose, ethanol and new energy derivatives) is expected to rise rapidly due to urbanization, currency devaluation and continuing fluctuation in grain prices among the Asian countries. Cassava can be used as a substitute for higher-priced raw materials. With growing market demand for cassava, increased production can now generate increased benefits. The Group would develop some innovative processing technology (in the field and at the factory) that would change dramatically the way cassava is perceived, grown and processed around the world.

This segment will enable the Group to broaden its business scope and revenue base which is in the interests of the Company and its shareholders.

Further, the Group will continue to look for investments or acquisitions project opportunities suitable to the sustainable development of the Company, in order to enhance the value of the Company and to create higher returns for shareholders.

At the same time, I would like you to take this opportunity to thank our management and the entire staff for their loyalty and dedication. I would also like to thank our shareholders and business partners for their trust and confidence in the board of directors and management of the Group. With the concerted efforts of all members of the staff, I believe the business of the Group will continue to thrive and generate greater return for our shareholders.

Mr. Zhang Sanhuo
Chairman

Hong Kong, 30 March 2017

由於亞洲國家的城市化、貨幣貶值及穀物價格持續波動，預期木薯產品（優質木薯粉、澱粉、糖漿及葡萄糖、乙醇及新能源衍生產品）的需求將迅速增長。木薯可用作高價原料之替代品，隨著木薯之市場需求增長，提高產量現可帶來更多利益。本集團將開發若干創新加工技術（在實地及工廠），將帶動全球市場對木薯的認知、生長及加工方式發生顯著變化。

此分部將可令本集團擴闊其業務範圍及收入基礎，符合本公司及其股東之利益。

此外，本集團將繼續尋找適合公司可持續性發展之投資或收購項目的機遇，以提升本公司價值，為股東創造更高回報。

與此同時，本人謹藉此機會對本集團管理層及員工的忠誠服務衷心致謝，亦感謝股東及業務夥伴信賴本集團董事會及管理層。本人相信，集團上下全體員工和衷共濟，本集團業務必定能更上一層樓，並為股東帶來更大回報。

主席

張三貨先生

香港，二零一七年三月三十日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Review of Results

For the year ended 31 December 2016, the Group recorded a revenue of approximately HK\$197,765,000 (2015: HK\$63,923,000) which represented an increase of approximately 209%. Due to the increase in sales of coking coal and revenue from rendering computer technology services, the revenues of mining segment and system integration services and software solutions segment were significantly increased to approximately HK\$93,225,000 (2015: HK\$5,590,000) and HK\$94,912,000 (2015: HK\$58,333,000) respectively.

For the year ended 31 December 2016, the Group recorded gross loss of approximately HK\$27,947,000 (2015: gross profit HK\$17,170,000), mainly caused by an adjustment for amortisation of mining rights included in cost of sales of approximately HK\$94,882,000.

The Group recorded a profit of approximately HK\$191,198,000 as compared to a loss of approximately HK\$3,772,732,000 last year. The turnaround from loss to profit was mainly due to the impairment loss reversed in respect of the mining rights and property, plant and equipment, change in fair value of derivative component of convertible loan notes and decrease in administrative and operating expenses and finance costs. The impairment loss reversed in respect of mining rights and property, plant and equipment amounted to approximately HK\$900,880,000 and HK\$143,517,000, respectively, arising from the increase in fair value of mining operation. The increase in fair value of mining operation was mainly due to the expected increase in coal price. Greater China Appraisal Limited, an independent qualified professional valuer, estimated the fair value of the coal mining business based on income approach using a discount rate of 14.98% (2015: 15.84%) and prevailing coal price of RMB700 per tonne (2015: RMB680 per tonne) based on information obtained from Shanxi. The major reason for the increase in the coal price was due to the volatility of business cycle on coal market in the PRC. The mine's commercial operation was delayed by an average of 9 months as compared with 2015 due to the suspension of construction and development works of our mines.

The operation of our mines with exception of Fuchang Mine was further delayed due to the inspection on the rectification measures required by the notifications issued in 2015 and January 2016 by relevant authorities and the implementation of rectification measures by other mines required by each notification issued in May 2016. Please refer to Business Review section for details.

財務回顧

業績回顧

截至二零一六年十二月三十一日止年度，本集團錄得收入約197,765,000港元（二零一五年：63,923,000港元），增加約209%。由於焦煤銷售額及提供電腦技術服務之收入增加，故開採分部、系統集成服務及軟件解決方案分部收入分別大幅增加至約93,225,000港元（二零一五年：5,590,000港元）及94,912,000港元（二零一五年：58,333,000港元）。

截至二零一六年十二月三十一日止年度，本集團錄得毛損約27,947,000港元（二零一五年：毛利17,170,000港元），主要是由於就採礦權攤銷（計入銷售成本）作出約94,882,000港元之調整所致。

本集團錄得溢利約191,198,000港元，而去年虧損約為3,772,732,000港元。扭虧為盈主要是由於就採礦權及物業、廠房及設備撥回減值虧損、可換股貸款票據之衍生工具部分公平值變動以及行政及經營費用及融資成本減少所致。就採礦權及物業、廠房及設備撥回之減值虧損分別約為900,880,000港元及143,517,000港元，乃源於採礦業務之公平值增加。採礦業務公平值增加乃主要由於預測煤價上漲所致。獨立合資格專業估值師漢華評值有限公司根據收入法估計煤炭採礦業務之公平值，當中採用之貼現率為14.98%（二零一五年：15.84%），而當前煤價為每噸人民幣700元（二零一五年：每噸人民幣680元），上述數據以從山西所得之資料為基礎。煤價上漲之主要原因是中國煤炭市場業務周期性波動所致。與二零一五年比較，礦區之商業營運因礦區施工及開發工作停工，平均延遲9個月。

由於對相關部門於二零一五年及二零一六年一月發出之通知所要求之整頓措施以及二零一六年五月發出之各通知所要求之其他礦區實行之整頓措施進行視察，本集團礦區（福昌礦區除外）之營運再度延遲。有關詳情請參閱業務回顧一節。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Greater China Appraisal Limited, an independent qualified professional valuer, has consistently applied the income approach for the valuation of the Lexing Group as at 31 December 2015, 30 June 2016 and 31 December 2016. The key assumptions and parameters in the valuation of Lexing Group as at 31 December 2016, as at 30 June 2016 and as at 31 December 2015 are set out as below:

獨立合資格專業估值師漢華評值有限公司已對樂興集團於二零一五年十二月三十一日、二零一六年六月三十日及二零一六年十二月三十一日之估值貫徹應用收入法。樂興集團於二零一六年十二月三十一日、於二零一六年六月三十日及於二零一五年十二月三十一日之估值所用之主要假設及參數載列如下：

Methodology 方法	31 December 2016 Income Approach 二零一六年十二月三十一日 收入法	30 June 2016 Income Approach 二零一六年六月三十日 收入法	31 December 2015 Income Approach 二零一五年十二月三十一日 收入法
Key Assumptions 主要假設			
1. Production Schedule – Operation Starting Date Bolong Mine	1. 生產時間表 – 投產日期 鉑龍礦區 Fourth quarter of 2017 二零一七年第四季	Second quarter of 2017 二零一七年第二季	Second quarter of 2017 二零一七年第二季
Fuchang Mine	福昌礦區 Second quarter of 2017 二零一七年第二季	Second quarter of 2017 二零一七年第二季	Second quarter of 2017 二零一七年第二季
Jinxin Mine	金鑫礦區 Fourth quarter of 2017 二零一七年第四季	Second quarter of 2017 二零一七年第二季	Second quarter of 2017 二零一七年第二季
Liaoyuan Mine	遼源礦區 Fourth quarter of 2017 二零一七年第四季	Second quarter of 2017 二零一七年第二季	Second quarter of 2017 二零一七年第二季
Xinfeng Mine	鑫峰礦區 First quarter of 2018 二零一八年第一季	Third quarter of 2017 二零一七年第三季	Third quarter of 2017 二零一七年第三季
2. Coal Price (per ton)	2. 煤價 (每噸) RMB700 人民幣700元	RMB700 人民幣700元	RMB680 人民幣680元
3. Discount Rate (Post-tax)	3. 貼現率 (稅後) 14.98%	15.37%	15.84%
4. Mine Operating Costs	4. 礦區經營成本 Based on Technical Report issued by JT Boyd in 2017 根據JT博德於二零一七年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告
5. Capital Expenditures	5. 資本支出 Based on Technical Report issued by JT Boyd in 2017 根據JT博德於二零一七年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告
6. Allowable annual working days	6. 獲准年度工作日 276 days 276日	276 days 276日	330 days 330日
7. Production schedule – Annual Production	7. 生產時間表 – 一年產量 Based on Technical Report issued by JT Boyd in 2017 根據JT博德於二零一七年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告	Based on Technical Report issued by JT Boyd in 2012 根據JT博德於二零一二年刊發 之技術報告

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The impairment loss recorded for the period ended 30 June 2016 was mainly due to the reduction in allowable annual working days from 330 days to 276 days. This update was made based on 《關於全省煤礦依法合規嚴格按照新確定生產能力組織生產的通知》(Notification of the Strict Compliance with New Production Capacity for Coal Mines in Shanxi Province) issued by Shanxi Coal Industry Office on 5 April 2016.

For the year ended 31 December 2016, a reversal of impairment loss was recorded. This was mainly due to the positive updates on projected mine operating costs, projected capital expenditure and the projected annual production based on the updated technical report prepared by JT Boyd in 2017. These positive factors outweighed the negative effect of the reduction of allowable annual working days, which resulted in a reversal of impairment loss.

Following up with the change in key assumptions, the reasons for the change of each parameter are listed below:

- (a) The update of the operation commencement date was based on the latest commercial operation of each mine;
- (b) The update in coal price was based on latest market data;
- (c) The discount rate was changed to reflect the changes in prevailing market data;
- (d) The mine operating costs, capital expenditures and projected annual production schedule were updated since an updated technical report prepared by JT Boyd was available in February 2017; and
- (e) Allowable annual working days was updated based on 《關於全省煤礦依法合規嚴格按照新確定生產能力組織生產的通知》(Notification of the Strict Compliance with New Production Capacity for Coal Mines in Shanxi Province) issued by Shanxi Coal Industry Office on 5 April 2016.

More details regarding impairment testing of mining rights are also set out in Note 33 to the Consolidated Financial Statements.

Greater China Appraisal Limited, an independent qualified professional valuer, has consistently applied the income approach for the valuation of the Lexing Group as of 31 December 2015, 30 June 2016 and 31 December 2016. There is no change in the valuation method used.

截至二零一六年六月三十日止期間錄得減值虧損主要由於獲准年度工作日由330日減至276日所致。上述更新資料乃根據山西省煤炭工業廳於二零一六年四月五日發出之《關於全省煤礦依法合規嚴格按照新確定生產能力組織生產的通知》作出。

截至二零一六年十二月三十一日止年度，錄得減值虧損撥回，主要由於根據JT博德於二零一七年編製之最新技術報告計算之預測礦區經營成本、預測資本支出及預測年度產量之有利更新所致。該等有利因素超出獲准年度工作日減少所帶來之不利影響，導致減值虧損撥回。

隨著主要假設變動後，各參數變動之原因載列如下：

- (a) 投產日期更新乃根據各礦區之最新商業投產時間表作出；
- (b) 煤價更新乃根據最新市場數據作出；
- (c) 貼現率乃作出變動以反映現有市場數據之變動；
- (d) 礦區經營成本、資本支出及預測年度生產時間表作出更新，原因為JT博德於二零一七年二月編製之最新技術報告；及
- (e) 獲准年度工作日根據山西省煤炭工業廳於二零一六年四月五日發出之《關於全省煤礦依法合規嚴格按照新確定生產能力組織生產的通知》作出更新。

有關採礦權減值測試之更多詳情亦載於綜合財務報表附註33。

獨立合資格專業估值師漢華評值有限公司已對樂興集團於二零一五年十二月三十一日、二零一六年六月三十日及二零一六年十二月三十一日之估值貫徹應用收入法。所用估值方法並無任何變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The increase in fair value of derivative component of convertible loan notes for the year 2016 was approximately HK\$126,851,000.

The administrative and operating expenses for the year 2016 was approximately HK\$174,064,000 (2015: HK\$223,576,000) which represented a decrease of approximately HK\$49,512,000 or 22% when compared with the year 2015, mainly due to the decrease in staff costs of approximately HK\$36,861,000.

The finance costs for the year 2016 was approximately HK\$272,652,000 (2015: 371,978,000) which represented a significant decrease of approximately HK\$99,326,000 or 27% when compared with the year 2015. The decrease in finance costs was mainly due to decrease in interest expenses on convertible loan notes and promissory notes after the redemption of 2013 Convertible Loan Note B, Promissory Note B, and Promissory Note C in March 2016. Please refer to Business Review section heading Reduction of debts for details.

FINAL DIVIDEND

Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: nil).

BUSINESS REVIEW

Overview

During the year 2016, the Company has worked diligently towards (i) developing agricultural and processing business; (ii) developing system integration and software solution business; (iii) fund raising for the operation of business; (iv) reduction of debts; and (v) strive for resumption of the construction works for the five coal mines located in Shanxi Province, the People's Republic of China (the "PRC") which had been suspended by the PRC authorities.

Developing agricultural and processing business

As disclosed in the announcement of the Company dated 25 November 2016, the Group intends to commence the business of (i) cultivation of cassava; (ii) building/acquiring a processing plant to process the cassava into starch and other products; and (iii) marketing and sales of cassava starch. During the year of 2016, the Group had commenced the operation of processing cassava into starch and marketing and sales of cassava starch. The Group is seeking for suitable lands for cultivation of cassava and building manufacturing plant to process the cassava into starch and other products. In year of 2016, this segment contributed the revenue of HK\$9,628,000.

二零一六年可換股貸款票據之衍生工具部分公平價值增加約為126,851,000港元。

二零一六年之行政及經營費用約為174,064,000港元(二零一五年: 223,576,000港元), 較二零一五年減少約49,512,000港元或22%; 主要由於員工成本減少約36,861,000港元所致。

二零一六年之融資成本約為272,652,000港元(二零一五年: 371,978,000港元), 較二零一五年大幅減少約99,326,000港元或27%。融資成本減少主要是由於二零一六年三月贖回B類二零一三年可換股貸款票據、B類承兌票據及C類承兌票據之後, 有關可換股貸款票據及承兌票據之利息開支減少所致。有關詳情請參閱業務回顧一節減債一段。

末期股息

董事不建議派發截至二零一六年十二月三十一日止年度之末期股息(二零一五年: 無)。

業務回顧

概況

於二零一六年, 本公司致力於(i)發展農業及深加工業務; (ii)發展系統集成及軟件解決方案業務; (iii)為業務營運集資; (iv)減債; 及(v)爭取恢復於中華人民共和國(「中國」)山西省內五座煤礦被中國有關部門暫停之建設工作。

發展農業及深加工業務

誠如本公司日期為二零一六年十一月二十五日之公佈所披露, 本集團擬開展(i)木薯種植; (ii)建造/收購加工廠以將木薯加工為澱粉和其他產品; 及(iii)木薯澱粉市場推廣及銷售之業務。於二零一六年, 本集團已開展將木薯加工為澱粉及木薯澱粉市場推廣及銷售。本集團正物色合適土地進行木薯種植及建造生產廠房以將木薯深加工為澱粉和其他產品。於二零一六年, 該分部貢獻帶來收入9,628,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Developing System Integration and Software Solution Business

During the year of 2016, the Group put a lot of resources into our System Integration and Software Solution Business to promote our products and services to our existing and new customers. As a result, the sales of System Integration and Software Solution Business recorded the significant growth of revenue by approximately HK\$36,579,000 or 63% to approximately HK\$94,912,000 (2015: HK\$58,333,000).

Fund raising for the operation of business

As disclosed in (i) announcements dated 3 December 2015, 15 January 2016 and 18 March 2016; (ii) circular dated 31 December 2015; and (iii) supplementary circular dated 20 January 2016 of the Company respectively, the Company entered into the placing agreement dated 3 December 2015 (as amended and supplemented by a supplemental placing letter dated 15 January 2016) with placing agent pursuant to which the placing agent, as agent of the Company, agrees to procure on the best effort basis not less than six placees, who will be independent third party, to subscribe for the placing shares, being up-to 38,000,000,000 shares at the placing price of HK\$0.01 per placing share. The closing price per share on 27 November 2015, being the last trading date prior to the entering of the placing agreement, was HK\$0.061. The placing was completed on 18 March 2016 and the allotment and issue of 38,000,000,000 shares to more than six placees, who and whose ultimate beneficial owners are independent third party, at the price of HK\$0.01. Net proceeds of HK\$363.9 million from the placing were used to redeem the 2013 Convertible Loan Note B, Promissory Note B and Promissory Note C which due to mature on 23 June 2016 and 2 July 2016 respectively, and to settle the related interest of the Group. The balances of net proceeds from the Placing of approximately HK\$10.9 million are used for general working capital of the Group.

Reduction of debts

As the above mentioned, the Company redeemed US\$16,500,000 of the 2013 Convertible Loan Notes B and US\$20,500,000 of the Promissory Note B and US\$7,000,000 of the Promissory Note C on 18 March 2016. Moreover, principal amounts of approximately HK\$1,001,287,000 of the 2013 Convertible Loan Note A were converted into 14,304,099,595 ordinary shares on 30 December 2016.

After the said redemption and conversion of Convertible Loan Notes and Promissory Notes, the debt burden of the Company had been lightened and the future interest expenses would be lessened.

發展系統集成及軟件解決方案業務

於二零一六年，本集團投入大量資源於系統集成及軟件解決方案業務，向現有客戶及新客戶推廣我們的產品及服務。因此，系統集成及軟件解決方案業務之銷售錄得收入大幅上升約36,579,000港元或63%至約94,912,000港元（二零一五年：58,333,000港元）。

為業務營運集資

誠如本公司(i)日期為二零一五年十二月三日、二零一六年一月十五日及二零一六年三月十八日之公佈；(ii)日期為二零一五年十二月三十一日之通函；及(iii)日期為二零一六年一月二十日之補充通函所披露，本公司與配售代理訂立日期為二零一五年十二月三日之配售協議（經日期為二零一六年一月十五日之補充配售函件修訂及補充）。據此，配售代理（作為本公司之代理），同意按盡力基準促使不少於六名承配人（該等承配人將為獨立第三方）以配售價認購配售股份，即以每股配售股份配售價0.01港元認購最多38,000,000,000股股份。股份於二零一五年十一月二十七日（即訂立配售協議前之最後一個交易日期）之收市價為每股0.061港元。配售事項已於二零一六年三月十八日完成，並按價格0.01港元向超過六名承配人（彼等及彼等之最終實益擁有人為獨立第三方）配發及發行38,000,000,000股股份。配售事項所得款項淨額之363,900,000港元已用於贖回分別各自於二零一六年六月二十三日到期及二零一六年七月二日到期之B類二零一三年可換股貸款票據、B類承兌票據及C類承兌票據，以及支付本集團相關利息。配售事項所得款項淨額餘額約10,900,000港元擬用作本集團之一般營運資金。

減債

如上文所述，本公司於二零一六年三月十八日贖回16,500,000美元之B類二零一三年可換股貸款票據、20,500,000美元之B類承兌票據及7,000,000美元之C類承兌票據。此外，於二零一六年十二月三十日，面值約1,001,287,000港元之A類二零一三年可換股貸款票據轉換為14,304,099,595股普通股。

上述贖回及轉換可換股貸款票據及承兌票據後，本公司得以減輕債務負擔，日後利息開支將有所減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Strive for resumption of the construction works for the five coal mines

During the year, the re-construction and improvement works on Fuchang Mine has been completed. It is expected that the commercial operation of Fuchang Mine will be commenced by 30 April 2017. The other mines are still implementing the rectification measures required by the each notification issued by relevant authorities in May 2016.

Details are stated in the Coal Mining section below.

Coal Mining

As disclosed in the announcements of the Company dated 9 March 2016, our coal mines in Shanxi Province had been suspended for implementation of safety requirements for coal mines requested by several notices issued by relevant authorities in Shanxi Province.

On 29 January 2016, 山西省煤炭工業廳 (Shanxi Provincial Coal Industry Office*) issued 《山西省煤礦復產復建驗收基本條件的通知》 (Notification of Basic Requirements on Inspection for Resumption of Production and Construction for Coal Mine in Shanxi Province*) which clearly defined further requirements by the relevant authorities in inspection on the resumption of production and construction.

On 25 May 2016, Shanxi Provincial Coal Industry Office together with 山西煤礦安全監察局 (Shanxi Administration Bureau of Coal Mine Safety*) issued 《關於印發山西省進一步強化煤礦重大災害防治有效防範重特大事故工作方案的通告》 (Notification of Effective Further Prevention for Significant Disaster in Shanxi Province*) which required specific check on prevention measures on gas leakage, coal mine flooding, fire, land pressure, hoisting-and-transport, roof collapse, and grime. During the year, the rectification measures of Fuchang Mine has been completed and applied to relevant authorities for the inspection on the rectification measures. The re-construction and improvement works on Fuchang Mine has been completed. It is expected that the commercial operation of Fuchang Mine will be commenced on or before 30 April 2017. For other coal mines of the Group, the relevant authorities are inspecting rectification measures as required by the notifications issued in 2015 and January 2016 and other mines are implementing the rectification measures required by the notification issued in May 2016. After the completion of rectification measures required by the notices, the Group shall apply for inspection on the implementation of the required rectification measures. After inspection by relevant authorities on rectification measures, the Group shall apply for resumption of construction and development works of our mines.

爭取恢復五座煤礦之建設工作

於年內，福昌煤礦之重建及改造工程已完工。預期福昌煤礦將於二零一七年四月三十日前開展商業營運。其他煤礦正執行相關部門於二零一六年五月發出之各通告所規定之整頓措施。

下文煤炭開採一節將闡述有關詳情。

煤炭開採

誠如本公司日期為二零一六年三月九日之公佈所披露，因山西省相關政府部門發出若干通知，要求執行煤礦之安全規定，本集團於山西省之煤礦停工整頓。

於二零一六年一月二十九日，山西省煤炭工業廳頒佈《山西省煤礦復產復建驗收基本條件的通知》訂明相關部門有關復產復建驗收之進一步規定。

於二零一六年五月二十五日，山西省煤炭工業廳及山西煤礦安全監察局發出《關於印發山西省進一步強化煤礦重大災害防治有效防範重特大事故工作方案的通告》規定之重點檢查內容包括對瓦斯泄漏、煤礦透水、火災、沖擊地壓、提升運輸、頂板、煤塵等之防治措施。於年內，福昌煤礦之整頓措施已完工並向有關部門申請對整頓措施複查驗收。福昌煤礦之重建及改造工程已完工。預期福昌煤礦將於二零一七年四月三十日或之前開展商業營運。就本集團之其他煤礦而言，相關部門正陸續對二零一五年及二零一六年一月發出之通知所規定之整頓措施進行複查驗收，而其他煤礦正執行二零一六年五月發出通知所規定之整頓措施。該等通知規定之整頓措施完工後，本集團應申請對所規定整頓措施之執行情況進行複查驗收。有關部門對整頓措施複查驗收後，本集團應申請恢復煤礦之復建及開發工作。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Due to the uncertainty on timing of completion of rectification measures and inspection on rectification measures by relevant authorities for mines with exception of Fuchang Mine, under the best estimation of the management of the Group, the schedule of the respective mines are set out below:

整頓措施完成及有關部門對礦區（福昌礦區除外）複查驗收整頓措施之時間未能確定，按本集團管理層最佳估計，各礦區之時間表載列如下：

		Expected completion date of the reconstruction and improvement works 重建及改造工程之預計完成日期	Expected date of the commencement of commercial operation 展開商業營運之預計日期
Liaoyuen Mine	遼源礦區	31 May 2017 二零一七年五月三十一日	30 September 2017 二零一七年九月三十日
Jinxin Mine	金鑫礦區	30 June 2017 二零一七年六月三十日	31 October 2017 二零一七年十月三十一日
Xinfeng Mine	鑫峰礦區	30 September 2017 二零一七年九月三十日	31 January 2018 二零一八年一月三十一日
Bolong Mine	鉑龍礦區	31 July 2017 二零一七年七月三十一日	30 November 2017 二零一七年十一月三十日
Fuchang Mine	福昌礦區	Completed 已完成	30 April 2017 二零一七年四月三十日

The Board will continue to use its best endeavours to satisfy the conditions set forth by the relevant PRC authorities with an aim to resuming the construction and development work of the Group's mining sites located in Shanxi Province as soon as possible. We will keep Shareholders updated for the development as and when appropriate.

董事會將繼續盡最大努力以符合中國有關部門提出之條件，以盡快恢復本集團位於山西省內之礦區之施工及開發工作。本集團將於適當時間告知股東最新進展。

For the details of historical development activities of our five mines and their latest status, please refer to our past annual reports and announcements.

有關本集團五個礦區過去之開發活動及最新情況之詳情，請參閱本集團過往之年報及公佈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Resources and Reserves of Mines

The mines and projects owned by the Group have significant coal reserves and resources under the JORC Code (2012 Edition). According to the Competent Person's Report from John T. Boyd Company dated January 2017, the total aggregate proved and probable recoverable reserves of coal in Liaoyuan mine was approximately 7.91 Mt, the total aggregate proved and probable recoverable reserves of coal in Jinxin mine was approximately 3.60 Mt, the total aggregate proved and probable recoverable reserves of coal in Xinfeng mine was approximately 7.52 Mt, the total aggregate proved and probable recoverable reserves of coal in Bolong mine was approximately 21.86 Mt and the total aggregate proved and probable recoverable reserves of coal in Fuchang mine was approximately 5.15 Mt.

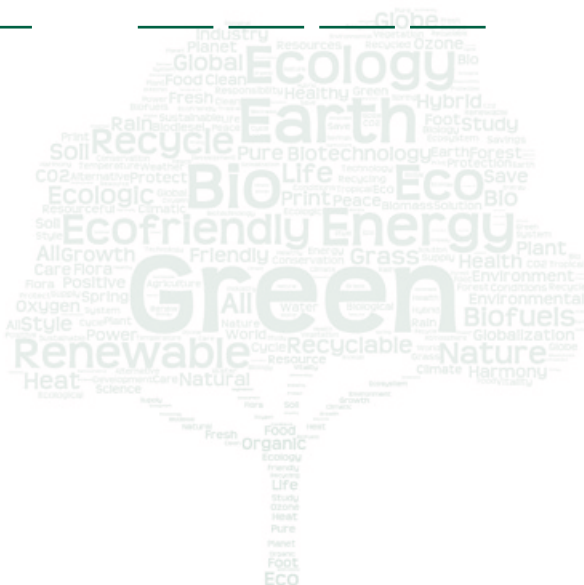
JORC Mineral Resources and Reserves as of 31 December 2016:

各礦區之資源量及儲量

本集團所擁有之礦區及項目根據JORC規則（二零一二年版本）計量，煤儲量及資源量豐富。根據約翰T博德公司出具之日期為二零一七年一月之合資格人士報告，遼源礦區之證實及概略可收回總煤儲量共約7.91百萬噸；金鑫礦區之證實及概略可收回總煤儲量共約3.60百萬噸；鑫峰礦區之證實及概略可收回總煤儲量共約7.52百萬噸；鉑龍礦區之證實及概略可收回總煤儲量共約21.86百萬噸；福昌礦區之證實及概略可收回總煤儲量共約5.15百萬噸。

截至二零一六年十二月三十一日之JORC礦產資源量及儲量：

Mine 礦區	MINING RIGHT AREAS 採礦權區											
	In-Place Resource (Mt) 原位資源量(百萬噸)				Recoverable Reserves (Mt) 可採儲量(百萬噸)				Marketable Reserves (Mt) 可售儲量(百萬噸)			% of Reserves 佔儲量 (%)
	Measured 探明	Indicated 控制	Inferred 推斷	Total 總計	Proved 證實	Probable 概略	Total 總計	Processing Yield % 加工回收率 (%)	Proved 證實	Probable 概略	Total 總計	
Bolong 鉑龍	17.94	20.66	-	38.6	10.54	11.32	21.86	93	9.79	10.52	20.31	48
Fuchang 福昌	6.94	2.31	-	9.25	4.05	1.10	5.15	92	3.73	1.02	4.75	11
Jinxin 金鑫	2.09	4.78	0.44	7.31	1.16	2.44	3.60	95	1.10	2.33	3.43	8
Liaoyuan 遼源	9.07	6.57	2.53	18.17	4.42	3.49	7.91	94	4.14	3.30	7.44	17
Xinfeng 鑫峰	6.59	6.53	-	13.12	4.14	3.38	7.52	93	3.84	3.12	6.96	16
Total 總計	42.63	40.85	2.97	86.45	24.31	21.73	46.04		22.60	20.29	42.89	100



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The reserves and resources table was compiled by the technical advisors from J T Boyd. Their identities and qualifications are:

Mr. Ronald L. Lewis – Chief Operating Officer and Managing Director, BS (Civil Engineering)

Mr. Lewis has over 45 years of experience in assessment and evaluation of coal mining companies, with specialized expertise in the areas of coal/mineral reserve estimation, opencut and underground mine analysis, and economic assessment of mining operations. He is a Registered Professional Mining Engineer within the United States and a recognized expert in mining property valuation. Mr. Lewis is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is qualified as a Competent Person as defined in the JORC Code and HKEx Chapter 18 requirements. Mr. Lewis accepts overall corporate responsibility for the CPR and has independent status as required by Rule 18.22.

Mr. James F. Kvitkovich – Vice President, BS (Mining Engineering)

Mr. Kvitkovich has 34 years of experience in assessment and evaluation of underground coal mining operations throughout the world. He is a Registered Professional Engineer within the United States and is highly experienced with regard to reviewing and evaluating continuous miner and longwall (LW) mining operations. Mr. Kvitkovich is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is a Competent Person as defined in the JORC Code. Mr. Kvitkovich has independent status as required by Rule 18.22.

Mr. Paul D. Anderson – Director of Geological Services, BS (Geology)

Mr. Anderson is a Certified Professional Geologist (AIPG) with 40 years of professional experience in exploration, evaluation, and development of coal and mineral deposits. Mr. Anderson is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and a member of the American Institute of Professional Geologists, and is qualified as a Competent Person as defined in the JORC Code. Mr. Anderson has independent status as required by Rule 18.22.

儲量及資源量表乃由JT博德之技術顧問編製。彼等之身份及資格載列如下：

Ronald L. Lewis先生－營運總監暨董事總經理、理學學士（土木工程）

Lewis先生從事煤礦公司評估及估值工作逾45年，具備煤炭／礦產儲量估算、露天及地下礦分析以及採礦作業經濟評估領域之專門知識。彼為美國註冊專業採礦工程師及認可採礦物業估值專家。Lewis先生為採礦、冶金及勘查協會註冊會員，並為JORC規則及香港交易所第18章所界定之合資格人士。Lewis先生承擔有關合資格人士報告之整體企業責任，並具有第18.22條所規定之獨立人士身份。

James F. Kvitkovich先生－副總裁，理學學士（採礦工程）

Kvitkovich先生從事地下採煤作業評估及估值工作達34年，涉及之礦場遍及世界各地。彼為美國註冊專業工程師，在審查及評估採用連採機及長壁採礦法之採礦作業方面擁有極豐富之經驗。Kvitkovich先生為採礦、冶金及勘查協會註冊會員，並為JORC規則所界定之合資格人士。Kvitkovich先生具有第18.22條所規定之獨立人士身份。

Paul D. Anderson先生－地質服務主管，理學學士（地質學）

Anderson先生為美國專業地質師學會之註冊專業地質師，在煤炭及礦物礦床勘查、評估及開發領域擁有40年專業經驗。Anderson先生為採礦、冶金及勘查協會註冊會員及美國專業地質師學會會員，並為JORC規則所界定之合資格人士。Anderson先生具有第18.22條所規定之獨立人士身份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mr. Jisheng (Jason) Han – Managing Director – China, MS (Mining Engineering)

Mr. Han has 20 years of mining industry experience in both China and the United States with extensive background in evaluation of underground mines in China. His technical specialty is geotechnical assessments of underground openings. Mr. Han is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is a Competent Person as defined in the JORC Code. Mr. Han has independent status as required by Rule 18.22.

Mr. Rongjie (Jeffery) Li – Senior Geologist, MS (Geology)

Mr. Li has 10 years of consulting experience in coal and sedimentary deposits on design and management of exploration programs, and interpretation of exploration data. Mr. Li is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is a Competent Person as defined in the JORC Code.

System Integration Services and Software Solutions

The PRC government's continuously promotion in "internet+" and strong encouragement in applying huge data analysis in different areas has brought great prospects to our System Integration and Software Business. The Group seized the policy opportunities and successfully promoted our IT products and services to our customers.

As a result, the turnover for the year of 2016 significantly increased in comparison to the last year mainly due to the increase in revenue from our system integration services. At the same time, the gross profit margin was improved as a result of increase in revenue from rendering of computer technology services and software.

In year of 2016, the PRC economic slowdown caused the suppression in demand for automated teller machine ("ATM") by banking industry. Besides, the keen competition from local manufacturers of ATMs also affected the sales of our ATMs.

韓繼勝先生－採礦主管－中國，理學碩士（採礦工程）

韓先生於中國和美國採礦業擁有20年經驗，在評估中國地下礦方面資歷深厚。其技術專長在於地下礦場通道之地質技術評估。韓先生為採礦、冶金及勘查協會註冊會員，並為JORC規則所界定之合資格人士。韓先生具有第18.22條所規定之獨立人士身份。

李榮傑先生－高級地質師，理學學士（地質學）

李先生於勘探項目之設計及管理及勘探數據詮釋方面擁有10年煤炭及沉積礦床之諮詢經驗。李先生為採礦、冶金及勘查協會註冊會員，並為JORC規則所界定之合資格人士。

系統集成服務及軟件解決方案

中國政府持續推行「互聯網+」及在不同領域強力推動應用大數據分析，為本集團系統集成及軟件業務帶來巨大之發展前景。本集團抓住此政策機會，成功向客戶推廣本集團之信息技術產品及服務。

因此，二零一六年之營業額較去年大幅增加，主要是由於系統集成服務所獲收入增加所致。與此同時，由於提供電腦技術服務及軟件之收入增加，所以毛利率得到改善。

於二零一六年，中國經濟放緩令銀行業對自動櫃員機（「自動櫃員機」）之需求減低。此外，來自本地自動櫃員機製造商之競爭激烈，亦影響本集團自動櫃員機之銷量。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining a higher environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

A separate Environmental, Social and Governance Report conducted by a professional third party will be published in compliance with the requirements of the Listing Rules.

OUTLOOK

As the information technology expanded rapidly in these years, many kind of high tech products show up in the market and some of them spread and reverse the traditional concept of consumption. Such as the pre-paid card system, mobile banking, Near Field Communication featured money transfer, all these would be a pressure for the ATM business of the Company. Hence, the Company are now preparing to diversify the resources to other segment of business.

The Company will continue monitoring the progress of the resumption of construction work of the coal mines in Shanxi Province, the PRC, in order to meet the expected timetable.

Also, the Group will continue to identify suitable investments, acquisitions and project opportunities in order to enhance the value of the Company and to create higher returns for shareholders.

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持較高要求之環境及社會標準，以確保其業務可持續發展。本集團已遵守所有與其業務有關的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵僱員、客戶、供應商及其他持份者參與環境及社會活動，惠及整個社區。本集團與其僱員維持緊密關係，加強與其供應商之間的合作，並為其客戶提供優質產品及服務，以確保可持續發展。

一份由專業第三方編撰的環境、社會及管治報告將根據上市規則之規定予以獨立刊發。

前景

由於信息計劃於數年內快速擴張，眾多高科技產品推出市場，部分產品之傳播顛覆了傳統消費理念。其中預付卡系統、移動銀行、近距離無線通訊技術特色之轉賬將為本公司之自動櫃員機業務帶來壓力。因此，本公司現正籌備將其資源分散於其他分部業務。

本公司將繼續監察中國山西省煤礦建設工作之恢復進度，以於預期時間內達成。

此外，本集團將繼續物色適合之投資、收購及項目機遇，以提升本公司價值，為股東創造更高回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

Total Equity

As at 31 December 2016, the Group recorded total assets of approximately HK\$9,641,255,000 (2015: HK\$9,221,849,000), which were financed by total liabilities of approximately HK\$7,559,440,000 (2015: HK\$8,614,188,000) and total equity of approximately HK\$2,081,815,000 (2015: HK\$607,661,000). The Group's total equity as at 31 December 2016 was significantly increased by HK\$1,474,154,000 or 243% to HK\$2,081,815,000 as compared to approximately HK\$607,661,000 as at 31 December 2015, mainly due to the improvement in capital structure as shown by the significant increase in share capital and share premium, after the share placing and conversion of convertible loans notes during the year of 2016.

Gearing

As at 31 December 2016, the Group's gearing ratio as computed as the Group's other borrowings, promissory notes, liabilities component of convertible loan notes and obligation under finance lease over total equity was approximately 23% as compared to approximately 250% as at 31 December 2015, indicating a largely improved financial position after the significant increase in share capital as well as reduction of debts.

Liquidity

The Group had total cash and bank balances of approximately HK\$36,943,000 as at 31 December 2016 (2015: HK\$34,461,000). The Group did not have any bank borrowings for both years.

Based on the latest working capital forecast prepared by the management with reference to the Group's current business plans and the financial support by Shanxi Coal Transportation and Sales Group Co., Ltd., the management considers that the Company will be able to finance its working capital requirement.

流動資金及財務資源

權益總額

於二零一六年十二月三十一日，本集團資產總值約為9,641,255,000港元（二零一五年：9,221,849,000港元），乃通過負債總額約7,559,440,000港元（二零一五年：8,614,188,000港元）及權益總額約2,081,815,000港元（二零一五年：607,661,000港元）籌集所得。本集團於二零一六年十二月三十一日之權益總額為2,081,815,000港元，較二零一五年十二月三十一日約607,661,000港元大幅增加1,474,154,000港元或243%，主要由於二零一六年股份配售及轉換可換股貸款票據後，資本架構改善，表現為股本及股份溢價大幅增加所致。

資產負債水平

於二零一六年十二月三十一日，本集團之資產負債比率按本集團之其他借貸、承兌票據、可換股貸款票據之負債部份及融資租賃項下之責任除以權益總額計算，約為23%，而於二零一五年十二月三十一日則約為250%，表明大幅增加股本及縮減債務後之財務狀況有明顯改善。

流動資金

於二零一六年十二月三十一日，本集團現金及銀行結餘總額約為36,943,000港元（二零一五年：34,461,000港元）。本集團於兩個年度均無任何銀行借貸。

基於管理層參考本集團現時業務計劃及山西煤炭運銷集團有限公司提供之財務支持後編製之最新營運資金預測，管理層認為本公司有能力滿足營運資金之需求。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Funding raising activities – Placing

As mentioned in the Business Review section, the Company entered into a placing agreement dated 3 December 2015 (as amended and supplemented by a supplemental placing agreement dated 23 December 2015 and supplemental placing letter dated 15 January 2016) with a placing agent and completed to allot and issue all 38,000,000,000 shares at the placing price of HK\$0.01 per placing share on 18 March 2016. The net proceeds from the placing are approximately HK\$374.8 million and have been used for general working capital (including settlement of interest expense and reduction of debts) as intended. The summary of use of proceeds from the placing is set out as below:

		HK\$ million 百萬港元
Net proceeds from the placing	配售事項所得款項淨額	374.8
Less: Reduction of debt and settlement of interest expense	減：減債及支付利息開支	(363.9)
Operating expenses	經營開支	(10.9)
Balance as at 31 December 2016	於二零一六年十二月三十一日之結餘	-

For details, please refer to Business Review section.

Charge on assets

As at 31 December 2016, a share charge had been created over entire issued shares of Topasia Computer Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company to the Lender. For details, please refer to the announcement of the Company dated 13 July 2015.

There was no additional asset pledged during the year 2016.

Treasury Policies

The Group generally finances its operations with internally generated resources, from equity and/or debt financial activities. All financing methods will be considered so long as such methods are beneficial to shareholders as a whole. Subsidiaries in the PRC use internally generated resources to finance their working capital requirements. Bank deposits are mainly in Hong Kong dollar (“HK\$”), Renminbi (“RMB”) and United States dollar (“US\$”).

集資活動 – 配售

誠如業務回顧一節所述，本公司與配售代理訂立日期為二零一五年十二月三日之配售協議（經日期為二零一五年十二月二十三日之補充配售協議及日期為二零一六年一月十五日之補充配售函件修訂及補充），並於二零一六年三月十八日完成配發及發行全部38,000,000,000股股份，配售價為每股配售股份0.01港元。配售事項所得款項淨額約為374,800,000港元，已按擬定用途用作一般營運資金（包括支付利息開支及減債）。配售事項所得款項用途概述如下：

有關詳情請參閱業務回顧一節。

資產抵押

截至二零一六年十二月三十一日止，本集團已經設立一項股份押記，將冠亞電腦有限公司（於香港註冊成立之有限公司，為本公司之間接全資附屬公司）全部已發行股份質押予貸款人。有關詳情，請參閱本公司日期為二零一五年七月十三日之公佈。

於二零一六年內，本集團概無其他資產抵押。

庫務政策

本集團一般透過內部產生資源、股本及／或債務融資活動之所得款項撥付其業務運作所需資金。所有融資方法只要對股東整體有利，均會被考慮採用。中國附屬公司透過內部產生資源撥付所需營運資金。銀行存款主要以港元、人民幣及美元為單位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent Liabilities and Capital Commitments

The Group had no material contingent liability as at 31 December 2016 (2015: nil).

The Group has capital commitments for the acquisition of property, plant and equipment which were contracted but not provided for as at 31 December 2016 of approximately HK\$313,879,000 (2015: HK\$328,555,000).

Foreign Exchange Exposure

For the year ended 31 December 2016, the Group mainly earns revenue in HK\$, RMB and incurred costs in HK\$, RMB and US\$. Although the Group currently does not have any foreign currency hedging policies, it does not foresee any significant currency exposure in the near future. However, any permanent or significant changes in RMB against HK\$, may have possible impact on the Group's results and financial positions.

Employee and Remuneration Policies

As at 31 December 2016, the Group employed approximately 976 (2015: 1,012) full time staff in the PRC and Hong Kong. The staff costs (including directors' emoluments) for the year 2016 amounted to approximately HK\$89,327,000 (2015: HK\$126,158,000). The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage and training programs.

或然負債及資本承擔

於二零一六年十二月三十一日，本集團並無重大或然負債（二零一五年：無）。

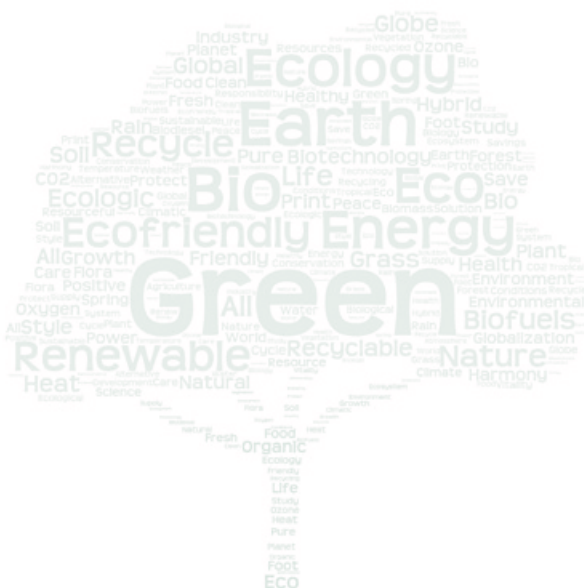
本集團於二零一六年十二月三十一日就收購物業、廠房及設備已訂約但未撥備之資本承擔約為313,879,000港元（二零一五年：328,555,000港元）。

外匯風險

截至二零一六年十二月三十一日止年度，本集團所賺取收入主要以港元及人民幣結算，所產生費用則以港元、人民幣及美元結算。儘管本集團目前並無採納外幣對沖政策，惟本集團預見不久將來不會有任何重大貨幣風險。然而，人民幣兌港元之匯率如有長期或重大變動，則可能對本集團業績及財務狀況構成影響。

僱員及薪酬政策

於二零一六年十二月三十一日，本集團在中國及香港僱用約976名（二零一五年：1,012名）全職僱員。二零一六年之員工成本（包括董事酬金）約為89,327,000港元（二零一五年：126,158,000港元）。本集團根據僱員之表現、工作經驗及當前市價釐定彼等之薪酬，其他僱員福利包括強制性公積金、保險、醫療津貼及培訓計劃。



REPORT OF DIRECTORS

董事會報告

The board (the “Board”) of directors (each a “Director”) of the Company is pleased to present the reports and the audited financial statements of the Company together with its subsidiaries (the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group’s principal business activities during the year were principally involved in (i) the sales of information technology products, system integration, software development, technology service and comprehensive product solution; (ii) geological survey, exploration and development of coal, sales of coking coal and coal trading; and (iii) cassava plantation, processing and trading. Details of the material activities of the Group’s principal subsidiaries are set out in Note 41 of the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained sufficient public float of not less than 25% of the Company’s total issued share capital as required under the Listing Rules throughout the year ended 31 December 2016 and as at the date of this report.

RESULTS

The Group’s results for the year ended 31 December 2016 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 63 to 188.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published results and the assets, liabilities and non-controlling interests of the Group, prepared on the basis set out in the notes to the consolidated financial statements. This summary does not form part of the audited consolidated financial statements.

本公司董事（各為一名「董事」）會（「董事會」）欣然提呈其報告以及本公司連同其附屬公司（「本集團」）截至二零一六年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團於年內之主要業務活動主要涉及(i)銷售資訊科技產品、系統集成、軟件開發、技術服務及全面產品解決方案；(ii)煤炭地質研究、勘探及開發、銷售焦煤與煤炭貿易；及(iii)木薯種植、加工及交易。本集團主要附屬公司之主要業務詳情載於綜合財務報表附註41。

足夠公眾持股量

根據本公司從公開途徑取得之資料及就本公司董事所知，於截至二零一六年十二月三十一日止年度全年及本報告刊發日期，本公司維持上市規則所規定之足夠公眾持股量不少於本公司全部已發行股本之25%。

業績

本集團截至二零一六年十二月三十一日止年度之業績以及本公司及本集團於該日之財務狀況載於第63至第188頁之綜合財務報表。

財務資料概要

以下為本集團按照綜合財務報表附註所載基準編製之已公佈業績以及資產、負債及非控股權益之概要。此概要並不構成經審核綜合財務報表其中一部分。

REPORT OF DIRECTORS

董事會報告

RESULTS

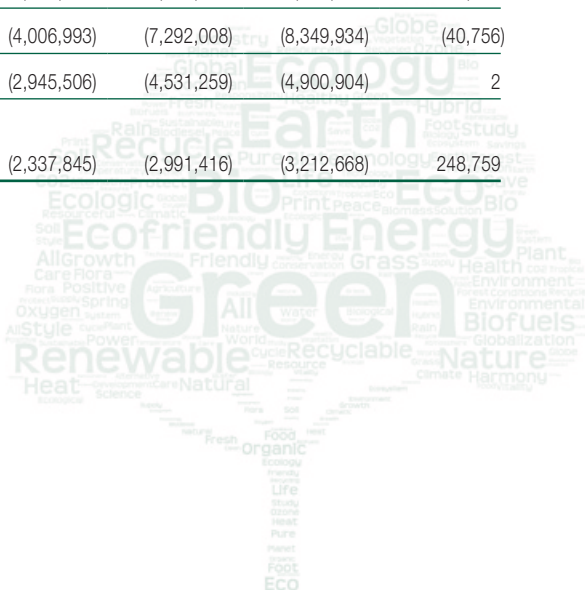
業績

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
REVENUE	收入	197,765	63,923	106,246	129,737	86,147
PROFIT (LOSS) BEFORE TAXATION	除稅前溢利(虧損)	310,070	(4,450,916)	(1,100,171)	(4,203,178)	(114,044)
INCOME TAX (EXPENSE) CREDIT	所得稅(開支)抵免	(118,872)	678,184	177,040	56,980	(320)
PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS	未計非控股權益前 溢利(虧損)	191,198	(3,772,732)	(923,131)	(4,146,198)	(114,364)
NON-CONTROLLING INTERESTS	非控股權益	(83,593)	1,399,451	470,623	198,238	632
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人 應佔淨溢利(虧損)	107,605	(2,373,281)	(452,508)	(3,947,960)	(113,732)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	9,403,806	9,080,025	12,739,018	12,826,791	567,343
CURRENT ASSETS	流動資產	237,449	141,824	136,704	275,091	82,076
CURRENT LIABILITIES	流動負債	(5,248,475)	(4,607,195)	(4,043,871)	(3,063,712)	(359,906)
NET CURRENT LIABILITIES	流動負債淨值	(5,011,026)	(4,465,371)	(3,907,167)	(2,788,621)	(277,830)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	4,392,780	4,614,654	8,831,851	10,038,170	289,513
NON-CURRENT LIABILITIES	非流動負債	(2,310,965)	(4,006,993)	(7,292,008)	(8,349,934)	(40,756)
NON-CONTROLLING INTERESTS	非控股權益	(2,935,887)	(2,945,506)	(4,531,259)	(4,900,904)	2
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔權益	(854,072)	(2,337,845)	(2,991,416)	(3,212,668)	248,759



REPORT OF DIRECTORS

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 15 of the consolidated financial statements.

SHARE CAPITAL AND SHARE-BASED PAYMENT TRANSACTIONS

Details of the movements in the Company's share capital during the year and share-based payment transactions together with the reasons for such movements, are set out in Notes 28 and 38, respectively, to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 39 of the consolidated financial statements and in the consolidated statement of changes in equity on page 67, respectively.

DISTRIBUTION RESERVES

At 31 December 2016, the Company had no retained profits available for cash distribution or distribution in specie. Subject to the Companies Act 1981 of Bermuda (the "Act"), the Company's contributed surplus of approximately HK\$458,561,000 is distributable (2015: HK\$458,561,000). The contributed surplus and the Company's share premium account, in the amount of approximately HK\$8,874,292,000 at 31 December 2016 (2015: HK\$7,973,656,000), following a reduction thereof in compliance with the Act and the approval of Shareholders of the Company, may be set off against the accumulated losses of the Company. Thereafter, any balance in the share premium account of the Company may be distributed in the form of fully paid bonus shares.

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

股本及股份支付交易

本公司於年內之股本及股份支付交易變動詳情連同變動原因分別載於綜合財務報表附註28及38。

儲備

本公司於年內之及本集團儲備變動詳情分別載於綜合財務報表附註39及第67頁之綜合權益變動表。

分派儲備

於二零一六年十二月三十一日，本公司並無留存溢利可作現金分派或實物分派。在符合百慕達一九八一年公司法（「公司法」）之情況下，本公司約458,561,000港元（二零一五年：458,561,000港元）之繳入盈餘可予分派。繳入盈餘及本公司之股份溢價賬，於二零一六年十二月三十一日約8,874,292,000港元（二零一五年：7,973,656,000港元）（於根據公司法及本公司股東之批准削減後）可用於抵銷本公司之累計虧損。其後，本公司股份溢價賬中之任何結餘可作為繳足紅股分派。

REPORT OF DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's byelaws (the "Bye-laws") or the laws of Bermuda, the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

PERMITTED INDEMNITY PROVISION

The Bye-laws provides that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

PURCHASE, SALE AND REDEMPTION OF SHARES

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

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's largest customer accounted to approximately 25.3% of the Group's total sales in 2016. Sales to the Group's five largest customers accounted for approximately 59.9% of the Group's total sales in 2016.

Purchases from the Group's five largest suppliers accounted for 28.8% of the total purchases in 2016 and purchases from the largest supplier included therein amounted to 9.5% of the Group's total purchases for the year.

None of the Directors, any of their associates, or any of the substantial shareholders of the Company (which are disclosed to the Directors) had any beneficial interest in the Group's five largest customers and suppliers.

優先認股權

本公司之公司細則（「公司細則」）或本公司註冊成立之司法權區百慕達之法例均無載有本公司必須按比例向其現有股東發售新股份之優先認股權規定。

獲准許的彌償條文

公司細則規定，董事可就各自之職務或信託執行其職責或假定職責時因所作出、發生之作為或不作為而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支從本公司之資產及溢利獲得彌償。

本公司已購買並維持董事責任保險，為董事及本集團附屬公司董事提供適當保障。

購買、出售及贖回股份

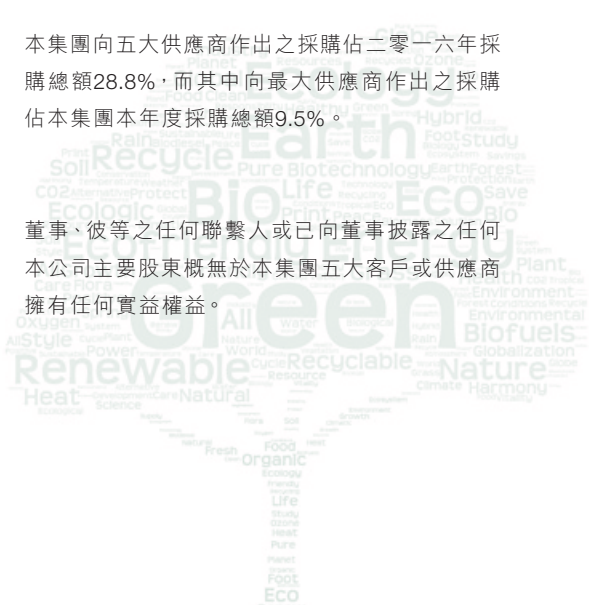
本公司或其任何附屬公司概無於年內購買、贖回或出售本公司任何上市證券。

主要客戶及供應商

向本集團最大客戶作出之銷售佔本集團於二零一六年銷售總額約25.3%。向本集團五大客戶作出之銷售佔本集團於二零一六年銷售總額約59.9%。

本集團向五大供應商作出之採購佔二零一六年採購總額28.8%，而其中向最大供應商作出之採購佔本集團本年度採購總額9.5%。

董事、彼等之任何聯繫人或已向董事披露之任何本公司主要股東概無於本集團五大客戶或供應商擁有任何實益權益。



REPORT OF DIRECTORS

董事會報告

DIRECTORS

The Directors of the Company during the year of 2016 and up to the date of this report were as follows:

Executive Directors

Mr. Zhang Sanhuo (*Chairman*)

Mr. Huang Boqi (*Deputy Chairman & Chief Executive Officer*)

Mr. Tse Michael Nam (appointed on 1 September 2016)

Non-executive Directors

Mr. Zou Chengjian

Independent Non-executive Directors

Ms. Leung Yin Fai

Mr. Leung Po Wing, Bowen Joseph *GBS, JP*

Mr. Zhou Chunsheng

In accordance with Bye-law 111(A) and 115 and the code provisions set out in the Corporate Governance Code (the "Code") under in Appendix 14 of the Listing Rules, Mr. Huang Boqi, Mr. Tse Michael Nam, Mr. Zou Chengjian, Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng will retire by rotation at the forthcoming annual general meeting. Being eligible, all of the retiring directors will offer themselves for re-election as Directors.

DIRECTORS' BIOGRAPHIES

Biographical details of the current Directors are set out on pages 4 to 7 of this Annual Report.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事

於二零一六年及截至本報告日期止之本公司董事如下：

執行董事

張三貨先生 (主席)

黃伯麒先生 (副主席及行政總裁)

謝南洋先生 (於二零一六年九月一日獲委任)

非執行董事

鄒承健先生

獨立非執行董事

梁燕輝女士

梁寶榮先生 *GBS, JP*

周春生先生

根據公司細則第111(A)條及第115條以及上市規則附錄十四之企業管治守則(「守則」)所載之守則條文，黃伯麒先生、謝南洋先生、鄒承健先生、梁寶榮先生及周春生先生將於應屆股東週年大會上輪值告退。所有退任董事均符合資格並願意重選連任董事。

董事之履歷

在任董事之履歷詳情載於本年報第四至第七頁。

董事於合約之權益

年內概無董事在本公司或其任何附屬公司訂有且對本集團業務有重大影響之任何合約中，直接或間接擁有重大實益權益。

REPORT OF DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(i) Long position in the shares

Name of Directors	Nature of interest	No. of shares held	Position	Approximate percentage of issued share capital as at 31 December 2016
董事姓名	權益性質	所持股份數目	持倉	佔於二零一六年十二月三十一日之已發行股本概約百分比
Mr. Zhang Sanhuo ^(Note) 張三貨先生 (附註)	Beneficial owner 實益擁有人	18,858,592,257	Long 好倉	25.85%
		18,272,378,834	Short 淡倉	25.04%
Mr. Tse Michael Nam 謝南洋先生	Beneficial owner 實益擁有人	1,531,642	Long 好倉	0.002%

Note:

China OEPC Limited ("China OEPC") which is beneficially owned by Best Growth Enterprises Limited ("Best Growth"). And Mr. Zhang Sanhuo ("Mr. Zhang") is the ultimate beneficial owner. Therefore, by virtue of the SFO, Mr. Zhang was deemed to be interested in all the shares held by China OEPC. As at 31 December 2016, China OEPC held 18,858,592,257 shares of the Company in which 18,272,378,834 shares had been pledged.

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及聯交所之權益及淡倉如下：

(i) 於股份之好倉

附註：

中國能源（香港）控股有限公司（「中國能源」）由 Best Growth Enterprises Limited（「Best Growth」）實益擁有及張三貨先生（「張先生」）為最終實益擁有人。因此，根據證券及期貨條例，張先生被視為於中國能源持有之所有股份中擁有權益。於二零一六年十二月三十一日，中國能源持有本公司 18,858,592,257 股股份，其中 18,272,378,834 股股份已被抵押。

REPORT OF DIRECTORS

董事會報告

(ii) Long position in the underlying shares

(ii) 於相關股份之好倉

Name of Directors	Nature of interest	No. of shares held	Position	Approximate percentage of issued share capital as at 31 December 2016 佔於二零一六年十二月三十一日之已發行股本概約百分比
董事姓名	權益性質	所持股份數目	持倉	
Mr. Zhang Sanhuo ^(Note 1) 張三貨先生 ^(附註1)	Beneficial owner 實益擁有人	5,658,857,142	Long 好倉	7.76%
		5,428,571,428	Short 淡倉	0.80%
Mr. Huang Boqi ^(Note 2) 黃伯麒先生 ^(附註2)	Beneficial owner 實益擁有人	160,000,000	Long 好倉	0.22%
Mr. Tse Michael Nam ^(Note 3) 謝南洋先生 ^(附註3)	Beneficial owner 實益擁有人	60,000,000	Long 好倉	0.08%
Mr. Zou Chengjian ^(Note 4) 鄒承健先生 ^(附註4)	Beneficial owner 實益擁有人	10,000,000	Long 好倉	0.01%
Ms. Leung Yin Fai ^(Note 5) 梁燕輝女士 ^(附註5)	Beneficial owner 實益擁有人	10,000,000	Long 好倉	0.01%
Mr. Leung Po Wing Bowen Joseph ^(Note 6) 梁寶榮先生 ^(附註6)	Beneficial owner 實益擁有人	10,000,000	Long 好倉	0.01%
Mr. Zhou Chunsheng ^(Note 7) 周春生先生 ^(附註7)	Beneficial owner 實益擁有人	10,000,000	Long 好倉	0.01%

REPORT OF DIRECTORS

董事會報告

Note:

1. These underlying shares are held by (i) Mr. Zhang, an Executive Director and Chairman of the Board of the Company, as share options of the Company which entitling him to subscribe for 16,000,000 shares at a subscription price of HK\$0.15 per share; (ii) Ms. Hao Ting for the amount of HK\$15,000,000 convertible bonds, which are convertible into 214,285,714 ordinary shares of HK\$0.01 each in the capital of the Company, as a family interested; and (iii) China OEPC which is beneficially owned by Best Growth. And Mr. Zhang is the ultimate beneficial owner for the amount of HK\$380,000,000 convertible bonds, which are convertible into 5,428,571,428 ordinary shares of HK\$0.01 each in the capital of the Company. All the amount of HK\$380,000,000 convertible bonds, which are convertible into 5,428,571,428 ordinary shares of HK\$0.01 each in the capital of the Company had been pledged.

As at 31 December 2016, Mr. Zhang held in aggregate 5,658,857,142 underlying shares in which 5,428,571,428 underlying shares had been pledged.

2. Mr. Huang Boqi, an Executive Director (Deputy Chairman & Chief Executive Officer), held share options of the Company entitling him to subscribe for 160,000,000 shares at a subscription price of HK\$0.15 per share.
3. Mr. Tse Michael Nam, an Executive Director, held share options of the Company entitling him to subscribe for 60,000,000 shares at a subscription price of HK\$0.15 per share.
4. Mr. Zou Chengjian, a non-executive Director, held share options of the Company entitling him to subscribe for 10,000,000 shares at a subscription price of HK\$0.15 per share.
5. Ms. Leung Yin Fai, an independent non-executive Director, held share options of the Company entitling her to subscribe for 10,000,000 shares at a subscription price of HK\$0.15 per share.
6. Mr. Leung Po Wing Bowen Joseph, an Independent non-executive Director, held share options of the Company entitling him to subscribe for 10,000,000 shares at a subscription price of HK\$0.15 per share.
7. Mr. Zhou Chunsheng, an Independent non-executive Director, held share options of the Company entitling him to subscribe for 10,000,000 shares at a subscription price of HK\$0.15 per share.

附註：

1. 該等相關股份由(i)執行董事及本公司董事會主席張先生以本公司購股權(賦予彼權利可按每股0.15港元之認購價認購16,000,000股股份)形式持有；(ii)郝婷女士以家族權益形式就15,000,000港元之可換股債券(可兌換為214,285,714股本公司股本中每股面值0.01港元之普通股)持有；及(iii)中國能源持有，而該公司則由Best Growth實益擁有及張先生為最終實益擁有人，彼就380,000,000港元之可換股債券(可兌換為5,428,571,428股本公司股本中每股面值0.01港元之普通股)。380,000,000港元之所有可換股債券(可兌換為5,428,571,428股本公司股本中每股面值0.01港元之普通股)已被抵押。

於二零一六年十二月三十一日，張先生持有合共5,658,857,142股相關股份，其中5,428,571,428股相關股份已被抵押。

2. 執行董事黃伯麒先生(副主席兼行政總裁)持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購160,000,000股股份。
3. 執行董事謝南洋先生持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購60,000,000股股份。
4. 非執行董事鄧承健先生持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購10,000,000股股份。
5. 獨立非執行董事梁燕輝女士持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購10,000,000股股份。
6. 獨立非執行董事梁寶榮先生持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購10,000,000股股份。
7. 獨立非執行董事周春生先生持有本公司購股權，賦予彼權利可按每股0.15港元之認購價認購10,000,000股股份。

REPORT OF DIRECTORS

董事會報告

In addition to the above, as at 31 December 2016, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Except as disclosed above, as at 31 December 2016, neither the Chief Executive Officer nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed above and in Note 38 of the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by any of them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

Grant of Share Option

With reference to announcement dated 14 July 2015, the Board has resolved to grant share options ("the Options") to certain individuals to subscribe for a total of 825,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company, under the share option scheme adopted by the Company based on the Shareholders' resolution passed on 28 May 2015 (the "Share Option Scheme"), which shall be valid and effective for a period of 10 years.

除上述者外，於二零一六年十二月三十一日，純粹為符合公司最少股東人數之規定，若干董事為本公司之利益持有若干附屬公司之非實益個人股本權益。

除上文所披露者外，於二零一六年十二月三十一日，本公司之行政總裁或董事概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記錄於該條例所述登記冊之任何權益或淡倉；或(iii)根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事購入股份或債券之權利

除上文及綜合財務報表附註38所披露者外，於年內任何時間，本公司概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購入本公司股份而獲益之權利，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法人團體獲取該等權利。

購股權計劃

授出購股權

參照日期為二零一五年七月十四日之公佈，董事會已決議根據本公司依照於二零一五年五月二十八日通過之股東決議案採納之購股權計劃（「購股權計劃」），向若干個別人士授出購股權（「購股權」），以認購本公司股本中每股面值0.01港元之普通股合共825,000,000股。購股權之有效期及生效期為10年。

REPORT OF DIRECTORS

董事會報告

The purpose of the Share Option Scheme is to enable the Company to grant Options to certain employees of the Group and any suppliers, consultants, agents and advisers or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group in recognition of their contribution to the Group.

The total number of shares issued and to be issued upon exercise of the Options granted to each eligible participant or grantee (including exercised and outstanding Options) in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue at the date of grant. Any further grant will be conditional upon shareholders' approval in general meeting.

Subject to the terms of the Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined by the Board but in any event no later than 10 years from the date of grant. There is no specified minimum period for which an Option must be held before it can be exercised. An offer of the grant of an Option shall remain open for acceptance for a period of 28 days from the date upon which it is made and a non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an Option.

The exercise price of the Options granted under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant.

For details of the Share Option Scheme, please refer to the circular of the Company dated 24 April 2015.

購股權計劃旨在讓本公司可向本集團及任何供應商、顧問、代理及諮詢人之若干僱員，或據董事會全權酌情認為曾經或能夠為本集團作出貢獻之任何人士授出購股權，以表揚彼等對本集團之貢獻。

每名合資格參與者或承授人在截至授出當日止任何12個月期間內，於行使獲授之購股權（包括已行使及尚未行使之購股權）後已發行及將予發行之股份總數，不得超過授出當日之已發行股份之1%。凡進一步授出購股權須經股東在股東大會上批准。

在購股權計劃條款之規限下，購股權可於董事會釐定之期間內任何時間全數或部分獲行使，惟無論如何不遲於授出日期起計10年。購股權計劃並無訂明購股權於可行使前須持有之最短期間。授出購股權之要約自提呈要約日期起28日內可供接納，而承授人須於接納購股權時支付1.00港元之不可退回名義代價。

根據購股權計劃授出之購股權之行使價可由董事會全權酌情釐定，但於任何情況下均不會低於以下三者之最高者：(i)股份於授出日期（該日須為營業日）在聯交所每日報價表所示之收市價；(ii)股份於緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(iii)股份於授出日期之面值。

有關購股權計劃之詳情，請參閱本公司日期為二零一五年四月二十四日之通函。



REPORT OF DIRECTORS

董事會報告

Among the Options granted, 20,000,000 Options were granted to the Lender as disclosed in the said announcement and 276,000,000 Options were granted to the Directors. Half of the Options granted to the Directors are exercisable from the date of grant to the expiry of option period and the other half of Options granted are exercisable from the first anniversary of the Date of Grant to the expiry of option period.

For the details of grant of Share Option, please refer to our announcement dated 14 July 2015.

The Scheme Mandate Limit was refreshed with the approval of the Shareholders during the annual general meeting of the Company held on 23 May 2016. The Company therefore may grant Options entitling holders thereof to subscribe for up to a maximum number of 5,866,336,340 Shares, representing approximately 10% of the number of the issued Shares as at 23 May 2016. The total number of Shares which might be issued upon exercise of the Options granted under the “refreshed” Scheme Mandate Limit of 5,866,336,340 Shares together with all outstanding Options as at 23 May 2016 carrying the right to subscribe for 807,000,000 Shares was 6,673,336,340 Shares, representing approximately 11.38% of the total number of Shares in issue as at 23 May 2016.

The particulars of share options granted to Directors of the Company and the movements during the year can be referred to Note 38.

As at 31 December 2016, there were 807,000,000 Options outstanding. (2015: 807,000,000 Options)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of part XV of the SFO and Substantial Shareholders

So far as is known to the Directors, as at 31 December 2016, the following persons (not being Directors or the Chief Executive Officer of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

所授出之購股權中，20,000,000份購股權已按上述公佈所披露授予貸款人，而276,000,000份購股權已授予董事。授予董事之購股權半數可由授出日期起至購股權期間屆滿為止行使，半數可由授出日期滿一週年起至購股權期間屆滿為止行使。

有關授出購股權之詳情，請參閱日期為二零一五年七月十四日之公佈。

計劃授權限額於本公司於二零一六年五月二十三日舉行之股東週年大會上經股東批准更新。因此，本公司可授出賦予持有人權利認購最多5,866,336,340股股份之購股權，相當於二零一六年五月二十三日已發行股份數目約10%。因行使「經更新」計劃授權限額而可予發行之5,866,336,340股股份，連同於二零一六年五月二十三日所有尚未行使之購股權所附帶可認購807,000,000股股份之權利，所涉股份總數為6,673,336,340股股份，相當於二零一六年五月二十三日已發行股份總數約11.38%。

授予本公司董事之購股權及年內變動詳情可參考附註38。

於二零一六年十二月三十一日，807,000,000份購股權（二零一五年：807,000,000份購股權）為尚未行使。

主要股東及其他人士於股份及相關股份之權益及淡倉

擁有須根據證券及期貨條例第XV部第2及3分部披露之權益或淡倉之人士及主要股東

據董事所知，於二零一六年十二月三十一日，下列人士（並非董事或本公司行政總裁）於股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之權益或淡倉，或直接或間接擁有附有權利可於任何情況下在本集團任何成員公司之股東大會表決之任何類別股本面值10%或以上之權益：

REPORT OF DIRECTORS

董事會報告

(I) INTERESTS IN THE SHARES AND UNDERLYING SHARES

(I) 於股份及相關股份之權益

Name of substantial shareholders	Nature of interest	No. of shares and/or underlying shares held	Position	Approximate percentage of issued share capital as at 31 December 2016 佔於二零一六年十二月三十一日之已發行股本概約百分比
主要股東名稱	權益性質	所持股份及／或相關股份數目	持倉	
Best Growth Enterprises Limited ^(Note)	Interest of controlled corporation	24,287,163,686	Long	33.28%
Best Growth Enterprises Limited ^(附註)	受控法團權益		好倉	
		23,700,950,262	Short 淡倉	32.48%
China OEPC Limited ^(Note) 中國能源(香港)控股有限公司 ^(附註)	Beneficial owner 實益擁有人	24,287,163,686	Long 好倉	33.28%
		23,700,950,262	Short 淡倉	32.48%
Chance Talent Management Limited	Person having a security interest in shares 對股份持有保證權益的人	23,700,950,263	Long 好倉	32.48%
CCBI Investments Limited	Interest of controlled corporation	23,700,950,263	Long 好倉	32.48%
建銀國際投資有限公司*	受控法團權益		好倉	
CCB International (Holdings) Limited ^(Note) 建銀國際(控股)有限公司 ^(附註)	Interest of controlled corporation	23,898,450,263	Long 好倉	32.75%
CCB Financial Holdings Limited ^(Note) 建行金融控股有限公司 ^(附註)	Interest of controlled corporation	23,898,450,263	Long 好倉	32.75%
CCB International Group Holdings Limited ^(Note) 建行國際集團控股有限公司 ^(附註)	Interest of controlled corporation	23,898,450,263	Long 好倉	32.75%
China Construction Bank Corporation ^(Note) 中國建設銀行股份有限公司 ^(附註)	Interest of controlled corporation	23,898,450,263	Long 好倉	32.75%
Central Huijin Investment Ltd. ^(Note) 中央滙金投資有限責任公司 ^(附註)	Interest of controlled corporation	23,898,450,263	Long 好倉	32.75%

REPORT OF DIRECTORS

董事會報告

Note:

China OEPC beneficially owns, (i) 18,858,592,257 shares in which 18,272,378,834 shares had been pledged; and (ii) HK\$380,000,000 Convertible Bonds ("CB") which are convertible into 5,428,571,428 shares which had been all pledged. China OEPC is beneficially owned by Best Growth. Best Growth is beneficially owned by Mr. Zhang Sanhuo, the Chairman and executive Director of the Company. By virtue of the SFO, Mr. Zhang Sanhuo and Best Growth are deemed to be interested in those shares and derivative interest held by China OEPC.

Chance Talent Management Limited ("CTM") holds security interest in ordinary shares and convertible bonds which in aggregate 23,700,950,263 shares. CTM is wholly and beneficially owned by CCBII Investments Limited ("CCBII"). By virtue of the SFO, CCBII was deemed to be interested in those shares held by CTM.

CCBII is in turn wholly and beneficially owned by CCB International (Holdings) Limited ("CCB-IH"). By virtue of the SFO, CCB-IH was deemed to be interested in those shares which CCBII was interested.

CCB-IH is in turn wholly and beneficially owned by CCB Financial Holdings Limited ("CCB-FH"). By virtue of the SFO, CCB-FH was deemed to be interested in those shares which CCB-IH was interested.

CCB-FH is in turn wholly and beneficially owned by CCB International Group Holdings Limited ("CCB-IGH"). By virtue of the SFO, CCB-IGH was deemed to be interested in those shares which CCB-FH was interested.

CCB-IGH is in turn wholly and beneficially owned by China Construction Bank Corporation ("CC Bank"). By virtue of the SFO, CC Bank was deemed to be interested in those shares which CCB-IGH was interested.

CC Bank is in turn 57.31% owned by Central Huijin Investment Ltd. ("Central Huijin"). By virtue of the SFO, Central Huijin was deemed to be interested in those shares which CC Bank was interested.

附註：

中國能源實益擁有(i)18,858,592,257股股份，其中18,272,378,834股股份已被抵押；及(ii)380,000,000港元可換股債券（「可換股債券」，可兌換為5,428,571,428股股份，已全部被抵押）。中國能源由Best Growth實益擁有。Best Growth由本公司主席兼執行董事張三貨先生實益擁有。根據證券及期貨條例，張三貨先生及Best Growth被視為於中國能源持有之該等股份及衍生權益中擁有權益。

Chance Talent Management Limited（「CTM」）對可轉換為合共23,700,950,263股股份之普通股及可換股債券持有保證權益。CTM由建銀國際投資有限公司*（「建銀國際投資」）全資實益擁有。根據證券及期貨條例，建銀國際投資視為於CTM持有之股份中擁有權益。

建銀國際投資則由建銀國際（控股）有限公司（「建銀國際控股」）全資實益擁有。根據證券及期貨條例，建銀國際控股視為於建銀國際投資擁有權益之股份中擁有權益。

建銀國際控股則由建行金融控股有限公司（「建行金融控股」）全資實益擁有。根據證券及期貨條例，建行金融控股視為於建銀國際控股擁有權益之股份中擁有權益。

建行金融控股則由建行國際集團控股有限公司（「建行國際集團控股」）全資實益擁有。根據證券及期貨條例，建行國際集團控股視為於建行金融控股擁有權益之股份中擁有權益。

建行國際集團控股則由中國建設銀行股份有限公司（「建行」）全資實益擁有。根據證券及期貨條例，建行視為於建行國際集團控股擁有權益之股份中擁有權益。

建行則由中央滙金投資有限責任公司（「中央滙金」）擁有57.31%股權。根據證券及期貨條例，中央滙金視為於建行擁有權益之股份中擁有權益。

* 謹供識別

REPORT OF DIRECTORS

董事會報告

(II) INTERESTS IN SHARES OF ASSOCIATED CORPORATIONS OF THE COMPANY

Name of subsidiary 附屬公司名稱	Name of entity 實體名稱	Class and number of securities 證券類別及數目	Percentage shareholdings 股權百分比
BMC Software (China) Ltd	BMC Software (HK) Ltd.	1 ordinary share of HK\$1 (L)	10%
BMC Software (China) Ltd	BMC Software (HK) Ltd.	1股1港元之普通股 (L)	10%

L: represents a long position in the securities

Except as disclosed above and so far as the Directors were aware, as at 31 December 2016, no other party had any interest or short position in the shares, the underlying shares or debentures of the Company which would be required to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to herein.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

The appointment of Mr. Zou Chengjian ("Mr. Zou") as a nonexecutive Director has been expired and revised on 22 June 2016 with a term of service for one year and subject to rotational retirements under the Bye-laws. Mr. Zou currently entitled to receive a remuneration of HK\$14,000 per month.

The appointment of Mr. Leung Po Wing, Bowen Joseph ("Mr. Leung") as an independent non-Executive Director has been expired and automatically renewed on 26 March 2016 with a term of service for one year and subject to rotational retirements under the Bye-laws. Mr. Leung currently entitled to receive a remuneration of HK\$14,000 per month.

(II) 於本公司相聯法團股份之權益

Class and number of securities 證券類別及數目	Percentage shareholdings 股權百分比
1 ordinary share of HK\$1 (L)	10%
1股1港元之普通股 (L)	10%

L: 代表證券之好倉

除上文所披露者外，據董事所知，於二零一六年十二月三十一日，並無其他人士於本公司股份、相關股份或債券中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或根據證券及期貨條例第336條須記入該條所指登記冊之權益或淡倉。

根據上市規則第13.51B(1)條披露董事資料

鄒承健先生（「鄒先生」）出任非執行董事之任命已於二零一六年六月二十二日屆滿及修訂，服務年期為一年，須遵守公司細則之輪值退任規定。鄒先生現時有權收取薪酬每月14,000港元。

梁寶榮先生（「梁先生」）出任獨立非執行董事之任命已於二零一六年三月二十六日屆滿及自動重續，服務年期為一年，須遵守公司細則之輪值退任規定。梁先生現時有權收取薪酬每月14,000港元。



REPORT OF DIRECTORS

董事會報告

The appointment of Mr. Zhou Chunsheng (“Mr. Zhou”) as an independent non-Executive Director has been expired and revised on 22 June 2016 with a term of service for one year and subject to rotational retirements under the Byelaws. Mr. Zhou currently entitled to receive a remuneration of HK\$14,000 per month. The remuneration of the Directors is governed by the Bye-laws and the remuneration amount is determined by the Board based on the recommendation from the Remuneration Committee of the Company with reference to, among other matters, the duties and responsibilities of the Directors, salary paid by comparable companies, time commitment, employment conditions of other members of the Group and a bonus for each financial year which is subject to the discretion of the Board.

During the year 2016, the Executive Directors, Mr. Zhang, Mr. Huang Boqi and Mr. Tse Michael Nam received emoluments of approximately HK\$4,939,000, HK\$5,137,000 and HK\$1,941,000 respectively. The non-Executive Director, Mr. Zou received emoluments of approximately HK\$390,000. The Independent non-Executive Directors, Ms. Leung Yin Fai, Mr. Leung and Mr. Zhou received emoluments of approximately HK\$390,000, HK\$390,000 and HK\$390,000 respectively.

Details of Directors’ and chief executive’s emoluments are set out in Note 14 of the consolidated financial statements.

The basis for determining the Directors’ emoluments (including bonus payments) remained unchanged during the year.

It was informed by Mr. Zhou that he has been appointed as independent non-executive director of Zhonghong Holding Co. Ltd. (Stock Code 000979: Shenzhen Stock Exchange) with effect from 12 August 2016.

It was informed by Mr. Leung that he had been appointed as an independent non-executive director of Regal REIT (stock code 1881: the Stock Exchange) with effect from 28 October 2016.

Save as disclosed above, during the year, and as at the date of this report there were no other changes to the Directors’ information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2016, the Company had complied with the code provisions and recommended best practices of the Code except for certain deviations. Details of corporate governance are set out in the section headed “Corporate Governance Report” in this Annual Report.

周春生先生（「周先生」）出任獨立非執行董事之任命已於二零一六年六月二十二日屆滿及修訂，服務年期為一年，須遵守公司細則之輪值退任規定。周先生現時有權收取薪酬每月14,000港元。董事之薪酬受公司細則規管，薪酬金額則由董事會依照本公司薪酬委員會之推薦意見釐定，當中已參考（其中包括）董事之職責及責任、相若公司支付之薪金、所投入之時間、本集團其他成員公司之僱傭條件以及每個財政年度之花紅（由董事會酌情決定）。

於二零一六年，執行董事張先生、黃伯麒先生及謝南洋先生已收取酬金分別約4,939,000港元、5,137,000港元及1,941,000港元。非執行董事鄒先生已收取酬金約390,000港元。獨立非執行董事梁燕輝女士、梁先生及周先生已分別獲得酬金約390,000港元、390,000港元及390,000港元。

董事及最高行政人員酬金詳情載於綜合財務報表附註14。

釐定董事酬金（包括花紅付款）之基準於年內維持不變。

據周先生通知，彼已獲委任為中弘控股股份有限公司（深圳證券交易所，股份代號：000979）之獨立非執行董事，自二零一六年八月十二日起生效。

據梁先生通知，彼已獲委任為富豪產業信託（聯交所，股份代號：1881）之獨立非執行董事，自二零一六年十月二十八日起生效。

除上文所披露者外，於年內及於本報告日期，概無有關董事資料之其他變動須根據上市規則第13.51B(1)條披露。

企業管治

除若干偏離外，本公司於截至二零一六年十二月三十一日止年度一直遵守守則之守則條文及建議最佳常規。有關企業管治之詳情載於本年報「企業管治報告」一節。

REPORT OF DIRECTORS

董事會報告

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2016 had been audited by SHINEWING (HK) CPA Limited, who will retire and being eligible, offer themselves for reappointment as auditor at the forthcoming annual general meeting of the Company.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 12 June 1999 with clear written terms of reference. And the terms of reference of Audit Committee had been revised on 14 December 2015 and became effective from 1 January 2016.

For the year ended 31 December 2016 and as at the date of this annual report, the Audit Committee comprised three members, all of whom were Independent non-Executive Directors. The composition of the Audit Committee as at the date of this annual report was Ms. Leung Yin Fai (Chairman of the Audit Committee), Mr. Leung Po Wing, Bowen Joseph GBS, JP and Mr. Zhou Chunsheng. Ms. Leung Yin Fai, the chairman of the Audit Committee is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and the Association of Chartered Certified Accountants. None of the members is a partner or former partner of SHINEWING (HK) CPA Limited, the Company's external auditor.

The Audit Committee meets at least twice a year to review (i) the annual and interim results and the accompanying auditor's reports, (ii) the accounting policies and practices adopted by the Company, and (iii) the financial and internal control systems of the Company.

The Audit Committee had reviewed the Group's audited consolidated financial statements for the year ended 31 December 2016, including the disclaimer opinion in the auditor's report thereon, and had submitted its views to the Board of Directors.

ON BEHALF OF THE BOARD

Mr. Zhang Sanhuo

Chairman

Hong Kong, 30 March 2017

核數師

本集團截至二零一六年十二月三十一日止年度之綜合財務報表已經由信永中和(香港)會計師事務所有限公司審核,其將任滿告退並符合資格及願意於本公司應屆股東週年大會上獲重聘為核數師。

審核委員會

本公司於一九九九年六月十二日成立審核委員會(「審核委員會」),並清楚書面列明其職權範圍。審核委員會之職權範圍已於二零一五年十二月十四日修訂及於二零一六年一月一日生效。

於截至二零一六年十二月三十一日止年度及本年報日期,審核委員會由三名成員組成,全部均為獨立非執行董事。於本年報日期,審核委員會成員包括梁燕輝女士(審核委員會主席)、梁寶榮先生 GBS, JP及周春生先生。審核委員會之主席梁燕輝女士為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。概無成員為本公司外聘核數師信永中和(香港)會計師事務所有限公司之合夥人或前合夥人。

審核委員會每年最少舉行兩次會議,以審閱(i)年度及中期業績以及隨附之核數師報告,(ii)本公司採納之會計政策及慣例,以及(iii)本公司財務及內部監控制度。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之經審核綜合財務報表,包括其核數師報告所載之不發表意見,並已向董事會提交意見。

代表董事會

主席

張三貨先生

香港,二零一七年三月三十日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board and the Management of the Company are highly committed to maintaining good corporate governance practices, internal control, risk management and transparency in fulfilling their corporate responsibility and accountability to the Company's Shareholders. The Board and the Management recognize that the maintenance of good corporate governance practices is an essential factor in achieving financial success and enhancing shareholders' value.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

(a) Corporate Governance Codes

Throughout the year ended 31 December 2016, the Company has complied with the Corporate Governance Codes (the "CG Codes") contained in Appendix 14 of the Listing Rules and where appropriate, adopted the recommended best practices of the CG Codes. The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the CG Codes.

The Company had adopted an internal monitoring policy to maintain a higher level of the Company's compliance with the CG Codes throughout the year ended 31 December 2016 and also to report on whether any non-compliance with the CG Codes, if any, was fully disclosed and explained in this Corporate Governance Report. The execution and enforcement of the Company's corporate governance system is monitored and reviewed by the Board annually. The Company believes that the commitment of high-standard corporate governance will provide long-term value and maximized returns to Shareholders.

(b) Securities Transactions

The Model Code has been adopted as the code for Directors' securities transaction for the Company. After having made specific enquiry of all the Directors, each of the Directors confirmed that he/she had complied with the Model Code for the year ended 31 December 2016.

The Company has also established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealing in the Company's shares and established written guidelines on inside dealings in relation to the Company and the securities transaction of the Company with reference to SFO Chapter 571 Division 4.

董事會及本公司管理層在履行本身之企業責任及對本公司股東之責任時，一直致力維持良好企業管治常規、內部監控、風險管理及高透明度。董事會及管理層了解維持良好企業管治常規乃取得財務成果及提高股東價值之重要因素。

遵守企業管治守則

(a) 企業管治守則

本公司於截至二零一六年十二月三十一日止年度內，一直遵守上市規則附錄十四所載企業管治守則（「企管守則」），並（如適用）採納企管守則之建議最佳常規。董事會將繼續檢討及監控本公司之企業管治常規，以確保符合企管守則規定。

於截至二零一六年十二月三十一日止年度，本公司已採納內部監控政策，確保本公司高度遵守企管守則，並就本企業管治報告有否全面披露及解釋任何未有遵守企管守則之情況（如有）作出報告。董事會監察及每年檢討本公司企業管治制度之履行及執行情況。本公司相信堅守高水平之企業管治將為股東帶來長期價值及最大回報。

(b) 證券交易

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向全體董事作出具體查詢後，各董事確認，彼等於截至二零一六年十二月三十一日止年度一直遵守標準守則。

本公司亦已就相關僱員買賣本公司股份設立書面指引，其嚴格程度不遜於標準守則，並已根據證券及期貨條例（第571章）第4分部就本公司內幕交易及證券交易訂立書面指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

(c) Board of Directors

Up to the date of this report, the Board is composed of seven members comprising three Executive Directors (including the Chairman and the Deputy Chairman), one non-Executive Director and three Independent non-Executive Directors (“INEDs”). The biographical details of the current members of the Board are set out on pages 4 to 7 of this Annual Report. The Company has also maintained on its website and on the website of the Stock Exchange, an updated list of the Directors and the Management which identifying their roles and functions including whether they are INEDs.

Save for being a Director, each Director does not have any financial, business, family or other material/relevant relationship(s) and in particular, between the Chairman and the Chief Executive Officer.

The Board is tasked with the responsibility of directing and supervising the Company’s businesses and affairs and promoting its success and growth. The Board is collectively responsible for the management and operations of the Company and is responsible for directing and supervising the overall management of the Company with regards to the implementation and maintenance of internal control procedures and ensuring compliance with relevant statutory requirements, the Listing Rules and other rules and regulations and performing the corporate governance duties.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group’s businesses to the Executive Directors, senior management and certain specific responsibilities to the Board committees.

The Board meets regularly. During the year, four regular Board meetings were held. Notices for regular Board meetings were given to all Directors at least 14 days prior to the meetings.

(c) 董事會

截至本報告日期，董事會由七名成員組成，包括三名執行董事（包括主席及副主席）、一名非執行董事及三名獨立非執行董事。董事會現任成員之履歷詳情載於本年報第4至7頁。本公司亦已於其網站及聯交所網站登載其最新董事及管理層名單，當中列明彼等之角色及職能，包括列明是否獨立非執行董事。

除作為董事外，各董事（尤其是主席與行政總裁之間）並無任何財務、業務、家族或其他重大／相關關係。

董事會負責督導及監控本公司業務及事務以及促進業務成功增長。董事會全體成員共同負責本公司之管理及運作，並在實施及維持內部監控程序、確保遵守相關法例規定、上市規則、其他規則及規例以及履行企業管治職責方面，負責督導及監控本公司之整體管理。

董事會將執行本集團業務之日常營運、業務策略及管理之權力及責任下放予執行董事及高級管理層，並將若干特定責任下放予董事委員會。

董事會會定期舉行會議。年內，董事會共舉行四次例會。董事會例會通告於會議日期前最少14天送交全體董事。



CORPORATE GOVERNANCE REPORT

企業管治報告

Prior to each Board meeting (for regular meetings, at least 3 days prior), the Chairman, with the support of the Company Secretary, ensures that every Director has been properly briefed on issues and provided with the agenda and accompanying Board papers containing adequate information provided by the Management to enable them to make informed decisions at the meeting. Every member of the Board has an opportunity to propose matters in the agenda for discussion at each Board meeting.

Minutes of Board meetings and meetings of committees are taken by the Company Secretary and maintained at the Company's premises. Minutes of the Board and committee meetings record in sufficient detail the matters considered by the Board or committee and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Drafts and final versions of minutes are sent to all Directors for their comments within a reasonable time after the Board meetings are held. Every member of the Board is entitled to inspect Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations, are followed. Where queries are raised by any of the Directors, responses are provided as promptly and fully as possible. The Directors may also upon reasonable request, seek independent professional advice in appropriate circumstances, at the expense of the Company. So far, there has not been any case where a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the board has determined to be material.

在每次董事會會議舉行前（例會須最少3天前），主席於公司秘書協助下，須確保每名董事均已就有關事項獲適當簡報，且收到載列管理層所提供充足資料之議程及隨附之董事會文件，以供彼等於會上作出知情決定。每名董事會成員均有機會於議程提出建議事項，以於各董事會會議討論。

董事會會議及各委員會會議由公司秘書進行會議記錄，並存置於本公司處所內。董事會及各委員會會議之會議紀錄詳盡記錄董事會或委員會考慮之事項及所作決定，包括董事提出之任何問題或會上表達之反對意見。會議紀錄草稿及最終定本於董事會會議舉行後一段合理期間內送交全體董事以供彼等評鑑。每名董事會成員均有權查閱董事會文件及有關資料，並可隨時獲取公司秘書之意見及服務，以確保遵守董事會程序以及一切適用規則及規例。倘任何董事有任何疑問，董事會將於可能情況下即時提供全面回覆。董事亦可於適當情況下就尋求獨立專業意見發出合理請求，費用由本公司承擔。迄今為止，主要股東或董事概無於董事會須考慮之事項中存有董事會認為重大之利益衝突。

CORPORATE GOVERNANCE REPORT

企業管治報告

The attendance of each of the Directors at the annual general meeting, Board meetings and meetings of the Audit Committee, Remuneration Committee and Nomination Committee held during the year is set out below:–

每名董事於年內舉行之股東週年大會、董事會會議、審核委員會會議、薪酬委員會會議及提名委員會會議之出席率如下：

	No. of meetings attended/held				
	General Meetings 股東大會	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Directors					
董事					
Executive Directors					
執行董事					
Mr. Zhang Sanhuo 張三貨先生	3/3	4/4	–	2/2	1/1
Mr. Huang Boqi 黃伯麒先生	3/3	4/4	–	–	–
Mr. Tse Michael Nam (Note 1) 謝南洋先生(附註1)	0/3	1/4	–	–	–
Non-executive Director					
非執行董事					
Mr. Zou Chengjian 鄒承健先生	1/3	4/4	–	–	–
Independent Non-executive Directors					
獨立非執行董事					
Ms. Leung Yin Fai 梁燕輝女士	3/3	4/4	3/3	1/2	1/1
Mr. Leung Po Wing, Bowen Joseph 梁寶榮先生	2/3	4/4	3/3	2/2	1/1
Mr. Zhou Chunsheng 周春生先生	2/3	3/4	2/3	2/2	1/1

Note:

1. Mr. Tse Michael Nam was appointed as an Executive Director of the Company on 1 September 2016, and the general meetings held on the first half of 2016

附註：

1. 謝南洋先生於二零一六年九月一日獲委任為本公司之執行董事，而股東大會於二零一六年上半年舉行。



CORPORATE GOVERNANCE REPORT

企業管治報告

Two of the regular Board meetings were for the approval of the interim and annual results of the Company and the others were to review or discuss (i) the effectiveness of the financial and internal control systems of the Company; (ii) the policies; (iii) strategic business planning and operation review; (iv) the risk management; and (v) the upcoming business transactions.

The Company had maintained an appropriate level of insurance cover in respect of legal action against the Directors and officers of the Company and its subsidiaries throughout the year ended 31 December 2016.

Each Director has disclosed to the Company in a timely manner of any change, the number and nature of offices held in public companies or organisations and other significant commitments. All such changes during the year and up to the date of this report, have been disclosed in the Report of the Directors section of this report.

(d) Appointments, Re-election and Removal of Directors

Each of the Executive Directors, non-Executive Director and independent non-executive Directors has entered into a letter of appointment with the Company for a specific term. Such term is subject to his/her re-appointment by the Company at an annual general meeting upon such Director's retirement by rotation at least once every three years and offering himself/herself for re-election.

The Bye-laws of the Company provide that any Director appointed by the Board, (i) to fill a casual vacancy in the Board, shall hold office only until the next following general meeting of the Company and shall be subject to re-election at such meeting and (ii) as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election.

兩次董事會例會乃就批准本公司中期及年度業績而舉行，其他則就檢討或討論(i)本公司財務及內部監控制度是否有效；(ii)政策；(iii)策略業務規劃及業務回顧；(iv)風險管理；及(v)即將進行之業務交易而舉行。

截至二零一六年十二月三十一日止年度，本公司一直購有適當保險，使本公司及其附屬公司董事及主管人員於面臨法律訴訟時得到保障。

每名董事已及時向本公司披露其於上市公司或機構所擔任職務之任何變動、數目及性質以及其他重大承諾。年內及截至本報告日期，上述變動已全部於本報告之董事會報告一節披露。

(d) 委任、重選及罷免董事

每名執行董事、非執行董事及獨立非執行董事均已經與本公司訂立具有具體任期的委任函。有關任期受董事須最少每三年於股東週年大會上輪值告退、膺選連任及經由本公司重新委任一次之規定規限。

本公司之公司細則規定，由董事會委任以(i)填補臨時空缺之董事的任期僅直至本公司下屆股東大會為止，及屆時須在大會上膺選連任；及(ii)作為董事會的新成員之董事的任期僅直至本公司下屆股東週年大會為止，及屆時符合資格在大會上膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

(e) Chairman and Chief Executive Officer

The roles of chairman and Chief Executive Officer has been separated since 14 June 2013 and the division of responsibilities between the Chairman and Chief Executive Officer has been clearly established based on the requirement of Listing Rules.

During the year, the Chairman fulfilled his responsibilities, including chairing the board meetings, ensuring that the Board operates effectively and discharges its responsibilities, ensuring good corporate governance practices and procedures by anchoring with the Listing Rules (even though these practices and procedures have not been formally documented in the Company's policy), facilitating effective contribution of Directors, ensuring effective communications with shareholders and ensuring constructive relations between Executive and non-Executive Directors. During the year, the Chairman has also chaired meeting with the INEDs and the non-Executive Director, without the presence of the other Executive Director.

(f) Non-executive Directors

During the year and up to the date of this report, the Company had been in compliance with Rules 3.10(1), (2) and 3.10A of the Listing Rules by having at all times three INEDs on its Board, one who has the appropriate professional accounting qualifications and the number of INEDs represented at least one-third of the Board.

Each of the INEDs and the non-Executive Director was appointed for an initial term of not more than two years from the date of his/her appointment. Upon the expiry of the initial term, the appointment may be renewed for another term of not more than two years.

Each of the INEDs met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company considered each of them to be so. The Company had received from each of the INEDs an annual confirmation as to his independence.

(e) 主席及行政總裁

主席及行政總裁之職能已由二零一三年六月十四日起區分，而主席及行政總裁之職責分工已根據上市規則之要求清楚確立。

年內，主席已履行彼之職責，包括主持董事會會議、確保董事會有效運作及履行其職責、確保已根據上市規則制定良好的企業管治常規及程序（即使該等常規及程序尚未正式納入本公司政策）、促進董事之有效貢獻、確保與股東有效溝通以及確保執行董事與非執行董事之建設性關係。年內，主席亦主持與獨立非執行董事及非執行董事舉行，而並無其他執行董事出席的會議。

(f) 非執行董事

年內及截至本報告日期，本公司一直遵守上市規則第3.10(1)、(2)及3.10A條規定，董事會在年內任何時間均有三名獨立非執行董事，而其中一名具備適當之專業會計資格，而獨立非執行董事數目相當於董事會最少三分之一人數。

每名獨立非執行董事及非執行董事之初步任期為自彼等獲委任日期起計不超過兩年。初步任期屆滿後，可另外重續不超過兩年。

每名獨立非執行董事均符合上市規則第3.13條所載獨立性指引，而本公司認為彼等均為獨立人士。本公司已接獲每名獨立非執行董事就其獨立性發出之年度確認書。



CORPORATE GOVERNANCE REPORT

企業管治報告

The non-Executive Directors and the INEDs have been participating in board meetings, taking the lead where potential conflicts of interests arise, serving on the audit, nomination and remuneration committees, scrutinizing the Company's performance in achieving agreed corporate goals and objectives, monitoring performance reporting and making a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments and giving the board and committees in which they serve, the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Each Director has also given sufficient time and attention to the Company's affairs during the year.

(g) Remuneration Committee

The Company's Remuneration committee (the "Remuneration Committee") was established in June 2005 with specific written terms of reference detailing the Remuneration Committee's role and authority. The terms of reference of the Remuneration Committee are published on the Company's website as well as the Stock Exchange's website.

The Remuneration Committee is responsible for formulating and making recommendation to the Board on the Group's policy and structure for the remuneration of the Directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration and review of the policy and the procedure annually. The Remuneration Committee has the delegated responsibility to determine the specific remuneration packages of the Executive Directors and senior management and to make recommendations to the Board for the remuneration of the non-Executive Directors after conducted the Board evaluation annually.

In fulfilling its functions, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, respective time commitment, and responsibilities of the Directors and senior management and whether the remuneration packages are competitively attractive to retain the Executive Directors and senior management. The Remuneration Committee members may consult the Chairman of the Board about their proposals relating to the remuneration of the Executive Directors and have access to sufficient resources including professional advice if considered necessary. No Director can, however, approve his own remuneration.

非執行董事及獨立非執行董事出席董事會會議，於出現潛在利益衝突時提供領導，擔任審核、提名及薪酬委員會成員，審查本公司在達成協定公司宗旨及目標時的表現，監督業績報告，提出獨立且具建設性的知情意見，積極參與改善本集團的策略及政策，經常出席並積極參與董事會及所服務的委員會，憑藉各自豐富的閱歷，各盡其能、發揮所長。每名董事已於年內為本公司事務投入充足時間及精力。

(g) 薪酬委員會

本公司於二零零五年六月成立薪酬委員會（「薪酬委員會」），並列明其特定書面職權範圍及詳列其職務及職權。薪酬委員會之職權範圍已於本公司網站及聯交所網站登載。

薪酬委員會負責制訂本集團各董事及高級管理層之薪酬政策及架構以及就薪酬政策發展建立正式而具透明度之程序，並就此向董事會提供建議，以及每年檢討有關政策及程序。薪酬委員會已獲授權，於完成每年董事會評估後負責釐定執行董事及高級管理層特定薪酬待遇，並就非執行董事之薪酬向董事會提供建議。

於履行其職能時，薪酬委員會考慮的因素包括可比較公司所付薪金、董事及高級管理層付出之時間及責任以及薪酬待遇是否具競爭力以吸引執行董事及高級管理層留任等。薪酬委員會成員可就其有關執行董事薪酬之建議諮詢董事會主席，並可獲取充足資源，包括在視為必要時尋求專業意見。然而，董事不得批准本身之薪酬。

CORPORATE GOVERNANCE REPORT

企業管治報告

For the year ended 31 December 2016 and as at the date of this report, the Remuneration Committee comprised four members, three of whom were INEDs, in which one of them was also the chairman of the Remuneration Committee. The members of the Remuneration Committee as at the date of this report are Ms. Leung Yin Fai (an INED and the chairman of the Remuneration Committee), Mr. Zhang Sanhuo (Executive Director), Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng (INEDs).

The Remuneration Committee meets at least once each year and one of the meeting was to review and approve the remuneration package of the other Directors and the senior management (which had remained unchanged from the previous year) and other related matters including the Board evaluation.

(h) Nomination Committee

The Company's nomination committee (the "Nomination Committee") was established on 14 December 2015 with specific written terms of reference detailing the Nomination Committee's role and authority. The terms of reference of the Nomination Committee are published on the Company's website as well as the Stock Exchange's website.

For the year ended 31 December 2016 and as at the date of this report, the Nomination Committee comprised four members, three of whom were INEDs. The members of the Nomination Committee as at the date of this report are Mr. Zhang Sanhuo (Executive Director and the chairman of the Nomination Committee), Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng (INEDs).

The principal responsibilities of the Nomination Committee are, among other things, review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes; identify candidates with suitable qualifications as Directors, select and make recommendations to the Board; assess the independence of INEDs; and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

In fulfilling its functions, the Nomination Committee has been provided sufficient resources by the Company to seek for independent professional advice to perform its responsibilities.

截至二零一六年十二月三十一日止年度及於本報告日期，薪酬委員會由四名成員組成，三名為獨立非執行董事（其中一名亦兼任薪酬委員會主席）。於本報告日期，薪酬委員會成員為梁燕輝女士（獨立非執行董事兼薪酬委員會主席）、張三貨先生（執行董事）、梁寶榮先生及周春生先生（均為獨立非執行董事）。

薪酬委員會每年最少舉行一次會議，其中一次會議檢討及批准其他董事及高層管理層之薪酬待遇（自去年起保持不變）及包括董事會評估在內的其他相關事宜。

(h) 提名委員會

本公司於二零一五年十二月十四日成立提名委員會（「提名委員會」），並列明其特定書面職權範圍及詳列其職務及職權。提名委員會之職權範圍已於本公司網站及聯交所網站登載。

截至二零一六年十二月三十一日止年度及於本報告日期，提名委員會由四名成員組成，三名為獨立非執行董事。於本報告日期，提名委員會成員為張三貨先生（執行董事兼提名委員會主席）、梁燕輝女士、梁寶榮先生及周春生先生（均為獨立非執行董事）。

提名委員會之主要職責中包括檢討董事會架構、規模及組成（包括技能、知識及經驗），並就任何改動建議向董事會提供建議；物色及甄選具備適當資格之董事人選，並就此向董事會提供建議；評估獨立非執行董事之獨立性；及就有關委任或重選董事以及董事繼任計劃之事宜向董事會提供建議。

於履行其職能時，提名委員會已獲本公司提供足夠資源，可為履行職責尋求獨立專業意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee has a policy concerning diversity of Board members which aims to maintain the Board with a diversity of Directors in terms of skills, experience, knowledge, expertise, culture, independence, age and gender, with a view to enhancing the quality of performance of the Board.

The Nomination Committee meets not less than once a year and it met to (i) review the terms of reference; (ii) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board; and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy; and (iii) review the procedures for shareholders to elect a director has been published in the Company's and the Stock Exchange's websites.

Save as disclosed, there were no other new appointment to the Board during the year.

(i) Audit Committee

The Company's Audit Committee (the "Audit Committee") was established in June 1999 with clear written terms of reference. The terms of reference of the Audit Committee are published on the Company's website as well as the Stock Exchange's website.

The primary duties of the Audit Committee include overseeing the Company's relations with the external auditors, making recommendations to the Board on the appointment, reappointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, monitoring the integrity of the Company's financial statements, annual report and accounts, half-year report and accounting policies, as well as overseeing the Company's financial controls, internal control systems and risk management systems.

提名委員會設有有關董事會成員多元化之政策，旨在保持董事會成員之技能、經驗、知識、專業、文化、獨立性、年齡及性別多樣，藉此提升董事會之表現質素。

提名委員會每年最少舉行一次會議，以(i)檢討職權範圍；(ii)檢討董事會架構、規模及組成（包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及資歷），並就任何改動建議向董事會提供建議，以便執行本公司之企業策略；及(iii)檢討股東選舉董事之程序，並於本公司網站及聯交所網站登載。

除已披露者外，董事會年內概無委任其他新成員。

(i) 審核委員會

本公司於一九九九年六月成立審核委員會（「審核委員會」），並清楚列明其職權範圍。審核委員會之職權範圍已於本公司網站及聯交所網站登載。

審核委員會之主要職責包括監督本公司與外聘核數師之關係、就委任、續聘及罷免外聘核數師向董事會作出建議、批准外聘核數師之酬金及委聘條款、按照適用準則檢討及監察外聘核數師之獨立身份及客觀性以及審核程序之效益、監控本公司財務報表、年報及賬目、半年度報告及會計政策之完整性，以及監察本公司財務監控、內部監控制度及風險管理系統。

CORPORATE GOVERNANCE REPORT

企業管治報告

For the year ended 31 December 2016 and as at the date of this report, the Audit Committee was comprised of three members, all of whom were INEDs. The composition of the Audit Committee as at the date of this report was Ms. Leung Yin Fai (the Chairman of the Audit Committee), Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng. Ms. Leung Yin Fai, the chairman of the Audit Committee is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and the Association of Chartered Certified Accountants.

The Audit Committee has unrestricted access to the auditors of the Company, the Directors, the Company's qualified accountant, and other members of Management. The Audit Committee has met with the Company's auditors twice during the year ended 31 December 2016 with regards to review of the Company's financial report and accounts.

The Audit Committee met third times during the year ended 31 December 2016 to review the annual and interim results and the accompanying auditor's report, the accounting policies and practices adopted by the Company, and to review the financial and internal control systems of the Company.

The Audit Committee had reviewed the Group's audited financial statements for the year ended 31 December 2016.

(j) Auditors' Remuneration

During the year, the Company reappointed Messrs. SHINEWING (HK) CPA Limited as auditors of the Company. The auditors remuneration for the year ended 31 December 2016 was as follows:

Nature of work

工作性質

Audit services

審核服務

Non-audit services

非審核服務

截至二零一六年十二月三十一日止年度及於本報告日期，審核委員會由三名成員組成，均為獨立非執行董事。於本報告日期，審核委員會成員包括梁燕輝女士（審核委員會主席）、梁寶榮先生及周春生先生。審核委員會主席梁燕輝女士為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。

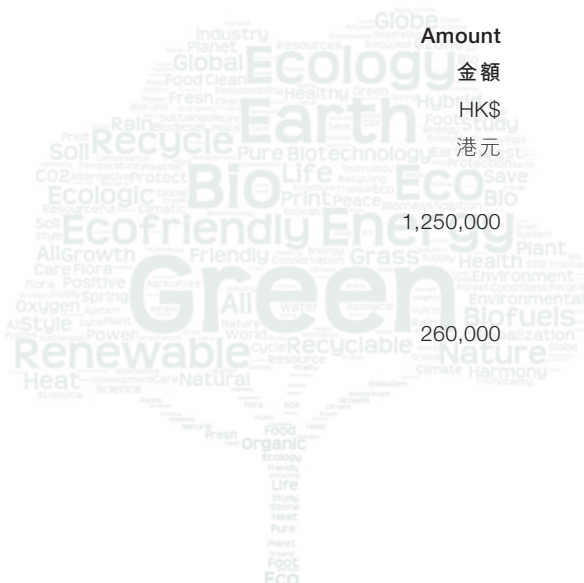
審核委員會可隨時聯絡本公司核數師、董事、本公司合資格會計師及其他管理層成員。於截至二零一六年十二月三十一日止年度，審核委員會曾與本公司核數師就審閱本公司之財務報告及賬目會面兩次。

截至二零一六年十二月三十一日止年度，審核委員會曾舉行三次會議，以審閱年度及中期業績以及隨附之核數師報告、檢討本公司採納之會計政策及慣例以及審閱本公司財務及內部監控制度。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之經審核財務報表。

(j) 核數師酬金

年內，本公司續聘信永中和（香港）會計師事務所有限公司為本公司核數師。截至二零一六年十二月三十一日止年度之核數師酬金如下：



CORPORATE GOVERNANCE REPORT

企業管治報告

(k) Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. It is also the responsibility of the Directors to ensure the timely publication of the financial statements of the Company. During the year, the management has provided sufficient explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before it for approval including the monthly updates on the Company's performance, position and prospects.

A discussion and analysis of the Groups' performance, an explanation of the basis on which the Company generates or preserves value over the longer term and the strategy for delivering the Company's objectives have been prepared and included in the Chairman Statement and Management Discussion and Analysis sections of this Annual Report.

The statement of the auditors of the Company, SHINEWING (HK) CPA Limited, on their reporting responsibilities in respect of the financial statements of the Company is set out on pages 59 to 62.

The Directors confirm that, except for the issues as explained under the basis of presentation section in note 1 of the consolidated financial statements, they are not aware of any other material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

(l) Directors' Training and Professional Development

Every Director knows that he/she should participate in continuous professional development to develop and refresh his/her knowledge and skills to ensure that his contribution to the board remains informed and relevant. The Company is responsible for arranging and funding suitable training for the Directors. Accordingly, during the year, the Company has made available trainings and development programmes for the Directors for their participation.

(k) 董事對財務報表之責任

董事知悉彼等須負責編製本公司財務報表，確保財務報表按法定要求及適用會計準則編製。董事亦須確保及時刊發本公司財務報表。年內，管理層已向董事會作出充分說明並提供資料，以確保董事會在知情情況下評估呈交其審批之財務及其他資料，包括有關本公司表現、狀況及前景之每月數據。

有關本集團表現之討論及分析以及有關本公司長期產生或保留價值之基礎及實現本公司目標之策略的說明已於本年報之主席報告及管理層討論及分析章節內編製及載列。

本公司核數師信永中和（香港）會計師事務所有限公司對本公司財務報表之申報責任聲明載於第59至62頁。

董事確認，除於綜合財務報表附註1之呈列基準項下說明之事宜外，彼等並不知悉有任何其他重大不明朗因素，涉及可能對本公司持續經營能力構成重大疑問之事件或狀況。

(l) 董事培訓及專業發展

每名董事均明白須參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司負責為董事安排及付款進行合適的培訓。因此，年內本公司已為董事提供培訓及發展計劃，供彼等參與。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, all the Directors were provided with monthly commentary on the Group's business, operations, and financial matters as well as regular updates on applicable legal and regulatory requirements. The Company had also provided the Directors with the materials and information update including the Directors' obligations as required under the Securities and Futures Ordinance and the Listing Rules. In addition, individual Directors have also participated in other courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials. All the Directors had provided the Company Secretary with their training records for the year under review.

年內，所有董事已收到就本集團業務、營運及財務事宜以及適用法律法規規定的常規修訂所作月評。本公司亦向董事提供材料及更新資料，包括根據證券及期貨條例及上市規則規定的董事職責。此外，個別董事亦參加了其他有關上市公司董事角色、職能及職責的課程，或者通過參加培訓課程或通過網路幫助或閱讀相關材料以進一步加強其專業發展。所有董事已向公司秘書提供其於回顧年度的培訓紀錄。

Directors

董事

Type of trainings

培訓類型

Executive Directors

執行董事

Mr. Zhang Sanhuo

張三貨先生

Mr. Huang Boqi

黃伯麒先生

Mr. Tse Michael Nam

謝南洋先生

Non-executive Director

非執行董事

Mr. Zou Chengjian

鄒承健先生

Independent Non-executive Directors

獨立非執行董事

Ms. Leung Yin Fai

梁燕輝女士

Mr. Leung Po Wing, Bowen Joseph

梁寶榮先生

Mr. Zhou Chunsheng

周春生先生

A: attending internal briefing sessions/reading materials in relation to corporate governance and regulatory updates.

B: attending seminars/courses/conference to develop and refresh their knowledge and skills.

A

A

A

A

A, B

A, B

A, B

A: 出席有關企業管治及監管更新的內部簡報會議／閱讀有關材料。

B: 出席研討會／課程／會議以發展及更新其知識及技能。



CORPORATE GOVERNANCE REPORT

企業管治報告

(m) Company Secretary

Mr. Shek Wing Wa, joined the Company since 2011. He holds a Bachelor Degree in Business Administration and a Master Degree in Corporate Governance and has solid experience in company secretarial field gained from both listed companies and professional firms in Hong Kong. He is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom since 2010. During the year, he has completed over 15 hours of relevant professional training.

(n) Internal Controls and Risk Management

The Board acknowledges that it is responsible for ensuring a sound and effective internal control system is maintained within the Company and its subsidiaries so as to safeguard the Group's assets and its Shareholders' investments. The Directors conduct annual reviews of the effectiveness of the system of internal controls as well as the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions, and their training programmes and budget.

Pursuant to provision C.2.5 of the CG Codes, the Board reviewed the need for an internal audit department and considered it appropriate to adopt an internal group policy to review of the effectiveness of the system of internal control of the Company and certain of its subsidiaries for the financial year ended 31 December 2016. Given the Group's simple operating structure, as opposed to a separate internal audit department, the Board is directly responsible for internal control of the Group and for reviewing its effectiveness.

The Board conducted a review on the internal control system of the Group on an annual basis and has the responsibility to maintain an effective internal control system in order to safeguard the Group's assets and shareholders' interests. It covered all material controls including financial, operational and compliance controls and risk management functions of the Company. And the policy will be reviewed annually by the Board to ensure it fulfilled the statutory requirement. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Board will keep review and monitor the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

(m) 公司秘書

石永華先生於二零一一年加入本公司。其擁有工商管理學士學位及企業管治碩士學位，亦從多間香港之上市公司及專業服務公司中獲得豐富之公司秘書經驗。石先生自二零一零年起為香港特許秘書公會及英國特許秘書及行政人員公會的會士。年內，彼已完成逾15小時的相關專業培訓。

(n) 內部監控及風險管理

董事會知悉，其須負責確保於本公司及其附屬公司內維持良好有效之內部監控制度，以保障本集團資產及其股東之投資。董事每年均對內部監控制度之效能、資源充足度、負責會計及財務申報職能之員工資歷及經驗，以及彼等之培訓計劃及預算進行檢討。

根據企管守則之守則條文第C.2.5條，董事會曾檢討內部審核部門之需要，認為採納內部集團政策以檢討本公司及其若干附屬公司於截至二零一六年十二月三十一日止財政年度的內部監控制度有效性屬恰當。鑒於本集團營運架構簡單，董事會直接對本集團之內部監控制度負責，並檢討其成效，而非由獨立之內部審核部門負責及檢討。

董事會每年均對本集團之內部監控制度進行檢討，並負責維持有效之內部監控制度，以保障本集團資產及其股東之投資。檢討範圍涵蓋所有重大監控事宜，包括本公司之財務、營運及合規監控以及風險管理職能。董事會將每年檢討有關政策，以確保符合法律規定。董事會亦檢討本公司會計及財務申報職能之資源、員工資格及經驗、培訓計劃及預算是否充足。董事會將不斷定期檢討及監察內部監控及風險管理制度之效益，以確保所設制度足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in 2016, no significant risk was identified

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.

- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.

風險管理制度

本集團採納風險管理制度，管理與其業務及營運有關之風險。該制度包括以下階段：

- 識別：識別風險負責方、業務目標及可能影響目標達成之風險。
- 評估：分析出現風險之可能性及影響，並就此評估風險組合。
- 管理：考慮風險應對方案、確保與董事會進行有效溝通以及持續監控其餘風險。

根據二零一六年進行之風險評估，並無識別重大風險。

內部監控制度

本公司設有內部監控制度，其與全美反舞弊性財務報告委員會發起組織（「COSO」）於二零一三年發佈之框架一致。該框架使本集團於營運效率及效益、財務申報之可靠性以及遵守適用法例及法規等方面能達致目標。該框架之組成部分載列如下：

監控環境：為一套標準、程序及架構，為本集團進行內部監控提供基準。

- 風險評估：為一套靈活及反覆的流程，可辨識及分析各種風險，從而達致本集團的目標，同時制定基準以決定如何管理風險。
- 監控活動：以政策及程序制定行動，從而協助確保管理層就舒緩風險以達成目標的方針得以實施。
- 資訊及溝通：進行內外部溝通，為本集團提供所需資料以進行日常監控工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2016, no significant control deficiency was identified.

Internal Auditors

The Group has an Internal Audit ("IA") function, which is consisted of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via Audit Committee afterwards.

- 監控：進行持續及個別評估，以確保內部監控的各個組成部分到位且運作正常。

為加強本集團處理內幕消息之制度，並確保其公開披露資料之真實性、準確性、完整性與及時性，本集團亦採納及執行內幕消息政策及程序。本集團已不時採取若干合理措施，以確保存有防止違反披露規定之保障措施，其中包括：

- 只有需要了解之有限數目之僱員可獲取消息。擁有內幕消息之僱員完全了解其保守機密之責任。
- 本集團訂立重大協商時簽訂保密協議。
- 與外界（如媒體、分析師或投資者）溝通時，執行董事為代表本公司發言之指定人士。

根據二零一六年進行之內部監控審閱，並無發現任何重大監控缺陷。

內部核數師

本集團設有內部審計（「內部審計」）職能，由具備相關專業知識之專業人員（如執業會計師）所組成。內部審計職能獨立於本集團之日常營運，並透過進行訪談、視察及營運效率測試，評核風險管理及內部監控制度。

內部審計計劃已獲董事會批准。根據既定計劃，須每年審閱風險管理及內部監控制度，其後之結果將通過審核委員會向董事會報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its reviews and the reviews made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

Based on the above, the Board is of the view that the Company has established a proper internal control system which is effective and adequate. And the Board also considers the internal control systems of the Company effective and the resources, qualifications and experience of the accounting and financial reporting functions, adequate for the period in review.

In year 2017, the Group has engaged SHINEWING Risk Services Limited, an independent professional third party, to review the Group's Internal Audit ("IA") function. The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness. An IA plan as suggested has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Audit Committee afterwards.

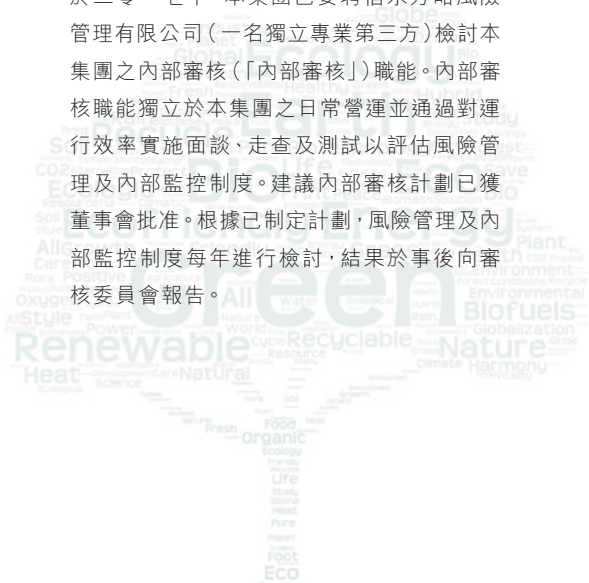
風險管理及內部監控制度之有效性

董事會負責本集團之風險管理及內部監控制度，並確保每年審閱該等制度之有效性。董事會審閱時已考慮若干領域，包括但不限於(i)自去年年度審閱以來重大風險性質及程度之變動，以及本集團應付其業務及外部環境變動之能力；及(ii)管理層持續監控風險及內部監控制度之範圍及質素。

董事會透過其審閱以及內部審計職能及審核委員會作出之審閱得出結論，認為風險管理及內部監控制度為有效及足夠。然而，該等制度旨在管理而非消除未能達成業務目標之風險，且僅能就不會有重大失實陳述或損失作出合理而非絕對之保證。其亦認為資源、員工資歷及相關員工之經驗為足夠，提供之培訓計劃及預算為充分。

基於上文所述，董事會認為，本公司已設有適當、有效及足夠的內部監控制度。董事會亦認為，本公司之內部監控制度有效，而會計及財務申報職能之資源、資歷及經驗於回顧期內亦足夠。

於二零一七年，本集團已委聘信永方略風險管理有限公司（一名獨立專業第三方）檢討本集團之內部審核（「內部審核」）職能。內部審核職能獨立於本集團之日常營運並通過對運行效率實施面談、走查及測試以評估風險管理及內部監控制度。建議內部審核計劃已獲董事會批准。根據已制定計劃，風險管理及內部監控制度每年進行檢討，結果於事後向審核委員會報告。



CORPORATE GOVERNANCE REPORT

企業管治報告

(o) Communications with Shareholders and Investors

The Board is responsible for maintaining an on-going dialogue with the Company's shareholders. A shareholders' communication policy setting out the principles of the Company in relation to shareholders' communications, with the objectives of ensuring a transparent and timely communication with shareholders via various means, has been established and published on the Company's website. And it will be reviewed annually after the annual general meeting. The annual general meetings of the Company and other general meetings are valuable forums for the Board to communicate directly with the shareholders and to answer questions shareholders may raise. Another key element of effective communication with shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced its annual and interim results in a timely manner in 2016 as required by the Listing Rules.

Separate resolutions are proposed by the chairman at general meetings for each substantial issue. The detailed procedures of conducting a poll are explained to shareholders at the commencement of the AGM, to ensure that shareholders are familiar with such procedures.

The Company's last annual general meeting ("AGM") was held on Monday, 23 May 2016 at 11:00 a.m. at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Central, Hong Kong. Notice of the last AGM were sent out on 22 April 2016, i.e. there were 19 clear business days before the AGM. All the resolutions proposed at that meeting were approved by the shareholders of the Company by poll. Details of the poll results are available on the Company's website. Mr. Zhang Sanhuo, the Chairman of the Board chaired the last AGM and also invited Ms. Leung Yin Fai, the chairman of both the audit and remuneration committees to attend. All the Directors currently in position, except Mr. Zou Chengjian and Mr. Zhou Chunsheng, attended the last AGM. The auditors and the legal advisors of the Company were also available during the AGM to answer questions from the shareholders.

The next AGM will be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Central, Hong Kong on Monday, 29 May 2017 at 11:00 a.m..

(o) 與股東及投資者之溝通

董事會負責與本公司股東保持溝通。本公司已設立股東溝通政策並於網站登載，當中載明本公司有關股東溝通的原則，以確保透過各種途徑與股東進行透明且及時之溝通。有關政策將於每年的股東週年大會後檢討。本公司之股東週年大會及其他股東大會為董事會與股東直接交流及回答股東可能提出的問題的有效論壇。與股東及投資者交流的另一有效途徑則為及時迅速地發佈有關本集團的信息。二零一六年，本公司已按上市規則規定及時公佈其年度及中期業績。

於股東大會上，主席會就各項重大問題提出獨立決議案。表決程序詳情已於股東週年大會開始時向股東說明，以確保股東熟知該等程序。

本公司上屆股東週年大會（「股東週年大會」）於二零一六年五月二十三日（星期一）上午十一時正於香港德輔道中189號李寶椿大廈20樓2001-2室舉行，上屆股東週年大會之通告已於二零一六年四月二十二日（即股東週年大會召開日期足19個營業日前）發出。於會上提出之全部決議案均由本公司股東表決通過。表決結果詳情已於本公司網站發佈。董事會主席張三貨先生主持上屆股東週年大會並邀請審核委員會及薪酬委員會主席梁燕輝女士出席會議。所有在任董事（鄧承健先生及周春生先生除外）均有出席上屆股東週年大會。本公司核數師及法律顧問亦有出席股東週年大會以回答股東問題。

下屆股東週年大會將於二零一七年五月二十九日（星期一）上午十一時正於香港德輔道中189號李寶椿大廈20樓2001-2室舉行。

CORPORATE GOVERNANCE REPORT

企業管治報告

The market capitalisation of the Company as at 31 December 2016 was HK\$1,532,316,723.04 (issued share capital: 72,967,463,002 shares at closing market price: HK\$0.021 per share). The public float was approximately 73.97% as at 31 December 2016.

(p) Constitutional Documents

Except the increase of the authorized share capital from HK\$800,000,000 to HK\$2,000,000,000 divided into 200,000,000,000 shares of HK\$0.01 each on 23 May 2016, there was no other change to the Company's Memorandum of Association and Bye-laws during the financial year 2016. Copy of the latest version of the Memorandum of Association and Bye-laws has been posted on the Company's and the Stock Exchange's websites.

(q) Shareholders' Rights – Convening of General Meetings

Shareholders shall have the right to request the Board to convene a general meeting of the Company. Shareholders holding an aggregate of not less than one-tenth (10%) of the paid up capital of the Company may send a written request to the Board of the Company to request for the convening of a general meeting. The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the registered office of the Company. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 74 of the Act once a valid requisition is received.

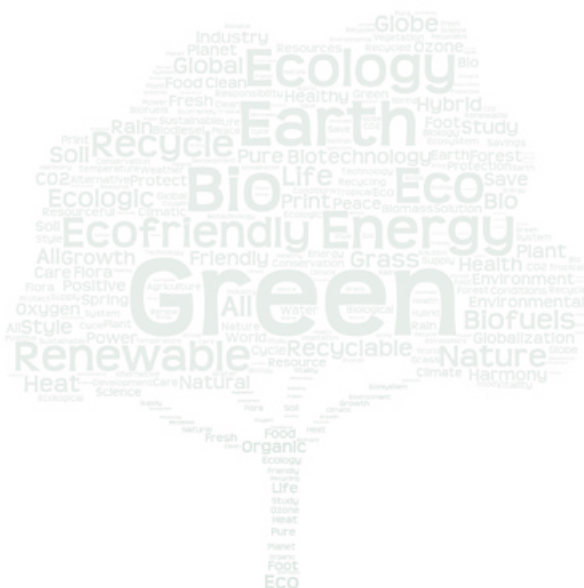
於二零一六年十二月三十一日，本公司市值為1,532,316,723.04港元（已發行股本：72,967,463,002股，按每股收市價0.021港元）。二零一六年十二月三十一日的公眾持股量約為73.97%。

(p) 章程文件

於二零一六年財政年度，除法定股本於二零一六年五月二十三日從800,000,000港元增加至2,000,000,000港元（分為200,000,000,000股每股面值0.01港元之股份）外，本公司之組織章程大綱及公司細則概無其他變動。最新的組織章程大綱及公司細則已刊載於本公司及聯交所網站。

(q) 股東權利－召開股東大會

股東有權要求董事會召開本公司之股東大會，惟須經持有合共不少於本公司已繳足資本十分之一(10%)之股東向本公司董事會發出召開股東大會的書面申請。經由當事股東正式簽署的書面申請應指明召開大會的目的，且應送交本公司註冊辦事處。於接獲有效申請後，本公司將根據公司法第74條之規定採取適當措施及作出必要安排，而當事股東須承擔執行開支。



CORPORATE GOVERNANCE REPORT

企業管治報告

(r) Shareholders' Rights – Making Proposals at General Meetings

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company: (a) any number of members representing not less than one-twentieth (5%) of the total voting rights of the Company on the date of the requisition; or (b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the registered office of the Company. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Act once valid documents are received.

If a shareholder wishes to propose a person other than a retiring director for election as a director at a general meeting, the shareholder should lodge at the principal place of business of the Company at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Central, Hong Kong, the necessary documents as mentioned in the "Procedures for shareholders to propose a person for election as a director of the Company" which has already been published in the Company's and the Stock Exchange's website.

(s) Shareholders' Rights – Enquiries to the Board

Shareholders may make enquiries with the Board at the general meetings of the Company or at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

North Asia Resources Holdings Limited
Units 2001-2, 20th Floor, Li Po Chun Chambers,
189 Des Voeux Road Central, Hong Kong
Telephone: (852) 2889 6289
Fax: (852) 2897 9137

(r) 股東權利—向股東大會提呈建議

以下股東可向本公司股東大會提呈(可向會議正式提呈)建議供審議:(a)於要求當日持有不少於二十分之一(5%)本公司總投票權的任何數目股東;或(b)持有本公司股份的不少於100名的股東。

要求須列明建議,經當事股東正式簽名,且應連同一份不超過1,000字的建議所涉事宜陳述送交本公司註冊辦事處。於接獲有效文件後,本公司將根據公司法第79條及第80條之規定採取適當措施及作出必要安排,而當事股東須承擔執行開支。

倘股東擬於股東大會建議推選一名非退任董事的人士為董事,股東須將本公司及聯交所網站已公佈的「股東建議推舉本公司董事的程序」所指必要文件送交本公司主要營業地點,地址為香港德輔道中189號李寶椿大廈20樓2001-2室。

(s) 股東權利—詢問董事會

股東可於本公司股東大會上向董事會提出詢問或隨時透過以下聯絡詳情經公司秘書向董事會提交書面查詢及疑問:

北亞資源控股有限公司
香港德輔道中189號
李寶椿大廈20樓2001-2室
電話:(852) 2889 6289
傳真:(852) 2897 9137

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣
希慎道33號
利園一期43樓

TO THE MEMBERS OF NORTH ASIA RESOURCES HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

致北亞資源控股有限公司全體股東
(於百慕達註冊成立之有限公司)

Disclaim of Opinion

We were engaged to audit the consolidated financial statements of North Asia Resources Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 188, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

不發表意見

我們獲委聘審核第63至188頁所載北亞資源控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們並未就 貴集團之綜合財務報表發表意見。基於我們之報告「作出不發表意見之基礎」一節所述事宜之重要性，我們未能獲取充足適當之審核憑證，以就該等綜合財務報表之審核意見提供基礎。我們認為，綜合財務報表在所有其他方面已遵從香港公司條例之披露規定妥為編製。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Basis for Disclaimer of Opinion

Uncertainties relating to Going Concern

As set out in Note 1 to the consolidated financial statements, the Group had net current liabilities of approximately HK\$5,011,026,000 as at 31 December 2016. The consolidated financial statements of the Group have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the ongoing external facilities available to the Group and the internal funds generated by the Group. We are unable to verify the availability of such future financing. If these ongoing facilities and internal funds are not forthcoming, the Group would be unable to meet its financial obligations as and when they fall due, which might cast a significant doubt on the Group's ability to continue as a going concern. Accordingly, we disclaim our opinion in this respect.

Impairment Losses and Reversal of Impairment Losses in respect of Mining Rights and Property, Plant and Equipment

As detailed in Notes 15, 16 and 33 to the consolidated financial statements, based on the valuation reports and the technical reports in relation to the mining operations (the "Valuations") as obtained by the Group, the Group recognised impairment losses of approximately HK\$338,896,000 and HK\$51,704,000 in respect of mining rights and property, plant and equipment respectively during the interim period. The Group carried out an impairment assessment as at 31 December 2016 and reversed the impairment losses made in respect of mining rights and property, plant and equipment of approximately HK\$900,880,000 and HK\$143,517,000 respectively. We are unable to obtain sufficient reliable evidence to satisfy ourselves as to certain those assumptions and basis as adopted in the Valuations and there is no other practical alternative audit procedure that we could perform. Any adjustments that might have been found to be necessary would have a consequential effect on the Group's impairment loss and reversal of impairment losses in respect of mining rights and property, plant and equipment for the year ended 31 December 2016, and the carrying amounts of the mining rights and property, plant and equipment as at 31 December 2016.

作出不發表意見之基礎

有關持續經營之不明朗因素

誠如綜合財務報表附註1所載，貴集團於二零一六年十二月三十一日有流動負債淨額約5,011,026,000港元。貴集團之綜合財務報表已由貴公司董事按持續經營基準編製，其有效性取決於貴集團可獲得之持續外部融資及貴集團產生之內部資金。我們無法核實是否可獲得未來融資。倘無法獲得該等持續融資及內部資金，貴集團將無法履行其到期財務責任，這可能令貴集團之持續經營能力存在重大疑問。因此，我們就此作出保留意見。

有關採礦權及物業、廠房及設備之減值虧損及減值虧損撥回

誠如綜合財務報表附註15、16及33所詳述，根據貴集團所獲得之有關採礦業務之估值報告及技術報告（「估值」），貴集團於中期期間分別就採礦權及物業、廠房及設備確認減值虧損約338,896,000港元及51,704,000港元。貴集團於二零一六年十二月三十一日進行減值評估並撥回分別就採礦權及物業、廠房及設備作出之減值虧損約900,880,000港元及143,517,000港元。我們無法獲得充足可靠憑證令我們信納估值採用之若干假設及基準，且並無其他我們可執行之實際審核程序。若出現有需要作出任何之調整，或將對貴集團截至二零一六年十二月三十一日止年度之採礦權及物業、廠房及設備之減值虧損及減值虧損撥回，以及於二零一六年十二月三十一日之採礦權及物業、廠房及設備之賬面值產生影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report, solely to you, as a body, in accordance with Section 90 of the Bermuda Company Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

貴公司董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，及落實 貴公司董事認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時， 貴公司董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及採用持續經營為會計基礎，除非 貴公司董事有意將 貴集團清盤或停止經營，或除此之外並無其他實際可行的辦法。

管治層須負責監督 貴集團之財務申報程序。

核數師就審核綜合財務報表須承擔的責任

我們之責任為根據香港會計師公會頒佈之香港審計準則對 貴集團之綜合財務報表進行審核，並根據百慕達公司法第90條僅向全體股東發出核數師報告，除此之外別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。然而，由於我們之報告不發表意見的基準一節所述的事宜，故我們無法取得充分及適當之審核憑證為就該等綜合財務報表之審核意見提供基準。

根據香港會計師公會發佈的專業會計師道德守則（「守則」），我們獨立於 貴集團，且我們已根據守則履行吾等的其他道德責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

The engagement partner on the audit resulting in this independent auditor's report is Wong Chuen Fai.

出具本獨立核數師報告的審計項目合夥人為黃銓輝。

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Chuen Fai

Practising Certificate Number: P05589

Hong Kong

30 March 2017

信永中和(香港)會計師事務所有限公司

執業會計師

黃銓輝

執業證書編號：P05589

香港

二零一七年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年	2015 二零一五年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	7	197,765	63,923
Cost of sales and services rendered	銷售及提供服務之成本		(225,712)	(46,753)
Gross (loss) profit	毛(損)利		(27,947)	17,170
Other operating income	其他經營收益	7	11,741	5,128
Selling and distribution expenses	銷售及分銷費用		(3,349)	(4,574)
Administrative and operating expenses	行政及經營費用		(174,064)	(223,576)
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動	27	126,851	(786,373)
Loss on redemption of convertible loan notes	贖回可換股貸款票據之虧損	27	(4,181)	(3,305)
(Loss) gain on redemption of promissory notes	贖回承兌票據之(虧損)收益	31	(126)	2,398
Impairment loss recognised in respect of mining rights	就採礦權確認之減值虧損	16	(338,896)	(2,715,022)
Reversal of impairment loss in respect of mining rights	就採礦權之減值虧損撥回	16	900,880	-
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	17	-	(2,352)
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	15	(51,704)	(368,432)
Reversal of impairment loss in respect of property, plant and equipment	有關物業、廠房及設備之減值虧損撥回	15	143,517	-
Finance costs	融資成本	8	(272,652)	(371,978)
Profit (loss) before taxation	除稅前利潤(虧損)	9	310,070	(4,450,916)
Income tax (expense) credit	所得稅(開支)抵免	10	(118,872)	678,184
Profit (loss) for the year	年度利潤(虧損)		191,198	(3,772,732)
Attributable to:	以下人士應佔:			
Owners of the Company	本公司擁有人		107,605	(2,373,281)
Non-controlling interests	非控股權益		83,593	(1,399,451)
			191,198	(3,772,732)
Earnings (loss) per share	每股盈利(虧損)			
Basic (HK cents)	基本(港仙)	12	0.21	(15.70)
Diluted (HK cents)	攤薄(港仙)	12	0.13	(15.70)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Profit (loss) for the year	年度溢利(虧損)	191,198	(3,772,732)
Other comprehensive expense for the year	年度其他全面開支		
Items that may be subsequently reclassified to profit or loss:	日後可重新分類至損益之項目：		
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(148,950)	(325,341)
Other comprehensive expense for the year	年度其他全面開支	(148,950)	(325,341)
Total comprehensive income (expenses) for the year	年度全面收益(開支)總額	42,248	(4,098,073)
Total comprehensive income (expenses) attributable to:	以下人士應佔全面收益(開支)總額：		
Owners of the Company	本公司擁有人	51,867	(2,512,320)
Non-controlling interests	非控股權益	(9,619)	(1,585,753)
		42,248	(4,098,073)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年	2015 二零一五年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,437,291	1,060,046
Mining rights	採礦權	16	7,944,075	7,977,311
Goodwill	商譽	17	–	–
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金		22,440	42,668
			9,403,806	9,080,025
Current assets	流動資產			
Inventories	存貨	18	4,676	5,530
Trade and other receivables	貿易及其他應收款項	19	195,755	101,824
Amount due from a related company	應收一間關連公司款項	20	9	9
Amount due from a director	應收一名董事款項	21	66	–
Bank balances and cash	銀行結餘及現金	22	36,943	34,461
			237,449	141,824
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	875,639	832,010
Amounts due to related companies	應付關連公司款項	20	344,157	321,448
Amount due to a non-controlling interest holder	應付一名非控股權益持有人款項	24	3,902,503	2,745,260
Other borrowings	其他借貸	25	40,007	5,755
Obligation under finance leases	融資租賃項下之責任	26	10,199	–
Liabilities component of convertible loan notes	可換股貸款票據之負債部分	27	–	121,587
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分	27	67,594	356,225
Promissory notes	承兌票據	31	–	217,963
Income tax liabilities	所得稅負債		8,376	6,947
			5,248,475	4,607,195
Net current liabilities	流動負債淨額		(5,011,026)	(4,465,371)
Total assets less current liabilities	資產總值減流動負債		4,392,780	4,614,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016	2015
			二零一六年	二零一五年
		NOTES	HK\$'000	HK\$'000
		附註	千港元	千港元
Capital and reserves	資本及儲備			
Share capital	股本	28	729,675	206,634
Convertible preference shares	可轉換優先股	29	-	-
Reserves	儲備		(1,583,747)	(2,544,479)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(854,072)	(2,337,845)
Non-controlling interests	非控股權益	41	2,935,887	2,945,506
Total equity	權益總額		2,081,815	607,661
Non-current liabilities	非流動負債			
Amount due to a non-controlling interest holder	應付一名非控股權益持有人款項	24	25,712	975,196
Provision for restoration, rehabilitation and environmental costs	恢復、修復及環境成本撥備	30	66,682	67,497
Liabilities component of convertible loan notes	可換股貸款票據之負債部分	27	370,998	1,142,188
Other borrowings	其他借貸	25	-	31,284
Obligation under finance leases	融資租賃項下之責任	26	52,147	-
Deferred tax liability	遞延稅項負債	32	1,795,426	1,790,828
			2,310,965	4,006,993
			4,392,780	4,614,654

The consolidated financial statements on pages 63 to 188 were approved and authorised for issue by the board of directors on 30 March 2017 and are signed on its behalf by:

第63至188頁之綜合財務報表於二零一七年三月三十日經董事會批准及授權刊發，並由以下董事代為簽署：

Mr. Zhang Sanhuo
張三貨先生
Director
董事

Mr. Huang Boqi
黃伯麒先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Convertible preference shares	Contributed surplus	Exchange translation reserve	Share options reserve	Statutory surplus reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本	股份溢價	優先股	繳入盈餘	匯兌換算儲備	購股權儲備	公積儲備	累計虧損	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	60,350	4,974,717	19,887	419,111	86,090	29,545	850	(8,581,966)	(2,991,416)	4,531,259	1,539,843
Loss for the year	年度虧損	-	-	-	-	-	-	-	(2,373,281)	(2,373,281)	(1,399,451)	(3,722,732)
Other comprehensive expenses for the year	年度其他全面開支	-	-	-	-	(139,039)	-	-	-	(139,039)	(186,302)	(325,341)
Total comprehensive expenses for the year	年度全面開支總額	-	-	-	-	(139,039)	-	-	(2,373,281)	(2,512,320)	(1,585,753)	(4,098,073)
Recognition of share based payment expense	確認股份支付開支	-	-	-	-	-	41,007	-	-	41,007	-	41,007
Issues of share upon:	因以下各項而發行股份:											
- Placings	- 配售	22,345	318,185	-	-	-	-	-	-	340,530	-	340,530
- Expenses on issue shares	- 股份發行開支	-	(3,575)	-	-	-	-	-	-	(3,575)	-	(3,575)
- Interest capitalisation	- 利息資本化	281	3,313	-	-	-	-	-	-	3,594	-	3,594
- Exercise of share options	- 行使購股權	100	1,852	-	-	-	(452)	-	-	1,500	-	1,500
- Conversions of convertible preference shares	- 兌換可轉換優先股	-	-	(19,887)	-	-	-	-	-	-	-	-
- Conversions of convertible loan notes	- 兌換可換股貸款票據	21,852	(1,965)	-	-	-	-	-	-	-	-	-
		101,706	2,681,129	-	-	-	-	-	-	2,782,835	-	2,782,835
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	206,634	7,973,656	-	419,111	(52,949)	70,100	850	(10,955,247)	(2,337,845)	2,945,506	607,661
Profit for the year	年度溢利	-	-	-	-	-	-	-	107,605	107,605	83,593	191,198
Other comprehensive expenses for the year	年度其他全面開支	-	-	-	-	(55,738)	-	-	-	(55,738)	(93,212)	(148,950)
Total comprehensive (expenses) income for the year	年度全面(開支)收益總額	-	-	-	-	(55,738)	-	-	107,605	51,867	(9,619)	42,248
Recognition of share based payment expense	確認股份支付開支	-	-	-	-	-	8,229	-	-	8,229	-	8,229
Issue of shares upon:	因以下各項而發行股份:											
- Placings	- 配售	380,000	-	-	-	-	-	-	-	380,000	-	380,000
- Transaction cost attributable to placing	- 配售應佔交易成本	-	(3,990)	-	-	-	-	-	-	(3,990)	-	(3,990)
- Conversion of convertible loan notes	- 兌換可換股貸款票據	143,041	904,626	-	-	-	-	-	-	1,047,667	-	1,047,667
At 31 December 2016	於二零一六年十二月三十一日	729,675	8,874,292	-	419,111	(108,687)	78,329	850	(10,847,642)	(854,072)	2,935,887	2,081,815

Notes:

- Contributed surplus represents the reduction of the Company's issued share capital upon cancellation of paid up share capital, and the deemed contribution from equity holder arisen from the waiver of promissory notes in previous years.
- Subsidiaries in the People's Republic of China have appropriated 10% of the profit to the statutory surplus reserve which is required to be retained in the accounts of the subsidiaries for specific purposes.

附註:

- 繳入盈餘指本公司已發行股本因繳足股本被註銷而減少之金額，以及權益持有人於過往年度豁免承兌票據而視作注資的金額。
- 中華人民共和國附屬公司將10%之溢利撥往法定盈餘公積儲備，有關款項須保留於附屬公司賬目作特定用途。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit (loss) before taxation	除稅前溢利(虧損)	310,070	(4,450,916)
Adjustments for:	就下列各項作出調整:		
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動	(126,851)	786,373
Depreciation	折舊	42,920	47,383
Amortisation of mining rights	採礦權攤銷	94,882	-
Finance costs	融資成本	272,652	371,978
Impairment loss recognised in respect of mining rights	就採礦權確認之減值虧損	338,896	2,715,022
Reversal of impairment loss in respect of mining rights	有關採礦權之減值虧損撥回	(900,880)	-
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	51,704	368,432
Reversal of impairment loss in respect of property, plant and equipment	有關物業、廠房設備之減值虧損撥回	(143,517)	-
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	1,859
Impairment of goodwill	商譽減值	-	2,352
Interest income	利息收入	(169)	(242)
Gain on settlement of interest payable	結付應付利息之收益	-	(477)
Loss on redemption of convertible loan notes	贖回可換股貸款票據之虧損	4,181	3,305
Loss (gain) on redemption of promissory notes	贖回承兌票據之虧損(收益)	126	(2,398)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(452)	(2,660)
Share-based payment expenses	股份支付開支	8,229	38,905
Impairment loss reversal in respect of trade receivable	有關貿易應收款項之減值虧損撥回	(8,733)	-
Recovery of other receivables previously written off	收回先前已撇銷之其他應收款項	-	(35)
Operating cash flows before movements in working capital	未計營運資金變動前經營現金流量	(56,942)	(121,119)
Decrease (increase) in inventories	存貨減少(增加)	854	(3,650)
Increase in trade and other receivables	貿易及其他應收款項增加	(103,929)	(20,774)
Increase in trade and other payables	貿易及其他應付款項增加	90,680	65,656
Refund of mineral resource compensation fees	退回礦產資源補償費	-	5,967
Cash used in operations	經營業務所用現金	(69,337)	(73,920)
Income tax paid	已付所得稅	(353)	(377)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(69,690)	(74,297)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Acquisition of property, plant and equipment	收購物業、廠房及設備	(96,276)	(70,449)
Net cash outflow from acquisition of a subsidiary	收購一間附屬公司 現金流出淨額	-	(2,387)
Interest received	已收利息	169	242
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	762	4,454
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(95,345)	(68,140)
FINANCING ACTIVITIES	融資活動		
Advance from non-controlling interests	非控股權益墊款	383,250	356,044
Net proceeds from placing of shares	配售股份所得款項淨額	376,010	336,955
Exercise of share options	行使購股權	-	1,500
Repayments of obligations under finance leases	融資租賃項下之 責任還款	(14,380)	-
Cash paid on redemptions of promissory notes	贖回承兌票據 支付之現金	(214,500)	(61,100)
Cash paid on redemptions of convertible loan notes	贖回可換股貸款票據 支付之現金	(128,700)	(70,200)
Interest paid	已付利息	(268,892)	(321,656)
Advance from (repayment to) related companies	關連公司墊款 (還款予關連公司)	36,009	(106,150)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	168,797	135,393
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	3,762	(7,044)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	34,461	40,632
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	(1,280)	873
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物, 列為銀行結餘及現金	36,943	34,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and principal place of business of the Company are Units 2001-2, 20/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. The directors of the Company consider HK\$ is the appropriate presentation currency for the users of the Group’s financial statements. The functional currency of the Company is changed from Renminbi (“RMB”) to HK\$ in 2015 since the management determined that the Company was listed in Hong Kong and its fund raising and treasury transactions are carried out in HK\$. The functional currency of the Company’s major subsidiaries are dominated in RMB.

The principal activity of the Company is investment holding and provision of finance and treasury service to the Group. During the year, the Group were principally involved in systems integration services and software solutions, geological survey, exploration and development of coal deposits (mining operation), sales of coking coal and cultivation and processing of cassava starch for sale.

1. 一般資料

本公司為於百慕達註冊成立之獲豁免有限公司。本公司之股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司註冊辦事處及主要營業地點地址分別為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港德輔道中189號李寶椿大廈20樓2001-2室。

綜合財務報表以港元呈列，港元亦為本公司之功能貨幣。本公司董事認為，港元對本集團財務報表使用者而言為合適呈列貨幣。由於管理層認為本公司於香港上市，而本公司之集資及財資交易乃以港元進行，故本公司之功能貨幣於二零一五年由人民幣改為港元。本公司主要附屬公司之功能貨幣以人民幣計值。

本公司之主要業務為投資控股以及向本集團提供融資及財資服務。於年內，本集團主要從事系統集成服務及軟件解決方案、煤炭礦藏之地質研究、勘探及開發（採礦業務）、銷售焦煤及種植及加工木薯澱粉以供銷售。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL (CONTINUED)

Basis of preparation of the consolidated financial statements

As at 31 December 2016, the Group had net current liabilities of approximately HK\$5,011,026,000. The directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2016 after had taken into consideration of the following:

- i) as at 31 December 2016, included in the current liabilities of the Group was derivative component of convertible loan notes of approximately HK\$67,594,000 which represented options to entitle the holders to convert the convertible loan notes into ordinary shares of the Company before the maturity dates of the convertible loan notes and the early redemption option. Such derivative component of convertible loan notes shall not result in any cash outflow for the Group;
- ii) subsequent to 31 December 2016, approximately HK\$438,175,000 of other payables and approximately HK\$344,157,000 of amount due to related companies had already confirmed that they shall not demand immediate settlement due by the Group before 1 July 2018;
- iii) subsequent to 31 December 2016, the Group's non-controlling interest holder had confirmed that the aggregate amount due by the Group of approximately HK\$3,928,215,000 are extended for not less than one year from the original dates on which they are falling due; and
- iv) further financing can be obtained by the Group when necessary and internal funds shall be generated from the Group's operations.

1. 一般資料 (續)

綜合財務報表之編製基準

於二零一六年十二月三十一日，本集團有流動負債淨額約5,011,026,000港元。董事認為，本集團將擁有足夠營運資金履行其於由二零一六年十二月三十一日起計未來十二個月到期之財務責任，當中已考慮下列各項：

- i) 於二零一六年十二月三十一日，本集團之流動負債內包括可換股貸款票據衍生工具部分約67,594,000港元，為賦予持有人於可換股貸款票據到期日前將可換股貸款票據兌換為本公司普通股之選擇權及提早贖回選擇權。該等可換股貸款票據衍生工具部分不會導致本集團有任何現金流出；
- ii) 於二零一六年十二月三十一日後，其他應付款項約438,175,000港元及應付關連公司款項約344,157,000港元已確認，彼等於二零一八年七月一日前不會要求本集團即時償付應付款項；
- iii) 於二零一六年十二月三十一日後，本集團之非控股權益持有人已確認，本集團應付款項總額約3,928,215,000港元已獲延期，由原到期日起計不少於一年；及
- iv) 本集團可於需要時獲得進一步融資及內部資金將源自本集團之業務。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL (CONTINUED)

Basis of preparation of the consolidated financial statements (continued)

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. If adequate finance is not available, the Group may be unable to meet its obligations as and when they fall due in the foreseeable future. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and Interpretations (“Int(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

1. 一般資料 (續)

綜合財務報表之編製基準 (續)

因此，本公司董事認為，按持續經營基準編製綜合財務報表實屬恰當。倘本集團未能獲得足夠融資，則可能無法於可見將來財務責任到期時履行有關責任。倘若本集團無法繼續按持續經營基準營運，則須作出調整以將資產價值撇減至可收回金額，為可能產生之進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。此等調整之影響並無於綜合財務報表內反映。

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

於本年度，本集團已應用下列由香港會計師公會 (「香港會計師公會」) 所頒佈之新訂及經修訂香港財務報告準則，包括香港財務報告準則、香港會計準則 (「香港會計準則」)、修訂及詮釋 (「詮釋」)。

香港財務報告準則之修訂	二零一二年至二零一四年週期香港財務報告準則年度改進
香港會計準則第1號之修訂	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷之可接受方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港會計準則第27號之修訂	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號之修訂	收購合營業務之權益之會計法

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

The application of the new and revised HKFRSs in the current year has no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial Investment with HKFRS Insurance Contract
Amendments to HKFRSs	Annual Improvements to the HKFRS Standards 2014-2016 Cycles ⁵

- 1 Effective for annual periods beginning on or after 1 January 2017.
- 2 Effective for annual periods beginning on or after 1 January 2018.
- 3 Effective for annual periods beginning on or after 1 January 2019.
- 4 Effective date not yet been determined.
- 5 Effective for annual periods beginning in or after 1 January 2017 or 1 January 2018 as appropriate.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

於本年度應用新訂及經修訂香港財務報告準則並無對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載披露資料造成重大影響。

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團未有提早採納下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號（二零一四年）	金融工具 ²
香港財務報告準則第15號	客戶合約收入 ²
香港財務報告準則第16號	租賃 ³
香港會計準則第7號之修訂	披露計劃 ¹
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產銷售或注入 ⁴
香港財務報告準則第2號之修訂	股份支付交易之分類及計量 ²
香港財務報告準則第4號之修訂	與香港財務報告準則保險合約一併應用之香港財務報告準則第9號金融工具
香港財務報告準則之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進 ⁵

- 1 由二零一七年一月一日或之後開始之年度期間生效。
- 2 由二零一八年一月一日或之後開始之年度期間生效。
- 3 由二零一九年一月一日或之後開始之年度期間生效。
- 4 尚未釐定生效日期。
- 5 由二零一七年一月一日或二零一八年一月一日（倘適用）或之後開始之年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and revised HKFRSs issued but not yet effective (continued)

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

本公司董事預期，除下文所述者外，應用新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況造成重大影響。

香港財務報告準則第9號（二零一四年）金融工具

二零零九年頒佈之香港財務報告準則第9號提出金融資產分類及計量之新規定。香港財務報告準則第9號於二零一零年作出修訂，包括金融負債分類及計量以及終止確認之規定。二零一三年，香港財務報告準則第9號進一步修訂，以落實對沖會計法之實質性修訂，從而使實體於財務報表中更能反映風險管理活動。香港財務報告準則第9號之最終版本於二零一四年頒佈，以收納先前年度已頒佈之香港財務報告準則第9號之所有要求，並就若干金融資產引入「按公平值計入其他全面收益」計量分類，對分類及計量作出有限修訂。香港財務報告準則第9號之最終版本亦就減值評估引入「預期信貸虧損」模式。

香港財務報告準則第9號（二零一四年）之主要規定概述如下：

- 屬於香港會計準則第39號金融工具：確認及計量範圍之所有已確認金融資產，其後按攤銷成本或公平值計量。具體而言，以商業模式持有之債務投資，倘其目標為收取合約現金流量，而合約現金流量僅為支付本金及未償還本金之利息，則該債務投資一般於其後會計期間結束時按攤銷成本計量；而以商業模式持有之債務工具，倘其目標為收取合約現金流量並出售金融資產，而金融資產之合約條款於指定日期產生現金流量，僅供支付本金及未償還本金之利息，則該債務投資按公平值計入其他全面收益計量。所有其他債務投資及股本投資於其後報告期間結束時按其公平值計量。此外，根據香港財務報告準則第9號（二零一四年），實體須作出不可撤回之選擇，以於其他全面收益呈報股本投資（並非持作買賣者）公平值之其後變動，惟有股息收入全面於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 9 (2014) Financial Instruments (continued)

Key requirements of HKFRS 9 (2014) are described as follows: (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity’s expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號 （二零一四年）金融工具（續）

香港財務報告準則第9號（二零一四年）之主要規定概述如下：（續）

- 對於指定按公平值計入損益之金融負債之計量，香港財務報告準則第9號（二零一四年）規定，金融負債因其信貸風險變動而引致之公平值變動於其他全面收益呈列，除非於其他全面收益確認會導致損益產生或擴大會計錯配，則另當別論。金融負債因其信貸風險變動而引致之公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定按公平值計入損益之金融負債之公平值變動，乃全數於損益呈列。
- 就減值評估而言，加入了有關實體將其金融資產及提供延伸信貸承擔之預期信貸虧損入賬之減值規定。該等規定消除了香港會計準則第39號有關確認信貸虧損之門檻。根據香港財務報告準則第9號（二零一四年）之減值方法，毋須待信貸事件發生即可確認信貸虧損。反之，預期信貸虧損以及此等預期信貸虧損之變動將一直入賬。於各報告日期須更新預期信貸虧損之金額，以反映自首次確認以來信貸風險之變動，並因此更適時地提供預期信貸虧損資料。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 9 (2014) Financial Instruments (continued)

Key requirements of HKFRS 9 (2014) are described as follows: (continued)

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號（二零一四年）金融工具（續）

香港財務報告準則第9號（二零一四年）之主要規定概述如下：（續）

- 香港財務報告準則第9號（二零一四年）引入新模式，讓公司在對沖其金融及非金融風險時進行之風險管理工作能更加緊貼對沖會計法。香港財務報告準則第9號（二零一四年）作為一個以原則為基礎之方法，着重是否可識別及計量風險成分，而不會區分金融項目與非金融項目。新模式亦有助實體以內部用作風險管理之資料作為對沖會計法之基礎。根據香港會計準則第39號，有需要以僅作會計用途之指標，展示根據香港會計準則第39號是否合資格及是否符合其規定。新模式亦載入合資格準則，但此等準則乃根據有關對沖關係強弱之經濟評估而定。此關係可藉着風險管理數據而釐定。與香港會計準則第39號對沖會計法之實踐成本相比，此模式應該較低，原因是此模式減少僅為會計目的所進行之分析。

香港財務報告準則第9號（二零一四年）將於二零一八年一月一日或之後生效之年度期間生效，允許提早應用。

本公司董事預期，日後採納香港財務報告準則第9號（二零一四年）可能會對本集團金融資產及金融負債所呈報之金額造成重大影響。就本集團之金融資產而言，於完成詳細審閱前，本集團難以切實可行地提供有關影響之合理估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號客戶合約收入

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收入金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。因此，香港財務報告準則第15號引入適用於客戶合約之模型，當中包含按合約進行之五步交易分析，以釐定確認收入之金額及時間。該五個步驟如下：

- i) 識別與客戶訂立之合約；
- ii) 識別合約中之履約責任；
- iii) 釐定交易價；
- iv) 將交易價分配至履約責任；及
- v) 於實體完成履約責任時（或就此）確認收入。

香港財務報告準則第15號亦引進廣泛之質性及量性披露規定，旨在讓財務報表使用者能了解客戶合約產生之收入及現金流量之性質、金額、時間及不確定性。

香港財務報告準則第15號生效後，將取代現行收入確認指引，包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號將於二零一八年一月一日或之後開始之年度期間生效，允許提早應用。本公司董事預期，日後應用香港財務報告準則第15號，可能對本集團綜合財務報表中已呈報金額及披露構成影響。然而，直至本集團進行詳細檢閱前，難以切實可行地提供對香港財務報告準則第15號之影響之合理估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別租賃安排以及彼等於出租人及承租人財務報表之處理引入一個綜合模式。

就承租人之會計處理而言，該準則引入單一承租人會計模式，規定承租人須確認所有租賃期限為12個月以上之租賃之資產及負債，低價值相關資產則除外。

承租人須於租賃開始日期按成本確認使用權資產，包括租賃負債之初始計量金額，加開始日期或之前向出租人作出之任何租賃付款，減任何已收租賃優惠以及承租人產生之初步估計修復成本及任何初始直接成本。租賃負債乃按尚未支付租賃付款於該日之現值初始確認。

其後，使用權資產乃按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債其後藉增加賬面值以反映租賃負債利息，減少賬面值以反映已作出之租賃付款而計量，並重新計量賬面值以反映任何重估或租賃修訂或反映經修訂之實質固定租賃付款。使用權資產之折舊及減值開支（如有）將按照香港會計準則第16號物業、廠房及設備之規定於損益扣除，而租賃負債之應計利息則計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 Leases (continued)

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendment to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfill the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

Amendments to HKAS 7 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted.

The directors anticipate that the application of Amendments to HKAS 7 would result in additional disclosures on the Group’s financing activities, especially reconciliation between the opening and closing balance in consolidated statement or financial position for liabilities arising from financing activities will be provided on application.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

就出租人之會計處理而言，香港財務報告準則第16號實質上推行香港會計準則第17號之出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方式將該兩類租賃入賬。

香港財務報告準則第16號將於生效後取代現行之租賃準則，包括香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號將於二零一九年一月一日或之後開始之年度期間生效，並可提早應用，惟實體須於香港財務報告準則第16號初步應用當日或之前已採用香港財務報告準則第15號客戶合約收入。本公司董事正在評估該等規定對於綜合財務報表之影響。然而，於本集團進行詳盡審閱前提供該影響之合理估計乃不切實際。

香港會計準則第7號之修訂披露計劃

該等修訂要求實體提供使財務報表使用者能夠評估融資活動所產生之負債變動之披露資料，包括現金流量產生之變動及非現金變動。該等修訂並無限定達成新披露規定之指定方法。然而，該等修訂指出其中一個方法為提供融資活動產生之負債之期初及期末結餘之對賬。

香港會計準則第7號之修訂於二零一七年一月一日或之後開始之年度期間生效，並獲准提前應用。

董事預期，應用香港會計準則第7號之修訂將會導致對本集團融資活動作出額外披露，特別是會於應用時於綜合財務狀況表內就融資活動產生的負債於期初及期終的結餘作出對賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

3. 主要會計政策

綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列聯交所證券上市規則及香港公司條例規定之適用披露資料。

綜合財務報表乃按歷史成本基準編製，惟於各報告期末按公平值計量之若干金融工具除外。

歷史成本一般根據用作交換貨品及服務所支付代價之公平值計算。

公平值為市場參與者在現行市況下於計量日期在主要（或最有利）市場按有序交易出售一項資產而將收取或轉移一項負債而將支付的價格，不論該價格是否可直接觀察或使用其他估值技術估算（即離場價）。公平值計量之詳情於下文所載之會計政策詳述。

主要會計政策載列於下文。

綜合基準

綜合財務報表載有本公司及本公司控制之實體（即其附屬公司）之財務報表。倘附屬公司編製其財務報表所採用之會計政策並非綜合財務報表中就類似情況下之類似交易及事件採用之會計政策，則應在編製財務資料時在該附屬公司之財務報表中作出適當調整以確保與本集團集團之會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

3. 主要會計政策 (續)

綜合基準 (續)

本集團取得控制權之條件為：(i)對被投資方行使權力；(ii)因參與被投資方而獲得之可變回報須承擔風險或擁有權利；及(iii)有能力行使其對被投資方之權力以影響本集團之回報金額。當本集團擁有被投資者之投票權不足大多數，則可透過(i)與其他投票權持有人訂立合約安排；(ii)產生自其他合約安排的權利；(iii)本集團之投票權及潛在投票權；或(iv)根據所有相關事實及情況，結合上述方法，以取得對被投資方之控制權。

倘事實及情況顯示上述其中一項或多項控制要素出現變動，本公司會重新評估是否對被投資方擁有控制權。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去對附屬公司之控制權，便停止將該附屬公司綜合入賬。

附屬公司之收益及開支會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司當日為止。

附屬公司之損益及各個其他全面收益部分歸屬於本公司擁有人及非控股權益。即使會導致非控股權益出現虧絀，附屬公司全面收益總額仍會歸屬於本公司擁有人及非控股權益。

所有集團內公司間與本集團實體間交易有關之資產及負債、權益、收入、開支及現金流量均於綜合賬目時悉數對銷。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Business combinations

Businesses combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs incurred to effect a business combination are recognised in profit or loss as incurred.

3. 主要會計政策（續）

本集團於現有附屬公司擁有權益之變動

倘本集團於現有附屬公司之擁有權益出現變動，但並無導致本集團失去對該等附屬公司之控制權，則入賬列作權益交易。本集團之權益與非控股權益之賬面值均會按兩者所持附屬公司相關權益之變動作出調整。非控股權益之調整數額與已付或已收代價之公平值兩者間之差額，均直接於權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司之控制權，便於損益確認收益或虧損，確認金額乃按(i)所收取代價之公平值加上任何保留權益之公平值總和與(ii)附屬公司資產（包括商譽）和負債以及非控股權益之原賬面值兩者之差額計算。所有先前於其他全面收益就該附屬公司確認之金額，會以猶如本集團已直接出售該附屬公司之相關資產或負債之方式（即重新分類至損益或轉撥至適用香港財務報告準則規定／准許之另一權益類別）入賬。

業務合併

業務合併乃以收購法列賬。於業務合併轉撥之代價按公平值計量，而該公平值乃按本集團所轉讓之資產、本集團對被收購方前擁有人所承擔之負債及本集團為換取被收購方之控制權而發行之股權於收購日期之公平值總和計算。完成業務合併所產生與收購事項相關之成本於產生時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 *Income Taxes*;
- assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 19 *Employee Benefits*;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

3. 主要會計政策 (續)

業務合併 (續)

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟下列項目除外：

- 因業務合併所收購資產及所承擔負債而產生之遞延稅項資產或負債根據香港會計準則第12號「所得稅」確認及計量；
- 有關被收購方僱員福利安排之資產或負債根據香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方之股份支付交易有關或與以本集團之股份支付交易取代被收購方之股份支付交易有關之負債或股本工具，乃於收購日期按香港財務報告準則第2號「股份支付」計量；及
- 根據香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售之資產（或出售組別）乃根據該準則計量。

商譽乃以已轉撥代價、任何非控股權益於被收購方中所佔金額以及本集團以往持有之被收購方股權之公平值（如有）之總和，超出已收購可識別資產及已承擔負債於收購日期淨額之差額計量。倘經重新評估後，已收購可識別資產及已承擔負債於收購日期之淨額高於已轉撥代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公平值（如有）之總和，則差額即時於損益確認為議價收購收益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that is within the scope of HKAS 39 is measured at fair value at each reporting date, and changes in fair value are recognised in profit or loss in accordance with HKAS 39. Other contingent consideration that is not within the scope of HKAS 39 is measured at fair value at each reporting date and changes in fair value are recognised in profit or loss.

3. 主要會計政策 (續)

業務合併 (續)

除非另有準則規定，否則非控股權益按收購日期之公平值計量，惟屬於現時所有權權益並賦予其持有人在清盤時按比例分佔被收購方淨資產之非控股權益部分，方可以公平值或以現時之所有權工具於個別交易中按比例分佔被收購方可識別淨資產之已確認金額計量。

當本集團於業務合併時轉讓之代價包含因或然代價安排而產生之資產或負債時，或然代價將按收購日期之公平值計量，並被視為業務合併時所轉讓代價之一部份。符合作為計量期間調整之或然代價之公平值變動，需以追溯方式進行調整，而商譽亦會進行相應調整。計量期間調整是指於「計量期間」（不超出收購日期起計一年）取得與收購日期已存在之事實及情況相關之額外資料而產生之調整。

或然代價之公平值變動之其後會計處理如不合資格作計量期間調整乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告日期重新計量，而其後結算於權益內入賬。香港會計準則第39號範圍內之其他或然代價於各報告日期按公平值計量，而公平值變動根據香港會計準則第39號於損益確認。香港會計準則第39號範圍外之其他或然代價則於各報告日期按公平值計量，而公平值變動於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. During the measurement period (see above), the provisional amounts recognised at the acquisition date are adjusted retrospectively or additional assets or liabilities are recognised as of that date, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. 主要會計政策 (續)

業務合併 (續)

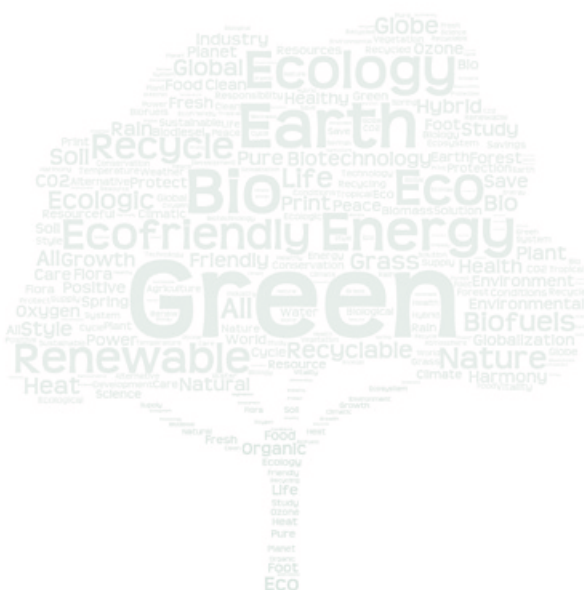
倘業務合併分階段完成，則本集團過往所持有被收購人之股本權益會重新計量至收購日期（即本集團取得控制權當日）之公平值，所產生之收益或虧損（如有）於損益表確認。過往於其他綜合收益確認的於收購日期前於被收購人之權益所產生款項會重新分類至損益表，該權益被出售時，此等處理方法將會適用。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團呈報未完成會計處理之項目之暫定金額。於計量期間（見上文）內，於收購日期所確認暫定金額追溯調整，或截至該日確認額外資產或負債，以反映所取得於收購日期已存在而據所知可能影響於該日已確認款項之相關事實與情況之新資料。

商譽

業務合併產生之商譽乃按成本減累計減值虧損（如有）列賬。

就進行減值測試而言，商譽乃分配至本集團預期可從合併所產生協同效益中獲益之各現金產生單位（或現金產生單位組別）。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less accumulated impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Service income is recognised in the period when the services are provided, using a straight-line basis over the term of the contract for the contracted period or using a fixed rate charged on the service provided to its customers.

3. 主要會計政策 (續)

商譽 (續)

獲分配商譽之現金產生單位會每年作減值測試，或於有跡象顯示該單位可能出現減值時，作更頻密減值測試。於報告期內進行收購而產生之商譽，獲分配商譽之現金產生單位於該報告期末前作減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則減值虧損首先分配以減低任何之前分配至該單位之任何商譽之賬面值，繼而根據單位內各資產之賬面值比例，分配至該單位之其他資產。商譽之任何減值虧損直接於損益確認。就商譽確認之減值虧損不會在往後期間撥回。

於出售有關現金產生單位時，商譽之應佔金額計入釐定出售之損益金額內。

於附屬公司之投資

於附屬公司之投資按成本減累計減值虧損計入本公司財務狀況表。附屬公司之業績由本公司按已收及應收股息基準列賬。

收入確認

收入按已收或應收代價之公平值計量，即正常業務過程中銷售貨品應收之款項扣除折扣及銷售相關稅項。

服務收入於合約期內就合約期使用直線法或使用就向客戶提供服務所收取之固定費用於提供服務之期間確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

3. 主要會計政策 (續)

收入確認 (續)

銷售貨品之收入於貨品交付及所有權轉移，且符合以下所有條件時確認：

- 本集團已將貨品擁有權之主要風險及回報轉移予買方；
- 本集團既無保留通常與擁有權相聯繫之繼續管理權，亦無保留對已售貨品之有效控制權；
- 能可靠計量收入之金額；
- 與交易相關之經濟利益很可能流入本集團；及
- 能可靠計量已經或將產生之交易成本。

金融資產之利息收入於經濟利益有可能流向本集團及收入之金額能可靠計量時確認。金融資產之利息收入按時間基準，並參照尚餘本金額及按適用之實際利率累算，實際利率指將金融資產於整個預期年期之估計未來現金收入準確貼現至該資產於首次確認時之賬面淨值之利率。

租賃

當租賃條款將擁有權絕大部分風險及回報轉讓予承租人時，租賃分類為融資租賃，而所有其他租賃則分類為經營租賃。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策 (續)

收入確認 (續)

本集團為承租人

按融資租賃持有之資產按租賃開始時之公平值與最低租賃付款現值之較低者確認為本集團資產。對出租人之相應責任計入綜合財務狀況表列作融資租賃負債。

租賃付款乃於融資開支與減低租賃負債間分配，從而就負債餘額達致固定利率。融資開支即時於損益確認，除非其直接與合資格資產有關，於該情況下，該等開支將根據本集團有關借貸成本的一般政策撥充資本。或然租金於其產生期間確認為開支。

經營租約付款乃按租期以直線基準確認為開支，除非另有系統基準更能代表租賃資產使用所產生經濟利益之時間模式則作別論。經營租賃產生之或然租金於產生期間確認為開支。

倘訂立經營租賃而收取租賃優惠，則該優惠會確認為負債。優惠總利益以直線法確認為扣減租賃開支，惟另有體系性比時間性更具有代表性，租賃資產之經濟效益被消耗除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period and recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Share options granted to business associate

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. 主要會計政策 (續)

股份支付交易

授予僱員之購股權

所獲服務之公平值乃參考所授出購股權於授出日期之公平值釐定，並於所授出購股權即時歸屬時之授出日期全數確認為開支，而權益(購股權儲備)亦會相應增加。

於報告期末，本集團修訂預期最終歸屬之估計購股權數目。於歸屬期內修訂原有估計之影響(如有)於損益確認，致使累計開支反映該經修訂估計，並對購股權儲備作出相應調整。

當購股權獲行使，先前於購股權儲備中確認之金額會轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使，先前於購股權儲備中確認之金額將繼續列於購股權儲備內。

授予業務聯繫人士之購股權

為換取貨品或服務而發行之購股權按所獲貨品或服務之公平值計量，惟倘公平值無法可靠計量，則參照所授出購股權之公平值計量所獲貨品或服務。當本集團取得貨品或對手方提供服務，除非貨品或服務符合資格確認為資產，否則所獲貨品或服務之公平值確認為開支，而權益(購股權儲備)亦會相應增加。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment including buildings (classified as finance leases) held for use in supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment (other than properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括持作於供應貨品或服務時使用或作為行政目的之樓宇(分類為融資租賃))按成本減其後累計折舊及其後累計減值虧損(如有)計入綜合財務狀況表。

折舊採用直線法,於物業、廠房及設備(在建物業除外)項目之估計可使用年期將其成本分配至剩餘價值而確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,所估計之任何變動之影響按未來適用法入賬。

在建工程包括正在興建作生產用途或供自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。在建工程於竣工及可作擬定用途時會被分類為物業、廠房及設備的適當分類。此等資產於可作擬定用途時按與其他物業資產相同之基準開始計算折舊。

物業、廠房及設備項目於出售後或當預期持續使用該資產不會產生未來經濟利益時終止確認。終止確認該資產之任何盈虧(以出售所得款項淨額與該資產賬面值之差額計算),於終止確認該項目期間計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange translation reserve (attributed to non-controlling interest as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 主要會計政策 (續)

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易，按交易日期匯率換算為功能貨幣（即該實體經營之主要經濟環境貨幣）記賬。於報告期末，外幣計值貨幣項目按該日匯率重新換算。按過往成本計量之外幣計值非貨幣項目不予換算。

結算貨幣項目及重新換算貨幣項目產生之匯兌差額於產生期間於損益確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期間損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債按各報告期末之匯率換算為本集團呈列貨幣（即港元），而收入及開支項目則按年度平均匯率換算。所產生之匯兌差額（如有）於其他全面收益確認及於權益（匯兌換算儲備（如適用，非控股權益應佔））累計。

收購海外業務所產生之商譽及已收購可識別資產之公平值調整，當作該海外業務之資產及負債處理，按各報告期末之匯率重新換算。所產生之匯兌差額於其他全面收益確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mining rights

Mining rights are carried at cost less accumulated amortisation and accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below). Amortisation for mining rights is recognised on the units of production method based on the total proven and probable reserves of the mine or contractual period from the date of commencement of commercial production which approximates the date from which they are available for use.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Financial instruments

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

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

3. 主要會計政策 (續)

採礦權

採礦權按成本減累計攤銷及累計減值虧損 (請參閱下文有關有形及無形資產減值虧損之會計政策) 列賬。採礦權根據已探明及可能礦藏總儲量按生產單位法確認攤銷，或於與可供使用日期相若之投入商業生產日期起計之合約年期確認攤銷。

現金及現金等價物

綜合財務狀況表內之銀行結餘及現金包括銀行及手頭現金。

就綜合現金流量表而言，現金及現金等價物包括上文界定之現金及短期存款 (扣除未償還銀行透支)。

金融工具

當集團實體成為金融工具合約條文訂約方，則於綜合財務狀況表確認金融資產及金融負債。

金融資產及金融負債首次按公平值計量。收購或發行金融資產及金融負債 (按公平值計入損益之金融資產及金融負債除外) 直接應佔之交易成本於首次確認時計入金融資產或金融負債 (視適用情況而定) 之公平值，或從中扣除。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments

Financial assets as FVTPL

Financial assets at FVTPL has two sub-categories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

3. 主要會計政策 (續)

金融工具 (續)

金融資產

本集團金融資產分類為以下特定類別：按公平值計入損益（「按公平值計入損益」）之金融資產，以及貸款及應收款項。分類視乎金融資產之性質及目的於首次確認時釐定。所有常規金融資產買賣按交易日基準確認及終止確認。常規買賣乃規定於市場上按規則或慣例設定之時間框架內交付資產之金融資產買賣。

實際利率法

實際利率法為計算金融資產之攤銷成本及分配利息收入至有關期間之方法。實際利率指將債務工具於整個預計年期或（如適用）較短期間之估計未來現金收入（包括屬整體實際利率一部分之所有已付或已收費用及利率差價、交易成本及其他溢價或貼現價）準確貼現至首次確認時之賬面淨值之利率。

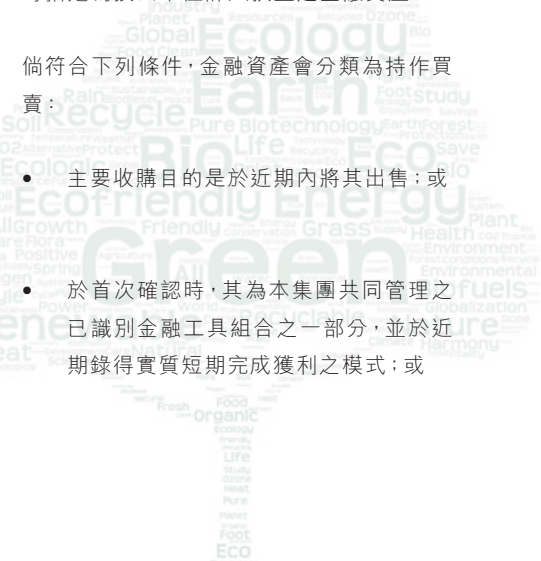
債務工具之利息收入按實際利率基準確認。

按公平值計入損益之金融資產

按公平值計入損益之金融資產分為兩個細分類，包括持作買賣之金融資產及於首次確認時指定為按公平值計入損益之金融資產。

倘符合下列條件，金融資產會分類為持作買賣：

- 主要收購目的是於近期內將其出售；或
- 於首次確認時，其為本集團共同管理之已識別金融工具組合之一部分，並於近期錄得實質短期完成獲利之模式；或



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Financial assets as FVTPL (continued)

- it is a derivative that is not designated and effective as a hedging instrument.
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the other gains and losses line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 40.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from a related company, amount due from a director and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益之金融資產 (續)

- 其為一衍生工具並未指定及有效成為對沖工具。
- 該指定可消除或相當程度上減低計量或確認時可能出現之不一致情況；或
- 該金融資產為本集團根據其明文訂明之風險管理或投資策略以公平值基準管理及評估表現之金融資產或金融負債組別或兩者之組成部分，且有關分組資料乃按該基準內部提供；或
- 構成一項包含一個或多個內含衍生工具之合約之部分，而香港會計準則第39號允許整份合併合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值計量，公平值變動則於產生期間直接於損益確認。於損益確認之收益或虧損淨額包括金融資產賺取之任何股息或利息，並計入綜合損益及其他全面收益表之其他收益及虧損項目內。公平值以附註40所述方式釐定。

貸款及應收款項

貸款及應收款項為於活躍市場並無報價而附帶固定或可議定付款之非衍生金融資產。首次確認後，貸款及應收款項（包括貿易及其他應收款項、應收一間關連公司款項、應收一名董事款項以及銀行結餘及現金）採用實際利率法按攤銷成本減任何已識別減值虧損（見下文有關金融資產減值虧損之會計政策）計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment loss on financial assets

Financial assets other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and other receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period from 30 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損

金融資產 (不包括按公平值計入損益者) 於各報告期末評估是否出現減值跡象。倘有客觀證據顯示因首次確認金融資產後發生之一件或多件事件, 導致金融資產之估計未來現金流量受到影響, 則金融資產視作減值。

所有其他金融資產減值之客觀證據包括:

- 發行人或對手方出現嚴重財政困難; 或
- 違約, 例如逾期支付或拖欠利息或本金; 或
- 借款人有可能破產或進行財務重組; 或
- 因出現財政困難而導致該金融資產之活躍市場消失。

對於若干類別之金融資產, 例如貿易及其他應收款項, 評估為並無個別減值, 會另外以整體方式評估減值。應收款項組合減值之客觀證據包括本集團過往收款經驗; 超過除賬期限30天至180天之逾期款項數目增加; 與應收款項拖欠情況相關之國家或當地經濟狀況之可觀察變動。

對於按攤銷成本列賬之金融資產, 減值虧損金額以資產之賬面值與估計未來現金流量按金融資產原實際利率貼現之現值間之差額確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment loss on financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related companies, amount due to a non-controlling interest holder, promissory notes and other borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損 (續)

所有金融資產之賬面值直接以金融資產之減值虧損扣減，惟貿易及其他應收款項之賬面值透過撥備賬扣減。撥備賬之賬面值變動於損益確認。當貿易及其他應收款項視為不能收回時，則於撥備賬撇銷。過往撇銷之金額於其後收回時計入損益。

對於按攤銷成本計量之金融資產，倘減值虧損金額在隨後期間減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前所確認之減值虧損透過損益撥回，惟該資產於減值撥回當日之賬面值不得超過如無確認減值而應有之攤銷成本。

金融負債及股本工具

由集團實體發行之債務及股本工具根據合約安排內容與金融負債及股本工具之定義分類為金融負債或權益。

股本工具

股本工具指任何證明本集團擁有扣減所有負債後之資產剩餘權益之合約。本集團發行之股本工具按已收所得款項扣除直接發行成本確認。

其他金融負債

其他金融負債（包括貿易及其他應付款項、應付關連公司款項、應付一名非控股權益持有人款項、承兌票據及其他借貸）乃隨後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Convertible loan notes

Convertible loan notes issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the liability and conversion option components are recognised at fair value.

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The conversion option derivative together with other embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法為計算金融負債之攤銷成本及分配利息開支至有關期間之方法。實際利率指將金融負債於整個預計年期或(如適用)較短期間之估計未來現金付款(包括屬整體實際利率一部分之所有已付或已收費用及利率差價、交易成本及其他溢價或貼現價)準確貼現至首次確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

可換股貸款票據

本集團發行之可換股貸款票據包含負債及兌換權部分，於首次確認時各自分類為相關項目。以定額現金或另一項金融資產交換本公司固定數目之股本工具以外之方式結算之兌換權為兌換權衍生工具。於發行日期，負債及兌換權部分均按公平值確認。

於其後期間，可換股貸款票據之負債部分以實際利率法按攤銷成本列賬。兌換權衍生工具連同其他內含衍生工具按公平值計量，公平值之變動則於損益確認。

發行可換股貸款票據之相關交易成本，按相對公平值比例撥往負債及衍生工具部分。衍生工具部分之相關交易成本會即時於損益扣除。負債部分之相關交易成本會計入負債部分之賬面值，並以實際利率法於可換股貸款票據期間攤銷。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Convertible preference shares

Convertible preference shares are classified as equity if it is non-redeemable and any dividends are discretionary. Dividends on convertible preference shares classified as equity are recognised as distributions within equity.

Embedded derivatives

Derivative embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

可轉換優先股

可轉換優先股倘不可贖回且股息屬酌情性質，即分類為權益。分類為權益之可轉換優先股之股息於權益內確認為分派。

內含衍生工具

倘非衍生主合約內含之衍生工具符合衍生工具之定義，其風險及特性並非與主合約部分密切相關，且主合約並非按公平值計量及公平值變動並非於損益確認，則有關衍生工具會視為獨立衍生工具。

終止確認

當從資產收取現金流量之合約權利屆滿時，或將金融資產及資產擁有權之絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團並未轉讓亦不保留擁有權之絕大部分風險及回報，並繼續控制該已轉讓資產，則本集團會繼續確認資產，惟以其繼續參與之程度為限，並確認相關負債。

終止確認整項金融資產時，資產賬面值與已收及應收代價與於其他全面收益中確認並於權益累計之累計損益之總和之差額，於損益確認。

本集團於責任獲解除、取消或屆滿時，方會終止確認金融負債。已終止確認之金融負債賬面值與已付及應付代價之差額於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are calculated using the weighted average method for its mining products and first-in-first out method for its systems integration services and software solutions products. Net realisable value represents the estimated selling prices for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment losses on tangible and intangible assets with finite useful lives other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

3. 主要會計政策（續）

存貨

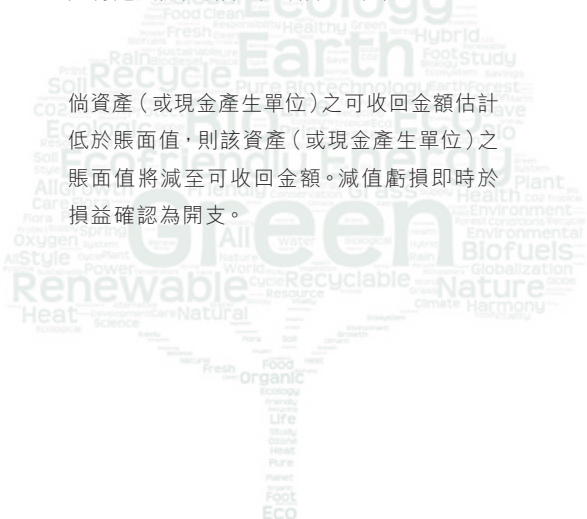
存貨按成本或可變現淨值之較低者列賬。採礦產品之存貨成本按加權平均法計算，而系統集成服務及軟件解決方案產品之存貨成本則按先入先出法計算。可變現淨值指估計存貨售價扣減所有估計完工成本和進行銷售之所需成本。

具有限可使用年期之有形及無形資產（商譽除外）（請參閱上文有關商譽之會計政策）減值虧損

本集團會於各報告期末審閱具有限可使用年期之有形及無形資產之賬面值，以確定是否出現任何減值虧損跡象。倘存在任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損（如有）之數額。倘不可能估計個別資產之可收回金額，則本集團估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一致之分配基準，亦將企業資產分配至個別現金產生單位，或分配至可識別合理及一致之分配基準之現金產生單位最小組別。

可收回金額為公平值減銷售成本與使用價值之間之較高者。評估使用價值時，估計未來現金流量會採用可反映現行市場對貨幣時間值之評估及資產（並未調整估計未來現金流量）之特定風險之貼現率，貼現至現值。

倘資產（或現金產生單位）之可收回金額估計低於賬面值，則該資產（或現金產生單位）之賬面值將減至可收回金額。減值虧損即時於損益確認為開支。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible and intangible assets with finite useful lives other than goodwill (see the accounting policy in respect of goodwill above) (continued)

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before tax" as reported in the consolidated profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策 (續)

具有限可使用年期之有形及無形資產 (商譽除外) (請參閱上文有關商譽之會計政策) 減值虧損 (續)

倘若減值虧損其後撥回，則該資產 (或現金產生單位) 之賬面值將增至經修訂之估計可收回金額，惟增加後之賬面值不得超出該資產 (或現金產生單位) 過往年度如無確認減值虧損時原應釐定之賬面值。撥回之減值虧損即時於損益確認為收入。

政府補助

當能合理保證本集團符合政府補助所附條件及收取補助時，方會確認有關政府補助。

政府補助於本集團將政府補助擬補償之相關成本確認為開支之期間有系統地於損益確認。

用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助 (而無未來相關成本) 之應收政府補助於應收期間在損益確認。

稅項

所得稅支出指現時應付稅項與遞延稅項之總和。

現時應付稅項按年度應課稅溢利計算。應課稅溢利與綜合損益所呈報之「除稅前虧損」不同，原因在於前者不包括其他年度之應課稅或可扣減之收入或支出項目，亦不包括毋須課稅或不可扣稅之項目。本集團之即期稅項負債按報告期末已頒佈或實質頒佈之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in profit or loss.

Retirement benefit costs

Payments to the PRC government retirement benefit scheme pursuant to the relevant labour rules and regulations in the PRC and the Mandatory Provident Fund Scheme (“MPF Scheme”) in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策（續）

稅項（續）

遞延稅項按綜合財務報表中資產及負債之賬面值與計算應課稅溢利所用相應稅基之暫時性差額確認。所有應課稅暫時性差額通常會確認遞延稅項負債。所有可扣稅暫時性差額通常會確認遞延稅項資產，惟僅以可能將會有應課稅溢利可供動用該等可扣稅暫時性差額為限。

於附屬公司之投資相關之應課稅暫時性差額會確認遞延稅項負債，除非本集團能控制暫時性差額撥回及暫時性差額在可見將來可能不會撥回，則作別論。因與該等投資及權益相關之可扣稅暫時性差額而產生之遞延稅項資產僅以可能將會有足夠應課稅溢利可供動用該等暫時性差額之利益，且該等暫時性差額預計將於可見將來撥回為限確認。

遞延稅項負債根據報告期末已頒佈或實質頒佈之稅率（及稅法），按償還負債期間預期適用之稅率計量。

即期及遞延稅項於損益確認。

退休福利成本

根據中國相關勞工規則及規例向中國政府退休福利計劃以及香港強制性公積金計劃（「強積金計劃」）支付之款項，於僱員提供服務而合資格享有供款時確認為開支。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provision for restoration, rehabilitation and environmental costs

Provisions for the Group's restoration, rehabilitation and environmental expenses are based on estimates of required expenditure to restore the sites of Group's mines in accordance with PRC rules and regulations. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation.

3. 主要會計政策 (續)

短期僱員福利

本集團就與工資及薪金、年假和病假相關之僱員福利，於提供有關服務之期間按預期將支付以換取該服務之未貼現福利金額確認負債。

就短期僱員福利確認之負債，按預期將支付以換取相關服務之未貼現福利金額計量。

借貸成本

收購、興建或生產合資格資產（即需經過一段長時間方可達致其擬定用途或可供銷售之資產）直接應佔之借貸成本計入該等資產之成本，直至該等資產大致上達致其擬定用途或可供銷售為止。

所有其他借貸成本於產生期間於損益確認。

撥備

倘本集團因過往事件而須承擔當前責任（法律或推定責任），而本集團很可能須履行該責任，且能可靠估計責任之金額，則會確認撥備。確認為撥備之金額乃經考慮責任所附帶之風險及不確定因素後，對於報告期末為履行該當前責任而須承擔代價作出之最佳估計金額。

恢復、修復及環境成本撥備

本集團恢復、修復及環境成本撥備乃本集團根據中國規則及法規恢復礦場而估計之所需支出。本集團估計最終開墾及礦場關閉之負債時，乃基於進行所需工程所耗用之未來現金支出之金額及時間之詳盡計算，並因應通脹而調高，然後按可反映現行市場對貨幣時間值之評估及負債之特定風險之貼現率貼現，以使撥備反映預期履行責任所需開支之現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Going concern basis

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the basis as set out in Note 1 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定性之主要來源

在應用附註3所述本集團會計政策時，本公司董事須對未能輕易從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素作出。實際結果或會與該等估計不同。

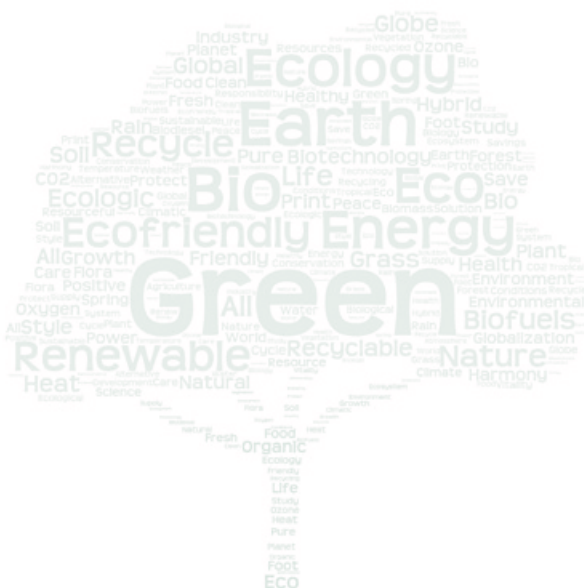
估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂估計之期間，則有關修訂於該期間確認，倘同時影響現時及未來期間，則於修訂估計之期間及未來期間確認。

應用實體會計政策時所作關鍵判斷

以下為董事應用實體會計政策過程中所作對綜合財務報表確認之金額產生最重大影響之關鍵判斷，惟涉及估計者（見下文）除外。

持續經營基準

綜合財務報表按持續經營基準編製，其是否有效取決於綜合財務報表附註1所列之基準。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies (continued)

Control over subsidiaries

The Group owns 49% equity interest in 山西煤炭運銷集團能源投資開發有限公司 ("Shanxi Coal"). The Group's ownership of 49% equity interest in Shanxi Coal gives the Group the same percentage of the voting rights in Shanxi Coal. The Group's 49% equity interest in Shanxi Coal was acquired on 7 June 2013 and there has been no change in the Group's ownership in Shanxi Coal since then. The remaining 51% of the registered capital of Shanxi Coal is owned by two equity interest holders, who holds 41% and 10% respectively. The directors of the Company made an assessment as at the date of completion of acquisition as to whether or not the Group has control over Shanxi Coal in accordance with the definition of control and the related guidance set out in HKFRS 10.

The directors of the Company concluded that it has had control over Shanxi Coal since the completion of acquisition on 7 June 2013 on the basis that under the amendments made to the memorandum and articles of association of Shanxi Coal on 21 December 2009, the Group are able to appoint five directors out of nine on the board of directors of Shanxi Coal through its wholly owned subsidiaries and a resolution to be passed by the board of directors of Shanxi Coal requires a simple majority. Upon Shanxi Coal were effectively acquired by the Group on 7 June 2013, the Group is able to control the decision making of the board of directors of Shanxi Coal through its wholly owned subsidiaries.

In addition, all the shareholders of Shanxi Coal agreed that they will approve the plans and proposals, including operating and investment plan, financial budgeting, profit appropriation, extraction of discretionary reserve and the issuance of bonds, proposed by the board of directors of Shanxi Coal. Accordingly, Shanxi Coal is accounted for as subsidiary of the Company.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

應用實體會計政策時所作關鍵判斷 (續)

對附屬公司之控制權

本集團擁有山西煤炭運銷集團能源投資開發有限公司(「山西煤炭」)49%股本權益。本集團於山西煤炭擁有之49%股本權益令本集團於山西煤炭擁有相同比例之投票權。本集團於二零一三年六月七日收購山西煤炭49%股本權益，自此本集團於山西煤炭之擁有權並無改變。山西煤炭註冊資本中餘下51%權益由兩名股本權益持有人擁有，該兩名持有人分別持有41%及10%權益。本公司董事於完成收購當日按照香港財務報告準則第10號所載控制權之定義及相關指引評估本集團對山西煤炭是否擁有控制權。

本公司董事認為，本集團自二零一三年六月七日完成收購以來對山西煤炭擁有控制權，原因是根據山西煤炭之組織章程大綱及細則於二零零九年十二月二十一日作出之修訂，本集團可透過其全資附屬公司委任山西煤炭董事會之九名成員中五名董事，而須由山西煤炭董事會通過之決議案須由過半數成員通過。本集團於二零一三年六月七日實際收購山西煤炭後，本集團能透過其全資附屬公司控制山西煤炭董事會所作出之決策。

此外，山西煤炭之全體股東同意，彼等將批准由山西煤炭董事會提出之計劃及建議，包括經營和投資計劃、財務預算、利潤分配、提取酌情儲備及發行債券。因此，山西煤炭列為本公司之附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

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

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Impairment of property, plant and equipment

The Group tests at the reporting date whether property, plant and equipment have suffered any impairment in accordance with accounting policies stated in Note 3. Determining whether property, plant and equipment are impaired requires an estimation of the recoverable amount of the property, plant and equipment. Such estimation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. These calculations require the use of estimates such as the future revenue and discount rates.

As at 31 December 2016, the carrying amounts of property, plant and equipment are approximately HK\$1,437,291,000 net of accumulated depreciation and impairment of HK\$507,589,000 (2015: HK\$1,060,046,000, net of accumulated depreciation and impairment of HK\$596,669,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源

以下為對未來之主要假設及於報告期末估計不確定性之其他主要來源，兩者均極可能導致須對下一個財政年度之資產及負債賬面值作出重大調整。

物業、廠房及設備之折舊

物業、廠房及設備以直線法按估計可使用年期折舊，當中已計及估計剩餘價值。釐定可使用年期及剩餘價值涉及管理層估計。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期，倘預期與原有估計有差異，則可能會影響該年度之折舊，而未來期間之估計亦會改變。

物業、廠房及設備之減值

於報告日期，本集團根據附註3所述之會計政策測試物業、廠房及設備是否有任何減值。釐定物業、廠房及設備是否減值時，須估計物業、廠房及設備之可收回金額。有關估計乃基於若干假設，其存在不確定性及可能與實際結果有重大差異。該等計算須對未來收入及貼現率等作出估計。

於二零一六年十二月三十一日，物業、廠房及設備之賬面值約為1,437,291,000港元（扣除累計折舊及減值507,589,000港元）（二零一五年：1,060,046,000港元（扣除累計折舊及減值596,669,000港元））。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Impairment of mining rights

Under the full cost method of accounting for mining rights, such costs are capitalised by reference to appropriate cost pools, and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgement as to (i) the likely future commerciality of the asset and when such commerciality should be determined; and (ii) future revenues and costs pertaining to the asset in question, and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value. While conducting an impairment review of its assets, the Group makes certain judgements in making assumptions about the future product prices, reserves and future development and production costs. Changes in these estimates may result in significant changes to the consolidated statement of profit or loss. As at 31 December 2016 the carrying amount of mining right is HK\$7,944,075,000 net of accumulated amortisation and impairment losses of HK\$2,901,363,000 (2015: HK\$7,977,311,000 net of accumulated amortisation and impairment losses of HK\$3,601,142,000).

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units ("CGUs") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of goodwill is nil, net of accumulated impairment loss of HK\$3,676,679,000. (2015: nil, net of accumulated impairment loss of HK\$3,676,679,000). Details of the recoverable amount calculation are disclosed in Note 17.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

採礦權之減值

根據將採礦權入賬之全面成本法，有關成本參照適當成本組別資本化，若有跡象顯示採礦權賬面值可能已超出可收回價值，則評估減值。此評估涉及判斷(i)資產日後在商業上可行之可能性及商業上可行之時間；及(ii)有關資產日後之收入及成本，以及為計算可收回價值對該等收入及成本運用之貼現率。對資產進行減值檢討時，本集團就未來產品價格、儲量及未來發展與生產成本作出假設時，作出若干判斷。該等估計如有變動，或會導致綜合損益表出現重大變化。於二零一六年十二月三十一日，採礦權之賬面值為7,944,075,000港元，扣除累計攤銷及減值虧損2,901,363,000港元（二零一五年：7,977,311,000港元，扣除累計攤銷及減值虧損3,601,142,000港元）。

估計商譽之減值

釐定商譽是否已減值需要估計獲分配商譽之現金產生單位（「現金產生單位」）之使用價值。計算使用價值，需要本集團估計現金產生單位預期將產生之未來現金流量，以及適當貼現率，以計算現值。倘實際未來現金流量少於預期，則可能產生嚴重減值虧損。於二零一六年十二月三十一日，商譽之賬面值為零港元，扣除累計減值虧損3,676,679,000港元（二零一五年：無，扣除累計減值虧損3,676,679,000港元）。可收回金額計算方法之詳情於附註17披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Impairment loss recognised in respect of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash receipts are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade receivable is HK\$33,438,000 (net of allowance for doubtful debts of HK\$14,298,000) (2015: carrying amount of HK\$27,429,000, net of allowance for doubtful debts of HK\$23,591,000).

Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proven" and "probable". Proven and probable mine reserve estimates are updated on regular intervals taking into account recent production and technical information about each mine. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mine reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rates and impairment of mining rights.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment losses. The capitalised cost of mining rights is depreciated over the estimated unit of production. The estimated unit of production are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

就貿易應收款項確認之減值虧損

倘出現減值虧損之客觀證據，本集團會考慮估計未來現金流量。減值虧損按資產賬面值與按金融資產原實際利率（即首次確認時計算之實際利率）貼現之估計未來現金流量現值（不包括尚未產生之未來信貸虧損）之差額計量。倘未來實際現金收入少於預期，則可能產生重大減值虧損。於二零一六年十二月三十一日，貿易應收款項之賬面值為33,438,000港元（扣除呆賬撥備14,298,000港元）（二零一五年：賬面值27,429,000港元，扣除呆賬撥備23,591,000港元）。

礦區儲量

由於本集團礦區儲量工程估計編製時涉及主觀判斷，故工程估計本身並不精確，僅為概約金額。於估計礦區儲量可指定為「探明」及「可能」前，須符合有關工程條件之官方指引。探明及可能礦區儲量之估計會定期更新，並計及各礦區近期產量及技術資料。計算儲量時，需對地質、技術及經濟等因素作出估計及假設，該等因素包括產量、品位、生產技術、回採率、生產成本、運輸成本、商品需求及商品價格。此外，由於價格及成本水平每年變動，故探明及可能礦區儲量估計亦有所變動。進行會計處理時，該變動視為估計變動，按前瞻基準計入相關攤銷率及採礦權減值。

雖然該等工程估計本身並不精確，但用於釐定折舊開支及減值虧損。採礦權之資本化成本於估計生產單位折舊。估計生產單位根據本集團生產計劃以及礦區探明及可能儲量每年檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Estimation of current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determinations are made. As at 31 December 2016, the carrying amount of income tax liabilities is approximately HK\$8,376,000 (2015: HK\$6,947,000) and deferred tax liabilities of approximately HK\$1,795,426,000 (2015: HK\$1,790,828,000).

Fair value of derivative component of convertible loan notes

The directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative components of the convertible loan notes, assumptions are made based on quoted market rates adjusted for specific features of the instrument. As at 31 December 2016, the carrying amount of derivative components of convertible loan notes recognised as current liabilities is HK\$67,594,000 (2015: HK\$356,225,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

即期及遞延所得稅估計

本集團於多個司法權區須繳納所得稅。釐定所得稅撥備時須作出重大判斷。日常業務過程中存在最終稅項釐定並不確定之交易及計算。倘此等事宜之最終稅務結果與首次記賬金額不同，則有關差額會影響作出此等釐定期間之即期及遞延所得稅撥備。於二零一六年十二月三十一日，所得稅負債之賬面值約為8,376,000港元（二零一五年：6,947,000港元），遞延稅項負債約為1,795,426,000港元（二零一五年：1,790,828,000港元）。

可換股貸款票據之衍生工具部分公平值

本公司董事為並無於活躍市場報價之金融工具挑選適當估值技術時作出判斷，採用市場從業者普遍使用之估值技術。對於可換股貸款票據之衍生工具部分，所作假設是根據所報市價並就該工具之特定特徵作出調整。於二零一六年十二月三十一日，確認為流動負債之可換股貸款票據之衍生工具部分之賬面值為67,594,000港元（二零一五年：356,225,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Provision for restoration, rehabilitation and environmental costs

The provision for restoration, rehabilitation and environmental costs has been determined by the management of the Group based on their best estimates. The management of the Group estimated this liability for final reclamation and mine closure based upon detailed forecast of the amounts and timing of future cash flows for a third party to perform work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, the estimate of the associated expenditures may be subject to change due to new government environmental policy in the future. The provision is reviewed regularly to ensure that it properly reflects the present value of the obligation arising from the mining activities. As at 31 December 2016, the carrying amount of provision for restoration, rehabilitation and environmental costs was HK\$66,682,000 (2015: HK\$67,497,000).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which included convertible loan notes disclosed in Note 27, other borrowing disclosed in Note 25, amounts due to related companies disclosed in Note 20, amount due to a non-controlling interest holder disclosed in Note 24, promissory notes disclosed in Note 31, and obligation under finance lease disclosed in Note 26, net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital, convertible preference shares and reserves). The directors of the Company review the capital structure monthly. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as issue of new debt or the redemption of existing debt.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

恢復、修復及環境成本撥備

恢復、修復及環境成本撥備乃本集團管理層根據其最佳估計釐定。本集團管理層估計此項最終開墾及礦場關閉之責任時，乃基於第三方進行所需工程所耗用之未來現金流量之金額及時間之詳盡預測，並因應通脹而調高，然後按可反映現行市場對貨幣時間值之評估及負債之特定風險之貼現率貼現，以使撥備反映預期履行責任所需開支之現值。然而，相關開支之估計可能因日後政府推出新環境政策而出現變動。本公司會定期檢討撥備，以確定其正確反映採礦活動產生之債務之現值。於二零一六年十二月三十一日，恢復、修復及環境成本撥備之賬面值為66,682,000港元（二零一五年：67,497,000港元）。

5. 資本風險管理

本集團之資本管理旨在確保本集團所有實體均可持續經營，同時透過優化債務與權益結餘，盡量為利益相關者帶來最大回報。本集團之整體策略自去年以來維持不變。

本集團之資本架構包括債務淨額，當中包括附註27披露之可換股貸款票據、附註25披露之其他借貸、附註20披露之應付關連公司款項、附註24披露之應付一名非控股權益持有人款項、附註31披露之承兌票據及附註26披露之融資租賃項下之責任（扣除現金及現金等價物）以及本公司擁有人應佔權益（包括已發行股本、可轉換優先股及儲備）。本公司董事每月檢討資本結構，當中涉及考慮資本成本及與各類資本相關之風險。本集團將按董事之建議透過發行新股及股份回購以及新增債務或贖回現有債務平衡其整體資本結構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the board of directors (being the chief operating decision maker ("CODM")) for the purpose of resources allocation and performance assessment are as follows:

Systems integration services and software solutions	-	Provision of information technology products, systems integration, technology service, software development, internet service, software solution engineering and maintenance services
Mining operation	-	Geological survey, exploration and development of coal deposits (mining operation), and selling of coking coal
Coal operation	-	Provision of coal trading and logistics services
Cassava starch operation	-	Provision of cultivation and processing of cassava starch for sale

The management of the Group monitors the operating results of its business units separately for the purposes of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the consolidated statement of profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to the operating segments.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews the segment assets and segment liabilities.

6. 分部資料

依照就分配資源及評估表現而向董事會（即主要經營決策者）呈報之資料，本集團之經營分部如下：

系統集成服務及軟件解決方案	-	提供資訊科技產品、系統集成、技術服務、軟件開發、互聯網服務、軟件解決方案工程及保養服務
採礦業務	-	煤炭礦藏之地質研究、勘探及開發（採礦業務）以及銷售焦煤
煤炭業務	-	提供煤炭貿易及物流服務
木薯澱粉業務	-	提供種植及木薯澱粉加工以作銷售

本集團管理層對其業務單位之經營業績進行個別監察，以在資源分配及表現評估方面作出決定。分部表現根據經營溢利或虧損評估，誠如下表所闡述，當中若干方面之計量方法有別於綜合損益表之經營溢利或虧損。本公司之融資及所得稅按集團基準管理，不會分配予經營分部。

就監察分部表現及於分部間分配資源而言，主要經營決策者亦審閱分部資產及分部負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segments revenues and results

The following is an analysis of the Group's revenues and results by reportable and operating segments.

6. 分部資料 (續)

分部收入及業績

以下載列按可呈報及經營分部分析之本集團收入及業績。

		Systems integration services and software solutions 系統集成服務及軟件解決方案		Mining operation 採礦業務		Coal operation 煤炭業務		Cassava starch operation 木薯澱粉業務		Total 總計	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度										
REVENUE	收入										
Sales to external customers	向外部客戶作出之銷售	94,912	58,333	93,225	5,590	-	-	9,628	-	197,765	63,923
RESULTS	業績										
Segment gain (loss)	分部收益(虧損)	357	(5,638)	489,273	(3,209,553)	(156)	(2,071)	3,163	-	492,637	(3,217,262)
Unallocated income	未分配收入									128,761	491
Unallocated expenses	未分配支出									(38,676)	(862,167)
Finance costs	融資成本									(272,652)	(371,978)
Profit (loss) before taxation	除稅前溢利(虧損)									310,070	(4,450,916)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in Note 3. Segment gain (loss) represents the gain (loss) from each segment without allocation of central administrative expenses, directors' and chief executive's emoluments, change in fair value of derivative component of convertible loan notes, loss on redemption of convertible loan notes, (loss)/gain on redemption of promissory notes, certain other income and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

可呈報及經營分部之會計政策與本集團載於附註3之會計政策相同。分部收益(虧損)指各分部產生之收益(虧損)，而並未分配中央行政開支、董事及行政總裁酬金、可換股貸款票據衍生工具部分之公平值變動、贖回可換股貸款票據之虧損、贖回承兌票據之(虧損)／收益、若干其他收入及融資成本，此乃就資源分配及表現評估向主要經營決策者報告之計量方式。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segments assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

Segment assets

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Systems integration services and software solutions	系統集成服務及軟件解決方案	40,554	44,970
Mining operation	採礦業務	9,535,331	9,142,300
Coal operation	煤炭業務	41	75
Cassava starch operation	木薯澱粉業務	27,618	-
Total segment assets	分部資產總值	9,603,544	9,187,345
Unallocated	未分配	37,711	34,504
Consolidated assets	綜合資產	9,641,255	9,221,849

Segment liabilities

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Systems integration services and software solutions	系統集成服務及軟件解決方案	45,440	48,482
Mining operation	採礦業務	5,121,446	4,834,080
Coal operation	煤炭業務	54,301	54,401
Cassava starch operation	木薯澱粉業務	7,309	-
Total segment liabilities	分部負債總額	5,228,496	4,936,963
Unallocated	未分配	2,330,944	3,677,225
Consolidated liabilities	綜合負債	7,559,440	8,614,188

6. 分部資料 (續)

分部資產及負債

以下為按可呈報及經營分部分析之本集團資產及負債。

分部資產

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Systems integration services and software solutions	40,554	44,970
Mining operation	9,535,331	9,142,300
Coal operation	41	75
Cassava starch operation	27,618	-
Total segment assets	9,603,544	9,187,345
Unallocated	37,711	34,504
Consolidated assets	9,641,255	9,221,849

分部負債

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Systems integration services and software solutions	45,440	48,482
Mining operation	5,121,446	4,834,080
Coal operation	54,301	54,401
Cassava starch operation	7,309	-
Total segment liabilities	5,228,496	4,936,963
Unallocated	2,330,944	3,677,225
Consolidated liabilities	7,559,440	8,614,188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segments assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain prepayments, deposits and other receivables, amount due from a director, bank balances and cash, and assets jointly used by reportable segments.
- all liabilities are allocated to reportable segments other than certain other payables, certain amounts due to related companies, other borrowings, derivative component of convertible loan notes, liabilities component of convertible loan notes, promissory notes, income tax liabilities, deferred tax liability and liabilities jointly liable by reportable segments.

Other segment information

	Systems integration services and software solutions 系統集成服務及軟件解決方案	Mining operation		Coal operation		Cassava starch operation		Unallocated		Consolidated		
		採礦業務		煤炭業務		木薯淀粉業務		未分配		綜合		
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	
For the year ended 31 December	截至十二月三十一日止年度											
Amounts included in the measure of segment gain (losses) or segment assets:	計量分部收益(虧損)或分部資產時計及以下款項:											
Depreciation	折舊	204	259	42,371	46,821	-	-	-	345	303	42,920	47,383
Amortisation of mining right	採礦權攤銷	-	-	94,882	-	-	-	-	-	-	94,882	-
Addition of non-current assets	添置非流動資產	132	401	388,420	242,215	-	-	-	90	396	388,642	243,012
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	-	-	-	-	1,859	-	-	-	-	1,859
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(125)	(452)	(2,535)	-	-	-	-	-	(452)	(2,660)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	-	2,352	-	-	-	-	-	-	-	-	2,352
Impairment loss recognised in respect of mining rights	就採礦權確認之減值虧損	-	-	338,896	2,715,022	-	-	-	-	-	338,896	2,715,022
Reversal of impairment loss recognised in respect of mining rights	就採礦權確認之減值虧損撥回	-	-	(900,880)	-	-	-	-	-	-	(900,880)	-
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	-	-	51,704	368,432	-	-	-	-	-	51,704	368,432
Reversal of impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損撥回	-	-	(143,517)	-	-	-	-	-	-	(143,517)	-
Recovery of other receivables previously written off	收回之前已撇銷之其他應收款項	-	-	-	(35)	-	-	-	-	-	-	(35)
Impairment loss reversal in respect of trade receivable	有關貿易應收款項之減值虧損撥回	-	-	(8,733)	-	-	-	-	-	-	(8,733)	-
Amounts regularly provided to CODM but not included in the measure of segment losses:	定期提供予主要經營決策者但並無計入計量分部虧損之款項:											
Interest income	利息收入	(103)	(188)	(66)	(44)	-	(2)	-	-	(8)	(169)	(242)
Interest expenses	利息開支	-	-	123,295	144,323	6,105	4,097	-	-	143,252	223,558	272,652
Income tax expenses (credit)	所得稅開支(抵免)	1,449	572	116,777	(678,756)	-	-	646	-	-	118,872	(678,184)

6. 分部資料(續)

分部資產及負債(續)

就監察分部表現及於分部間分配資源而言:

- 所有資產均分配至各可呈報分部,惟不包括若干物業、廠房及設備、若干預付款項、按金及其他應收款項、應收一名董事款項、銀行結餘及現金以及由各可呈報分部共同使用之資產。
- 所有負債均分配至各可呈報分部,惟不包括若干其他應付款項、若干應付關連公司款項、其他借貸、可換股貸款票據之衍生工具部分、可換股貸款票據之負債部分、承兌票據、所得稅負債、遞延稅項負債以及由各可呈報分部共同承擔之負債。

其他分部資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (continued)

Geographical information

The Group's operations are located in Hong Kong, elsewhere in the PRC and Cambodia.

The Group's revenue from external customers is presented based on the location of the operation. Information about the Group's non-current assets is presented based on the geographical locations of the assets.

6. 分部資料 (續)

其他分部資料 (續)

地區資料

本集團業務位於香港、中國其他地區及柬埔寨。

本集團來自外部客戶之收入按經營地點呈列。有關本集團非流動資產之資料則按本集團資產所在地區呈列。

	Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Cambodia 柬埔寨		Consolidated 綜合	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment revenue	分部收入							
Revenue from external customers	來自外部客戶之收入							
	-	-	188,137	63,923	9,628	-	197,765	63,923
Non-current assets	非流動資產							
	349	308	9,403,457	9,079,717	-	-	9,403,806	9,080,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Sale of automatic teller machines	銷售自動櫃員機	20,271	19,645
Sale of mining products	銷售礦業產品	93,225	5,590
Sale of Cassava starch	銷售木薯澱粉	9,628	-
Rendering of computer technology services	提供電腦技術服務	74,641	38,688
		197,765	63,923

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A ¹	客戶A ¹	50,058	8,557
Customer B ²	客戶B ²	23,370	N/A不適用 ³
Customer C ²	客戶C ²	22,176	N/A不適用 ³

¹ Revenue from systems integration services and software solutions products.

² Revenue from mining operation.

³ The corresponding revenue from mining operation did not contribute over 10% of the total revenue of the Group.

6. 分部資料 (續)

主要產品及服務之收入

以下為本集團主要產品及服務之收入分析：

	2016	2015
	二零一六年	二零一五年
	HK\$'000	HK\$'000
	千港元	千港元
Sale of automatic teller machines	20,271	19,645
Sale of mining products	93,225	5,590
Sale of Cassava starch	9,628	-
Rendering of computer technology services	74,641	38,688
	197,765	63,923

有關主要客戶之資料

佔本集團相關年度總銷售10%以上之客戶之收入如下：

	2016	2015
	二零一六年	二零一五年
	HK\$'000	HK\$'000
	千港元	千港元
Customer A ¹	50,058	8,557
Customer B ²	23,370	N/A不適用 ³
Customer C ²	22,176	N/A不適用 ³

¹ 系統集成服務及軟件解決方案產品之收入。

² 採礦業務之收入。

³ 採礦業務之相關收入佔比並未超過本集團總收入之10%。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. REVENUE AND OTHER OPERATING INCOME

Revenue represents invoiced value of goods sold and services rendered, net of discounts allowed and sales taxes where applicable. Revenues recognised during the year are as follows:

7. 收入及其他經營收益

收入指銷售貨品及提供服務（扣除所給予折扣及銷售稅（如適用））之發票值。年內確認之收入如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入		
Sale of goods	銷售貨品	123,124	25,235
Rendering of services	提供服務	74,641	38,688
		197,765	63,923
Other operating income	其他經營收益		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	452	2,660
Interest income	利息收入	169	242
Net foreign exchange gains	外匯收益淨額	1,740	1,272
Recovery of other receivables previously written off	收回先前已撇銷之其他應收款項	-	35
Impairment loss reversed in respect of trade receivable	貿易應收款項之減值虧損撥回	8,733	-
Sundry income	雜項收入	83	3
Gain on settlement of interest payable	結付應付利息之收益	-	477
Government grant (note)	政府補助金（附註）	564	439
		11,741	5,128

Notes:

Pursuant to the notices issued by the relevant government authorities, certain PRC subsidiaries of the Company were entitled to enjoy subsidies for provision of specialised information technology services. There is no further condition that the Group is required to fulfill.

附註：

根據相關政府機關發出之通知，本公司若干中國附屬公司享有提供專門資訊科技服務之補助金。本集團再無其他須符合之條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

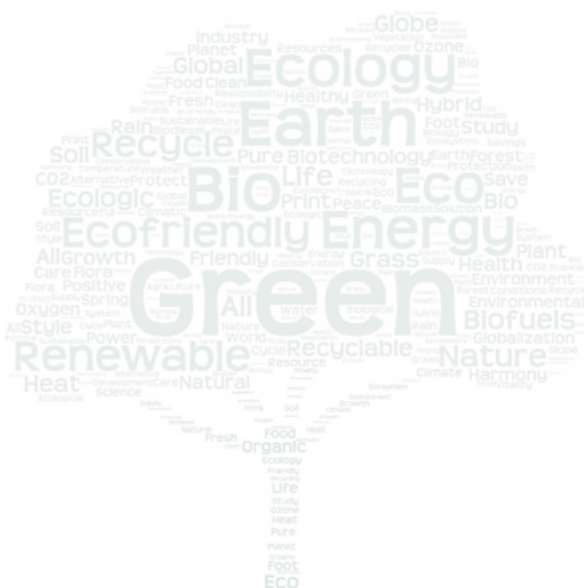
綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

8. FINANCE COSTS

8. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest expenses on borrowings wholly repayable within five years:	須於5年內悉數償還之 借貸之利息開支：		
– effective interest expenses on convertible loan notes	– 可換股貸款票據之 實際利息開支	134,144	192,970
– promissory notes	– 承兌票據	5,598	29,798
– other borrowings	– 其他借貸	3,027	2,346
– finance lease	– 融資租賃	11,885	–
– amount due to a related company	– 應付一間關連公司款項	482	791
– amount due to a non-controlling interest holder	– 應付一名非控股權益持有人款項	321,709	314,848
Total borrowing costs	總借貸成本	476,845	540,753
Less: amounts capitalised in construction in progress	減：於在建工程撥充資本之金額	(207,876)	(172,563)
Imputed interest for provision for restoration, rehabilitation and environmental costs (Note 30)	恢復、修復及環境成本撥備之 應計利息（附註30）	3,683	3,788
		272,652	371,978



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

9. PROFIT(LOSS) BEFORE TAXATION

9. 除稅前溢利(虧損)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (Loss) before taxation has been arrived at after charging:	除稅前溢利(虧損)已扣除： at after charging:		
Auditor's remuneration	核數師酬金	1,510	1,371
Amortisation of mining rights included in cost of sales	採礦權攤銷(計入銷售成本)	94,882	-
Amounts of inventories recognised as expense	已確認為開支之存貨金額	65,507	17,406
Depreciation	折舊	42,920	47,383
Directors' and chief executive's emoluments (Note 14)	董事及行政總裁酬金 (附註14)	13,577	23,973
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	1,859
Management fee paid to a non-controlling interest holder of a subsidiary	支付予一間附屬公司一名非控股權益 持有人之管理費	29,808	-
Payments under operating leases in respect of land and buildings	土地及樓宇之經營租賃付款	10,963	12,641
Staff costs (excluding directors' and chief executive's emoluments) (Note 13)	員工成本 (不包括董事及行政總裁酬金) (附註13)	75,750	102,185

10. INCOME TAX EXPENSE(CREDIT)

10. 所得稅開支(抵免)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
PRC Enterprise Income Tax (the "EIT")	中國企業所得稅(「企業所得稅」)	1,449	572
Cambodia profit tax	柬埔寨利得稅	646	-
Deferred tax (Note 32)	遞延稅項(附註32)		
Current year	本年	116,777	(678,756)
Income tax expense (credit)	所得稅開支(抵免)	118,872	(678,184)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10. INCOME TAX EXPENSE(CREDIT) (CONTINUED)

- (i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in Bermuda and the BVI.
- (ii) No provisions for Hong Kong Profits Tax have been made for subsidiaries established in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax during both years.
- (iii) Profits of the subsidiaries established in the PRC are subject to PRC EIT.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

- (iv) Under the Law of the Cambodia, the tax rate of the Cambodia Subsidiaries is 20% for 2016.

The income tax expense (credit) for the year can be reconciled to the Profit (loss) before taxation per the consolidated statement of profit or loss as follows:

10. 所得稅開支（抵免）（續）

- (i) 依據百慕達及英屬處女群島（「英屬處女群島」）之規則及規例，本集團無須於百慕達及英屬處女群島繳納任何所得稅。
- (ii) 由於在香港成立之附屬公司於兩個年度內均無任何須繳納香港利得稅之應課稅溢利，故並無就該等附屬公司計提香港利得稅撥備。

- (iii) 於中國成立之附屬公司之溢利須繳納中國企業所得稅。

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條例，中國附屬公司於該兩個年度之稅率為25%。

- (iv) 根據柬埔寨法例，柬埔寨附屬公司於二零一六年之稅率為20%。

年內所得稅開支（抵免）與綜合損益表之除稅前溢利（虧損）對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (Loss) before taxation	除稅前溢利（虧損）	310,070	(4,450,916)
Tax expense (credit) at rates applicable in the jurisdictions concerned	按有關司法權區適用稅率計算之稅項開支（抵免）	82,749	(1,019,764)
Tax effect of income not subject to tax	毋須課稅收入之稅務影響	(56,950)	(377)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	94,414	341,247
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	842	245
Tax effect of deductible temporary difference not recognised	未確認之可扣稅暫時差額之稅務影響	-	465
Utilisation of tax effect of deductible temporary difference previously not recognised	動用之前未確認之可扣稅暫時差額之稅務影響	(2,183)	-
Income tax expense (credit) for the year	年內所得稅開支（抵免）	118,872	(678,184)

11. DIVIDENDS

No dividend was paid or proposed during both years ended 31 December 2016 and 2015, nor has any dividend been proposed since the end of the reporting period.

11. 股息

截至二零一六年及二零一五年十二月三十一日止兩個年度並無已派或擬派股息，自報告期末以來亦無建議派發任何股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earning (loss) per share attributable to the owners of the Company for the year is based on the following data:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings	盈利		
Profit (Loss) for the year attributable to the owners of the Company	本公司擁有人應佔年度溢利(虧損)	107,605	(2,373,281)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響:		
Interest on convertible loan notes	可換股貸款票據之利息	114,696	N/A不適用
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動	(126,849)	N/A不適用
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	95,452	N/A不適用
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	50,746,992,367	15,090,139,513
Effect of dilutive potential ordinary shares: Convertible loan notes	潛在攤薄普通股之影響: 可換股貸款票據	20,213,092,320	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	70,960,084,687	15,090,139,513

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the placing and share conversion of convertible loan notes on 18 March 2016 and 30 December 2016 respectively.

For the year ended 31 December 2016 and 2015, the computation of diluted earnings per share does not assume the exercise of the Company's share options as the exercise price of the share options is higher than the average market price for shares.

For the year ended 31 December 2016, the computation of diluted earnings per share did not assume the conversion of convertible loan notes since its exercise has anti dilutive impact on the earning per share.

12. 每股盈利(虧損)

本年度本公司擁有人應佔每股基本及攤薄盈利(虧損)乃按以下數據計算:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings		
Profit (Loss) for the year attributable to the owners of the Company	107,605	(2,373,281)
Effect of dilutive potential ordinary shares:		
Interest on convertible loan notes	114,696	N/A不適用
Change in fair value of derivative component of convertible loan notes	(126,849)	N/A不適用
Earnings for the purpose of diluted earnings per share	95,452	N/A不適用
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,746,992,367	15,090,139,513
Effect of dilutive potential ordinary shares: Convertible loan notes	20,213,092,320	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	70,960,084,687	15,090,139,513

用以計算每股基本盈利之普通股加權平均數已分別就二零一六年三月十八日及二零一六年十二月三十日之配售及可換股貸款票據之股份轉換作出調整。

截至二零一六年及二零一五年十二月三十一日止年度，由於購股權之行使價高於股份平均市價，故計算每股攤薄盈利時並無假設本公司購股權獲行使。

截至二零一六年十二月三十一日止年度，由於行使可換股貸款票據會對每股盈利產生反攤薄影響，故計算每股攤薄盈利時並無假設兌換可換股貸款票據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. EARNINGS (LOSS) PER SHARE (CONTINUED)

For the year ended 31 December 2015, the computation of diluted loss per share does not assume the conversion of the convertible loan notes and convertible preference shares since their exercise would result in a decrease in loss per share.

The basic and diluted loss per share were the same for the year ended 31 December 2015.

13. STAFF COSTS (EXCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS)

Wages and salaries	工資及薪金
Retirement benefit scheme contributions	退休福利計劃供款
Share based payment	股份付款

The subsidiaries in Hong Kong operate the MPF Scheme which are available to qualified employees. The assets of the scheme are held separately from those of the subsidiaries in independently administered funds. Monthly contributions made by the subsidiaries are calculated based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the relevant requirements, as appropriate.

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in the PRC participate in respective government retirement benefit scheme (the "Scheme") whereby the subsidiaries are required to contribute to the Scheme to fund the retirement benefits of the eligible employees. Monthly contributions made to the Scheme are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme.

The retirement benefit scheme contributions represent gross contributions by the Group to the Scheme operated by the relevant authorities of the PRC and the MPF Scheme operated in Hong Kong.

12. 每股盈利（虧損）（續）

截至二零一五年十二月三十一日止年度，由於行使可換股貸款票據及可轉換優先股會導致每股虧損減少，故計算每股攤薄虧損時並無假設兌換可換股貸款票據及可轉換優先股。

截至二零一五年十二月三十一日止年度，每股基本及攤薄虧損相同。

13. 員工成本（不包括董事及行政總裁酬金）

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Wages and salaries	56,608	63,237
Retirement benefit scheme contributions	17,051	16,630
Share based payment	2,091	22,318
	75,750	102,185

香港附屬公司設有強積金計劃，供合資格僱員參加。計劃資產與附屬公司之資產分開，由獨立管理基金持有。附屬公司每月按適用薪酬開支之若干百分比供款或按相關規定訂明之固定款額供款（視情況而定）。

根據中國有關當局之規例，本集團中國附屬公司須參加相關政府退休福利計劃（「有關計劃」），據此，該等附屬公司須向有關計劃供款，為合資格僱員之退休福利提供資金。有關計劃之每月供款按中國規定所訂適用薪酬開支之若干百分比計算。中國有關當局負責向退休僱員支付全部退休金。本集團對有關計劃之唯一責任為持續支付有關計劃規定之供款。

退休福利計劃供款指本集團向由中國有關當局營辦之有關計劃及於香港營辦之強積金計劃供款之總額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the seven (2015: seven) directors and the chief executive were as follows:

For the year ended 31 December 2016

		Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Share-based payment	Total
		袍金	薪金、津貼及其他福利	退休福利計劃供款	股份付款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Zhang Sanhuo ("Mr. Zhang")	張三貨先生(「張先生」)	-	4,565	18	356	4,939
Mr. Huang Boqi	黃伯麒先生	-	1,560	18	3,559	5,137
Mr. Tse Michael Nam ("Mr. Tse") (Appointed on 1 September 2016)	謝南洋先生(「謝先生」) (於二零一六年九月一日獲委任)	-	600	6	1,335	1,941
Non-executive director	非執行董事					
Mr. Zou Cheng Jian	鄧承健先生	168	-	-	222	390
Independent non-executive directors	獨立非執行董事					
Mr. Leung Po Wing, Bowen Joseph <i>GBS, JP</i>	梁寶榮先生 <i>GBS, JP</i>	168	-	-	222	390
Mr. Zhou Chunsheng	周春生先生	168	-	-	222	390
Ms. Leung Yin Fai	梁燕輝女士	168	-	-	222	390
		672	6,725	42	6,138	13,577

14. 董事、行政總裁及高級管理人員酬金

(a) 董事及行政總裁酬金

已付或應付七名(二零一五年:七名)董事及行政總裁之酬金分別如下:

截至二零一六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(a) Directors' and chief executive's emoluments (continued)

For the year ended 31 December 2015

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Share-based payment	Total
	袍金	薪金、津貼及其他福利	退休福利計劃供款	股份付款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors					
Mr. Zhang Sanhuo ("Mr. Zhang")	-	4,804	18	962	5,784
Mr. Huang Boqi	-	1,560	18	9,616	11,194
Mr. Tse Michael Nam ("Mr. Tse") (Resigned on 30 November 2015)	-	300	14	3,605	3,919
Mr. Chen Liang (note)	-	-	-	-	-
Ms. Liu Rong-Rong (note)	-	-	-	-	-
Non-executive director					
Mr. Zou Cheng Jian	168	-	-	601	769
Independent non-executive directors					
Mr. Leung Po Wing, Bowen Joseph <i>GBS, JP</i>	168	-	-	601	769
Mr. Zhou Chunsheng	168	-	-	601	769
Ms. Leung Yin Fai	168	-	-	601	769
	672	6,664	50	16,587	23,973

Note: On 1 May 2015, Mr. Chen Liang ("Mr. Chen") and Ms. Liu Rong-Rong ("Ms. Liu") had been appointed as the Executive Director with a remuneration of HK\$60,000 and HK\$40,000 per month respectively. On 2 June 2015, each of Mr. Chen and Ms. Liu resigned as Executive Director in order to pursue their other business and as a result of the termination of the agreement. Mr. Chen and Ms. Liu had declared to give up the payment of remuneration.

14. 董事、行政總裁及高級管理人員酬金 (續)

(a) 董事及行政總裁酬金 (續)

截至二零一五年十二月三十一日止年度

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Share-based payment	Total
	袍金	薪金、津貼及其他福利	退休福利計劃供款	股份付款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors					
Mr. Zhang Sanhuo ("Mr. Zhang")	-	4,804	18	962	5,784
Mr. Huang Boqi	-	1,560	18	9,616	11,194
Mr. Tse Michael Nam ("Mr. Tse") (Resigned on 30 November 2015)	-	300	14	3,605	3,919
Mr. Chen Liang (note)	-	-	-	-	-
Ms. Liu Rong-Rong (note)	-	-	-	-	-
Non-executive director					
Mr. Zou Cheng Jian	168	-	-	601	769
Independent non-executive directors					
Mr. Leung Po Wing, Bowen Joseph <i>GBS, JP</i>	168	-	-	601	769
Mr. Zhou Chunsheng	168	-	-	601	769
Ms. Leung Yin Fai	168	-	-	601	769
	672	6,664	50	16,587	23,973

附註：於二零一五年五月一日，陳亮先生（「陳先生」）及劉戎戎女士（「劉女士」）獲委任為執行董事，月薪分別為60,000港元及40,000港元。於二零一五年六月二日，陳先生及劉女士辭任執行董事以投身於其他業務，故終止協議。陳先生及劉女士已聲明放棄薪酬付款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, three (2015: three) were directors (including the chief executive) of the Company whose emoluments are set out above. The emoluments of the remaining two (2015: two) highest paid individuals were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	2,040	2,654
Retirement benefit scheme contributions	退休福利計劃供款	36	18
Share-based payment	股份付款	1,230	5,780
		3,306	8,452

Their emoluments were within the following bands:

		2016 二零一六年 No. of employees 僱員人數	2015 二零一五年 No. of Employees 僱員人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	-	1

(c) No emoluments have been paid by the Group to any directors, the chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of the office during the two years ended 31 December 2016 and 2015.

14. 董事、行政總裁及高級管理人員酬金(續)

(b) 高級管理人員酬金

本集團五名最高薪酬人士包括本公司三名(二零一五年:三名)董事(包括行政總裁),彼等之酬金載於上文。其餘兩名(二零一五年:兩名)最高薪酬人士之酬金如下:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries, allowances and other benefits	2,040	2,654
Retirement benefit scheme contributions	36	18
Share-based payment	1,230	5,780
	3,306	8,452

彼等之酬金介乎下列範圍:

	2016 二零一六年 No. of employees 僱員人數	2015 二零一五年 No. of Employees 僱員人數
HK\$1,000,001 to HK\$1,500,000	1	-
HK\$1,500,001 to HK\$2,000,000	1	-
HK\$3,500,001 to HK\$4,000,000	-	1
HK\$4,500,001 to HK\$5,000,000	-	1

(c) 截至二零一六年及二零一五年十二月三十一日止兩個年度,本集團並無向任何董事、行政總裁或五名最高薪酬人士支付酬金,以吸引其加入本集團或作為加入本集團之獎勵或離職補償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

		Mining structure	Construction in progress	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Plants and machineries	Total
		採礦構築物	在建工程	樓宇	租賃物業裝修	固定裝置及辦公室設備	汽車	廠房及設備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本								
At 1 January 2015	於二零一五年一月一日	198,404	1,087,156	91,104	3,295	17,832	16,434	74,928	1,489,153
Additions	添置	-	243,004	-	-	10	847	3,167	247,028
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	6	-	-	6
Disposals	出售	-	-	-	-	-	(3,250)	(2,021)	(5,271)
Exchange realignment	匯兌調整	(11,873)	(50,854)	(5,468)	-	(749)	(760)	(4,497)	(74,201)
At 31 December 2015	於二零一五年十二月三十一日	186,531	1,279,306	85,636	3,295	17,099	13,271	71,577	1,656,715
Additions	添置	-	388,149	-	90	58	101	244	388,642
Disposals	出售	-	-	-	-	-	(762)	-	(762)
Exchange realignment	匯兌調整	(11,794)	(76,503)	(5,431)	-	(748)	(686)	(4,553)	(99,715)
At 31 December 2016	於二零一六年十二月三十一日	174,737	1,590,952	80,205	3,385	16,409	11,924	67,268	1,944,880
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值								
At 1 January 2015	於二零一五年一月一日	41,983	96,552	16,077	3,295	10,278	7,231	20,441	195,857
Provided for the year	年內撥備	18,534	-	9,539	-	1,867	2,126	15,317	47,383
Impairment recognised for the year	年內確認減值	-	368,432	-	-	-	-	-	368,432
Eliminated on disposals	出售時對銷	-	-	-	-	-	(1,692)	(1,805)	(3,497)
Exchange realignment	匯兌調整	(2,486)	(5,787)	(965)	-	(299)	(744)	(1,225)	(11,506)
At 31 December 2015	於二零一五年十二月三十一日	58,031	459,197	24,651	3,295	11,846	6,921	32,728	596,669
Provided for the year	年內撥備	17,824	-	9,549	8	1,365	1,554	12,620	42,920
Impairment recognised for the year	年內確認減值	-	51,704	-	-	-	-	-	51,704
Reversal of impairment	減值撥回	-	(143,517)	-	-	-	-	-	(143,517)
Eliminated on disposals	出售時對銷	-	-	-	-	-	(452)	-	(452)
Exchange realignment	匯兌調整	(4,694)	(29,129)	(2,107)	-	(492)	(516)	(2,797)	(39,735)
At 31 December 2016	於二零一六年十二月三十一日	71,161	338,255	32,093	3,303	12,719	7,507	42,551	507,589
CARRYING VALUES	賬面值								
At 31 December 2016	於二零一六年十二月三十一日	103,576	1,252,697	48,112	82	3,690	4,417	24,717	1,437,291
At 31 December 2015	於二零一五年十二月三十一日	128,500	820,109	60,985	-	5,253	6,350	38,849	1,060,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Mining structure	10%
Leasehold improvements	33 $\frac{1}{3}$ % or over the lease terms, whichever is shorter
Furniture, fixtures and office equipment	20% to 33 $\frac{1}{3}$ %
Motor vehicles	33 $\frac{1}{3}$ %
Plants and machineries	10% or over the lease terms, whichever is shorter
Buildings	10% or over the lease terms, whichever is shorter

During the year ended 31 December 2016, based on the valuation reports and the technical reports in relation to the mining operation as obtained by the Group, the Group recognised impairment loss of approximately HK\$51,704,000 in respect of property, plant and equipment during interim period. A further assessment was carried out at the end of 2016 to further update the status of the mining operation and the Group reversed the impairment losses made in respect of property, plant and equipment of approximately HK\$143,517,000 as the fair value of the property, plant and equipment was higher than its carrying value.

During the year ended 31 December 2015, the Group continuously suffered loss from the mining operation. The directors of the Company conducted a review of the Group's property, plant and equipment and determined that a number of those assets were impaired. Impairment loss of approximately HK\$368,432,000 was recognised.

Particulars regarding impairment assessment are disclosed in Note 33.

15. 物業、廠房及設備 (續)

以上物業、廠房及設備項目以直線法按以下年率計算折舊：

採礦構築物	10%
租賃物業裝修	33 $\frac{1}{3}$ %或租期 (以較短者為準)
傢俬、固定裝置及辦公室設備	20%至33 $\frac{1}{3}$ %
汽車	33 $\frac{1}{3}$ %
廠房及設備	10%或租期 (以較短者為準)
樓宇	10%或租期 (以較短者為準)

於截至二零一六年十二月三十一日止年度，根據本集團取得之有關採礦業務之估值報告及技術報告，本集團於中期期間就物業、廠房及設備確認減值虧損約51,704,000港元。本公司於二零一六年末另行評估以進一步提供有關採礦業務之最新資料且本集團撥回就物業、廠房及設備作出之減值虧損約143,517,000港元，原因為物業、廠房及設備之公平值高於其賬面值。

於截至二零一五年十二月三十一日止年度，本集團之採礦業務持續蒙受損失。本公司董事已審閱本集團之物業、廠房及設備，並釐定多項資產已減值。已確認減值虧損約368,432,000港元。

減值評估之詳情於附註33披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. MINING RIGHTS

16. 採礦權

		HK\$'000 千港元
COST		
成本		
At 1 January 2015	於二零一五年一月一日	12,343,203
Refund of mineral resources compensation fees	退回礦產資源補償費	(22,581)
Exchange realignment	匯兌調整	(742,169)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	11,578,453
Exchange realignment	匯兌調整	(733,015)
At 31 December 2016	於二零一六年十二月三十一日	10,845,438
AMORTISATION AND IMPAIRMENT		
攤銷及減值		
At 1 January 2015	於二零一五年一月一日	944,165
Impairment loss recognised for the year	年內確認減值虧損	2,715,022
Exchange realignment	匯兌調整	(58,045)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	3,601,142
Amortisation for the year	年內攤銷	94,882
Impairment loss recognised for the year	年內確認減值虧損	338,896
Reversal of impairment loss recognised for the year	年內確認之減值虧損撥回	(900,880)
Exchange realignment	匯兌調整	(232,677)
At 31 December 2016	於二零一六年十二月三十一日	2,901,363
CARRYING VALUES		
賬面值		
At 31 December 2016	於二零一六年十二月三十一日	7,944,075
At 31 December 2015	於二零一五年十二月三十一日	7,977,311

The five mining licenses in relation to the coal mines will expire from 28 November 2017 to 8 January 2019 and subject to renewal. In the view of the directors of the Company, the Group will be able to renew the mining licenses in relation to the coal mines with the relevant government authority continuously at insignificant cost.

During the year ended 31 December 2016, based on the valuation reports and the technical reports in relation to the mining operation as obtained by the Group, the Group recognised impairment loss of approximately HK\$338,896,000 in respect of mining rights during interim period. A further assessment was carried out at the end of 2016 to further update the status of the mining operation and the Group reversed the impairment losses made in respect of mining rights of HK\$900,880,000 as the fair value of the mining right were higher than their carrying values.

During the year ended 31 December 2016, due to commencement of trial run from one of the mines and certain coal produced from the mine was sold, the Group amortised the mining rights based on the units of production from the total reserve of the mine.

During the year ended 31 December 2015, the Group continuously suffered loss from the mining operation. The directors of the Company conducted a review of the Group's mining rights and recognised impairment loss of HK\$2,715,022,000.

Particulars regarding impairment assessment are disclosed in Note 33.

五份有關煤礦之採礦許可證將於二零一七年十一月二十八日至二零一九年一月八日期間到期，並可以續期。本公司董事認為，本集團將能以極低成本持續向相關政府機關為有關煤礦之採礦許可證續期。

於截至二零一六年十二月三十一日止年度，根據本集團取得之有關採礦業務之估值報告及技術報告，本集團於中期期間就採礦權確認減值虧損約338,896,000港元。本公司於二零一六年末另行評估以進一步提供有關採礦業務之最新資料並本集團撥回就採礦權作出之減值虧損約900,880,000港元，原因為採礦權之公平值高於其賬面值。

於截至二零一六年十二月三十一日止年度，由於其中一個礦區開始試運營及礦區生產之若干煤炭已予銷售，本集團根據生產單位從礦區總儲量中攤銷採礦權。

於截至二零一五年十二月三十一日止年度，本集團繼續蒙受來自採礦業務之虧損。本公司董事檢討本集團之採礦權及確認減值虧損2,715,022,000港元。

減值評估之詳情於附註33披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

17. GOODWILL

17. 商譽

		HK\$'000 千港元
COST	成本	
At 1 January 2015	於二零一五年一月一日	3,674,327
Arising on acquisition of a subsidiary (Note 34)	因收購附屬公司而產生(附註34)	2,352
At 31 December 2015 & 2016	於二零一五年及二零一六年十二月三十一日	3,676,679
IMPAIRMENT	減值	
At 1 January 2015	於二零一五年一月一日	3,674,327
Impairment loss recognised during the year (Note 33)	年內確認之減值虧損(附註33)	2,352
At 31 December 2015 & 2016	於二零一五年及二零一六年十二月三十一日	3,676,679
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	-
At 31 December 2015	於二零一五年十二月三十一日	-

Goodwill arising from acquisition of cash generating units in segments: 因收購分部中現金產生單位而產生之商譽:

		HK\$'000 千港元
Mining operation	採礦業務	3,661,555
Systems integration services and software solutions	系統集成服務及軟件解決方案	15,124
At 31 December 2016	於二零一六年十二月三十一日	3,676,679

During the year ended 31 December 2015, goodwill of HK\$2,352,000 (2016: Nil) allocated to systems integration service and software solutions segment was impaired. The rest of the goodwill were fully impaired in previous year.

於截至二零一五年十二月三十一日止年度，分配至系統集成服務及軟件解決方案分部之商譽2,352,000港元(二零一六年：無)出現減值。其餘商譽於過往年度已全面減值。

Please refer to Note 33 for particulars regarding impairment testing of goodwill.

有關商譽之減值測試詳情，請參閱附註33。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

18. INVENTORIES

18. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Systems integration services and software solutions products held for resale, at cost	持作轉售之系統集成服務及軟件解決方案產品，按成本計	4,676	5,530

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收款項	47,736	51,020
Less: Allowance for impairment of trade receivables	減：貿易應收款項減值撥備	(14,298)	(23,591)
		33,438	27,429
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	162,317	74,395
Total trade and other receivables	貿易及其他應收款項總額	195,755	101,824

The Group does not hold any collateral over these balances.

本集團並無就該等結餘持有任何抵押品。

As at 31 December 2016, the prepayments, deposits and other receivables included an amount due to non-controlling interest holder amounted HK\$65,432,000 (2015: HK\$826,000).

於二零一六年十二月三十一日，預付款項、按金及其他應收款項包括應付非控股權益持有人之款項65,432,000港元（二零一五年：826,000港元）。

The Group normally grants to its customers credit periods ranging from 30 days to 180 days which are subject to periodic review by management.

本集團一般給予客戶30天至180天不等之信貸期，並由管理層定期檢討。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The ageing analysis of the trade receivables, net of impairment losses recognised, based on the invoice dates which approximated the respective revenue recognition dates at the end of the reporting period was as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	90天內	17,649	7,704
91 days to 180 days	91天至180天	10,304	7,460
181 days to 365 days	181天至365天	3,211	6,669
Over 365 days	365天以上	2,274	5,596
		33,438	27,429

- (b) The movements in provision for impairment losses of trade receivables were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	23,591	22,744
Impairment loss recognised during the year	年內確認之減值虧損	-	1,859
Reversal of impairment loss	減值虧損撥回	(8,733)	-
Exchange realignment	匯兌調整	(560)	(1,012)
At 31 December	於十二月三十一日	14,298	23,591

19. 貿易及其他應收款項 (續)

- (a) 於報告期末，扣除已確認減值虧損後依照發票日期（約為確認相關收入日期）計算之貿易應收款項賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	17,649	7,704
91 days to 180 days	10,304	7,460
181 days to 365 days	3,211	6,669
Over 365 days	2,274	5,596
	33,438	27,429

- (b) 貿易應收款項減值虧損撥備之變動如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	23,591	22,744
Impairment loss recognised during the year	-	1,859
Reversal of impairment loss	(8,733)	-
Exchange realignment	(560)	(1,012)
At 31 December	14,298	23,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) At the end of the reporting period, the analysis of trade receivables that were past due but not impaired are as follows:

		Neither past due nor impaired 未逾期 亦未減值	Past due but not impaired 已逾期但未減值				
			less than 90 days 少於90天	91 to 180 days 91至 180天	181 to 365 days 181至 365天	1 to 2 years 1至2年	
Total	總額	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
31 December 2016	二零一六年十二月三十一日	33,438	17,279	5,520	8,226	294	2,119
31 December 2015	二零一五年十二月三十一日	27,429	15,164	3,335	3,334	5,596	-

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over the balances.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

At 31 December 2016, included in the impairment loss are individual impaired trade receivables with an aggregate balance of approximately HK\$14,298,000 (2015: HK\$23,591,000) which have been in severe financial difficulties and the directors concluded the collection possibilities are remote.

As at 31 December 2015, trade receivables of HK\$1,328,000 (2016: nil) were dominated in HK\$, which is a foreign currency other than the functional currency of the relevant group entities.

As at 31 December 2016, other receivables amounting to approximately HK\$1,142,000 (2015: HK\$1,102,000) were dominated in HK\$, which is a foreign currency other than the functional currency of the relevant group entities.

19. 貿易及其他應收款項 (續)

(c) 於報告期末，已逾期但未減值之貿易應收款項分析如下：

未逾期亦未減值之貿易應收款項與多名近期並無欠款紀錄之客戶有關。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值之貿易應收款項與多名與本集團有良好交易紀錄之獨立客戶有關。根據過往經驗，由於信貸質素並無重大變化且結餘仍被視為可完全收回，故管理層認為毋須就該等結餘作出減值撥備。

於二零一六年十二月三十一日，減值虧損包括個別已減值貿易應收款項，結餘合計約為14,298,000港元（二零一五年：23,591,000港元），有關債務人陷入嚴重財困，故董事認為收回款項之機會極微。

於二零一五年十二月三十一日，貿易應收款項1,328,000港元（二零一六年：無）乃以港元（並非相關集團實體功能貨幣之外幣）計值。

於二零一六年十二月三十一日，其他應收款項約1,142,000港元（二零一五年：1,102,000港元）以港元（並非相關集團實體功能貨幣之外幣）計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

20. AMOUNTS DUE FROM (TO) RELATED COMPANIES

The amount due from a related company is unsecured, non-interest bearing and repayable on demand.

Included in amount due to related companies as at 31 December 2016 is an amount of HK\$43,947,000 (2015: Nil) which is unsecured, carries interest at 8% (2015: Nil) per annum and repayable on demand. The remaining balance is unsecured, non-interest bearing and repayable on demand. The related companies are wholly owned by a director of the Company.

As at 31 December 2016, amounts due to related companies amounting to approximately HK\$93,861,000 (2015: HK\$58,817,000) are dominated in HK\$ which is a foreign currency other than the functional currency of the relevant group entities.

21. AMOUNT DUE FROM A DIRECTOR

The amount is unsecured, non-interest bearing and repayable on demand. The maximum amount outstanding for amount due from a director during the year is HK\$66,000 (2015: HK\$66,000).

22. BANK BALANCES AND CASH

At the end of the reporting period, about 58% or HK\$21,356,000 (2015: 50% or HK\$17,106,000) of bank balances and cash was denominated in RMB.

The Group's bank balances and cash denominated in foreign currencies other than functional currencies of the relevant group entities are set out as follows:

United States Dollar ("US\$")	美元
HK\$	港元

Bank balances carry interest at market rates ranging from 0.01% to 0.36% (2015: 0.01% to 0.36%) per annum.

20. 應收(付)關連公司款項

應收關連公司款項為無抵押、不計息及須按要求償還。

於二零一六年十二月三十一日，應付關連公司款項為43,947,000港元(二零一五年：無)，為無抵押、按年利率8厘(二零一五年：無)計息及須按要求償還。餘額為無抵押、不計息及須按要求償還。該等關連公司由本公司一名董事全資擁有。

於二零一六年十二月三十一日，應付關連公司款項約93,861,000港元(二零一五年：58,817,000港元)以港元(並非相關集團實體功能貨幣之外幣)計值。

21. 應收一名董事款項

該等款項為無抵押、不計息及須按要求償還。年內應收一名董事款項之最高未收回金額為66,000港元(二零一五年：66,000港元)。

22. 銀行結餘及現金

於報告期末，銀行結餘及現金中約58%或21,356,000港元(二零一五年：50%或17,106,000港元)以人民幣計值。

本集團以並非相關集團實體功能貨幣之外幣計值之銀行結餘及現金載列如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
United States Dollar ("US\$")	美元	14,130	3,620
HK\$	港元	172	3,038

銀行結餘按市場年利率介乎0.01厘至0.36厘(二零一五年：0.01厘至0.36厘)計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	貿易應付款項		
– third parties	– 第三方	14,653	6,145
– a non-controlling interest holder	– 一名非控股權益持有人	325	325
		14,978	6,470
Receipts in advance	預收款項	117,114	43,963
Accrued staff costs	應計員工成本	55,445	54,518
Other taxes payable	其他應付稅項	3,969	3,689
Considerations for acquisition of subsidiaries	收購附屬公司之代價	341,759	381,784
Payables for construction works and purchase of machineries	建築工程及購入機器應付款項	290,986	291,958
Accrued expenses and other payables	應計費用及其他應付款項	51,388	49,628
		875,639	832,010

The ageing analysis of the trade payables based on the invoiced dates at the end of the reporting period was as follows:

於報告期末，依照發票日期計算之貿易應付款項賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	90天內	8,093	2,264
91 days to 180 days	91天至180天	1,945	43
181 days to 365 days	181天至365天	707	1,143
Over 365 days	365天以上	4,233	3,020
		14,978	6,470

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買貨品之平均除賬期限為90天。本集團設有財務風險管理政策，確保全部應付款項均於除賬期限內結清。

As at 31 December 2016, trade and other payable amounting to approximately HK\$20,010,000 (2015: HK\$20,499,000) were dominated in HK\$, which is a foreign currency other than the functional currency of the relevant group entities.

於二零一六年十二月三十一日，貿易及其他應付款項約20,010,000港元（二零一五年：20,499,000港元）以港元（並非相關集團實體功能貨幣之外幣）計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

24. AMOUNT DUE TO A NON-CONTROLLING INTEREST HOLDER

As at 31 December 2016, the current amount due to a non-controlling interest holder amounting to HK\$3,902,503,000 (2015: HK\$2,745,260,000) is unsecured, bears interest at variable rates ranging from 5.22% to 7.66% (2015: 6.12% to 12.05%) per annum and is repayable within twelve months from the end of the reporting period. The amount is entrusted loans provided by a non-controlling interest holder of a subsidiary through banks. During the year, amount due to a non-controlling interest holder of HK\$3,715,772,000 (2015: HK\$787,841,000) was rollover at maturity dates without cash repayment.

As at 31 December 2016, the non-current amount due to a non-controlling interest holder amounting to HK\$25,712,000 (2015: HK\$975,196,000) is unsecured, bears interest at variable rates ranging from 5.22% to 7.66% (2015: 6.75% to 12.05%) per annum. The amount is entrusted loans provided by a non-controlling interest holder of a subsidiary through banks. The maturities of the balance are ranging from 1 February 2018 to 31 October 2018 (2015: 12 March 2017 to 17 November 2017) and accordingly, the balance is classified under non-current liabilities.

25. OTHER BORROWINGS

As at 31 December 2016, a balance of HK\$34,252,000 (2015: HK\$31,284,000) included in other borrowing is unsecured, which carries interest at 9% (2015: 9%) per annum from an independent third party matured on 12 July 2017 (2015: matured on 12 July 2017). The remaining balance of approximately HK\$5,755,000 for both years ended 31 December 2016 and 2015 represents unsecured borrowing which is non-interest bearing and repayable on demand from a former subsidiary of the Company. These other borrowings are dominated in HK\$ which is a foreign currency other than the functional currency of the relevant group entities.

24. 應付一名非控股權益持有人款項

於二零一六年十二月三十一日，應付一名非控股權益持有人之即期款項3,902,503,000港元（二零一五年：2,745,260,000港元）為無抵押，按浮息每年5.22厘至7.66厘（二零一五年：6.12厘至12.05厘）計息及須於由報告期末起十二個月內償還。該筆款項為一間附屬公司之一名非控股權益持有人透過銀行提供之委託貸款。年內，應付非控股權益持有人之款項3,715,772,000港元（二零一五年：787,841,000港元）於到期日滾存，毋須作出現金還款。

於二零一六年十二月三十一日，應付一名非控股權益持有人之非即期款項25,712,000港元（二零一五年：975,196,000港元）為無抵押，按浮息每年5.22厘至7.66厘（二零一五年：6.75厘至12.05厘）計息。該筆款項乃一間附屬公司之一名非控股權益持有人透過銀行提供之委託貸款。該結餘之到期日介乎二零一八年二月一日至二零一八年十月三十一日（二零一五年：二零一七年三月十二日至二零一七年十一月十七日），因此，該結餘分類為非流動負債。

25. 其他借貸

於二零一六年十二月三十一日，其他借貸中之34,252,000港元（二零一五年：31,284,000港元）結餘為來自獨立第三方之無抵押借貸，按年利率9厘（二零一五年：9厘）計息，於二零一七年七月十二日到期（二零一五年：於二零一七年七月十二日到期）。截至二零一六年及二零一五年十二月三十一日止兩個年度之餘額約5,755,000港元為無抵押借貸，為不計息及須按本公司一間前附屬公司要求償還。該等其他借貸以港元（並非相關集團實體功能貨幣之外幣）計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

26. OBLIGATION UNDER FINANCE LEASES

26. 融資租賃項下之責任

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Analysed for reporting purposes as:	就報告目的分析為：		
Current liabilities	流動負債	10,199	-
Non-current liabilities	非流動負債	52,147	-
		62,346	-

The leased assets are mining machines for mining operation. The lease term is 4 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates 17.07% per annum.

租賃資產為採礦業務之採礦機器。租期為4年。融資租賃項下之所有責任所涉利率於各合約日期固定為每年17.07%。

		Minimum lease payments		Present value of minimum lease payments	
		最低租賃款項	最低租賃款項之現值	最低租賃款項	最低租賃款項之現值
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts payable under finance leases	融資租賃應付款項				
Within one year	一年內	20,065	-	10,199	-
After one year but within two years	一年後但兩年內	20,065	-	12,083	-
After two years but within five years	兩年後但五年內	45,816	-	40,064	-
		85,946	-	62,346	-
Less: future finance charges	減：未來融資支出	(23,600)	-	N/A 不適用	N/A 不適用
Present value of lease obligations	租賃責任之現值	62,346	-	62,346	-
Less: Amount due for settlement within 12 months	減：12個月內到期結算之款項			(10,199)	-
				52,147	-

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

本集團於融資租賃項下之責任乃由出租人對租賃資產之抵押作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES

2010 Convertible Loan Notes A

On 14 September 2010, the Company issued convertible loan notes A which had a maturity date on 14 September 2013 with an aggregate principal amount of US\$30,000,000 (the “2010 Convertible Loan Notes A”). The convertible loan notes can be converted up to an aggregate of 136,764,706 ordinary shares at HK\$0.01 each. The notes were denominated in US\$ and entitled the holder to convert them into ordinary shares of the Company at any time from (and including) the date which is three months after the issue date up to ten business days prior to the maturity date. The effective interest rate of the liability component is 26.51% per annum.

At the issue date, the 2010 Convertible Loan Notes A were bifurcated into a liability component and an equity component. The equity component is presented in equity under the heading of “Convertible bonds reserve” on initial recognition.

Subsequent to the issue date, the Company and the subscriber of the 2010 Convertible Loan Notes A entered into a supplemental agreement on 29 October 2010 (“Supplemental Agreement A”) to amend the adjustment mechanism on the conversion price of 2010 Convertible Loan Notes A. In accordance with the Supplemental Agreement A, the conversion price of 2010 Convertible Loan Notes A will be adjusted to the average closing price of one share during the month in which the financial year-end day of the Company falls in any calendar year, plus a premium of 15% if such price is lower than the conversion price in force. According to the Supplemental Agreement A and the announcement dated 3 January 2011, the conversion price was adjusted to HK\$1.30 per share. The Supplemental Agreement A was approved by the shareholders at the special general meeting held on 18 April 2011 and approved by the Stock Exchange on the same day. Due to the amendment of terms, the number of shares convertible by 2010 Convertible Loan Notes A is no longer fixed, the 2010 Convertible Loan Notes A after amendment contained a derivative component in addition to the liability component.

27. 可換股貸款票據

A類二零一零年可換股貸款票據

於二零一零年九月十四日，本公司發行本金總額為30,000,000美元之A類可換股貸款票據，到期日為二零一三年九月十四日（「A類二零一零年可換股貸款票據」）。可換股貸款票據可兌換為最多合共136,764,706股每股面值0.01港元之普通股。該等票據以美元計值，賦予持有人權利於發行日期後滿三個月當日（包括該日）至到期日前十個營業日期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為26.51厘。

於發行日期，A類二零一零年可換股貸款票據分為負債部分及權益部分。權益部分於首次確認時在權益呈列為「可換股債券儲備」。

於發行日期後，本公司與A類二零一零年可換股貸款票據之認購人於二零一零年十月二十九日訂立補充協議（「補充協議A」），以修訂A類二零一零年可換股貸款票據兌換價之調整機制。按照補充協議A，倘任何曆年本公司財政年度結算日所在月份一股份之平均收市價另加15%溢價低於當時生效之兌換價，則A類二零一零年可換股貸款票據之兌換價將調整至該價格。按照補充協議A及日期為二零一一年一月三日之公佈，兌換價調整至每股1.30港元。補充協議A於二零一一年四月十八日舉行之股東特別大會上獲股東批准，亦於同日獲聯交所批准。由於條款已作修訂，故A類二零一零年可換股貸款票據之可換股份數目再非固定數目，經修訂A類二零一零年可換股貸款票據除包含負債部分外，亦包含衍生工具部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2010 Convertible Loan Notes A (continued)

According to the Supplemental Agreement A, the conversion price of 2010 Convertible Loan Notes A was adjusted to HK\$0.27 per share on 3 January 2012. The details of the adjustment were set out in the Company's announcement dated 3 January 2012. In the event that the 2010 Convertible Loan Notes A are fully converted, a total number of 861,111,111 new ordinary shares will be issued.

One of the undertakings under the relevant subscription agreements (the "Subscription Agreements") in respect of the issue of the 2010 Convertible Loan Notes A requires Mr. King Jun Chih Joseph ("Mr. King") and Mr. Chan Kwan Hung ("Mr. Chan") to remain as executive directors of the Company, so long as the subscribers hold any outstanding amount of the 2010 Convertible Loan Notes A prior to 31 December 2014.

Both Mr. King and Mr. Chan resigned from the directorship of the Company on 27 January 2011 (the "Resignation") and caused a breach of covenants of 2010 Convertible Loan Notes A. Thus, it was alleged by the subscribers that the Resignation had constituted a breach of the Subscription Agreements and an event of default under the terms and conditions (the "Conditions") of the 2010 Convertible Loan Notes A, which would entitle the subscribers to give notice to the Company that each of the 2010 Convertible Loan Notes A is due and payable at its principal amount. In addition, it was further alleged by the subscribers that the resignation of Mr. King had also constituted a change of control event as defined in the Conditions, which would entitle the subscribers to require the Company to redeem all or some of 2010 Convertible Loan Notes A on demand.

As stated in the Company's announcement dated 15 December 2011, the Company had received redemption letters from the subscriber of 2010 Convertible Loan Notes A ("Bond Holder A") on 30 November 2011, requesting for the redemption of 2010 Convertible Loan Notes A in accordance with the Conditions.

27. 可換股貸款票據 (續)

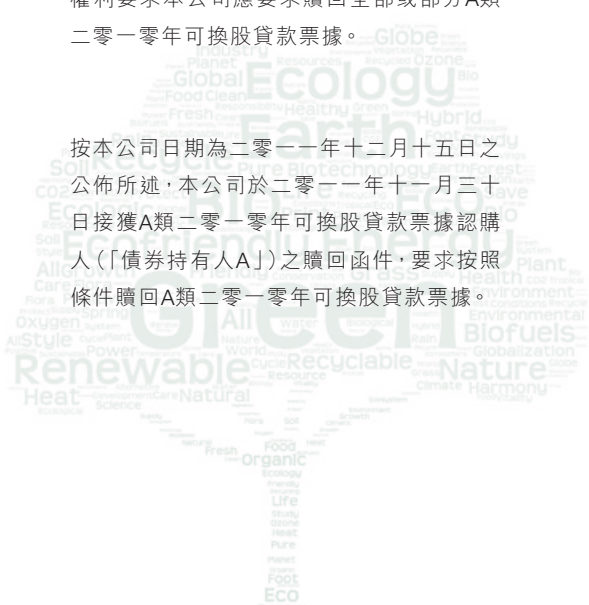
A類二零一零年可換股貸款票據 (續)

按照補充協議A，A類二零一零年可換股貸款票據之兌換價於二零一二年一月三日調整至每股0.27港元。有關調整詳情載於本公司日期為二零一二年一月三日之公佈。倘A類二零一零年可換股貸款票據獲悉數兌換，則會發行合共861,111,111股新普通股。

發行A類二零一零年可換股貸款票據之相關認購協議（「認購協議」）其中一項承諾要求，於二零一四年十二月三十一日前，只要認購人一直持有A類二零一零年可換股貸款票據任何未償還金額，金潤之先生（「金先生」）及陳均鴻先生（「陳先生」）則須留任本公司執行董事。

金先生及陳先生均於二零一一年一月二十七日辭任本公司董事職務（「辭任」），導致違反A類二零一零年可換股貸款票據之契諾。因此，認購人指稱辭任構成違反認購協議以及A類二零一零年可換股貸款票據條款及條件（「條件」）下之違約事件，賦予認購人權利向本公司發出各份A類二零一零年可換股貸款票據已到期及須按其本金額付款之通知。此外，認購人進一步指稱金先生辭任同時構成條件所界定之控制權變動事件，賦予認購人權利要求本公司應要求贖回全部或部分A類二零一零年可換股貸款票據。

按本公司日期為二零一一年十二月十五日之公佈所述，本公司於二零一一年十一月三十日接獲A類二零一零年可換股貸款票據認購人（「債券持有人A」）之贖回函件，要求按照條件贖回A類二零一零年可換股貸款票據。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2010 Convertible Loan Notes A (continued)

The Company and Bond Holder A had entered into a supplemental agreement (“the Supplemental Agreement B”) in relation to the alteration of certain terms and conditions of 2010 Convertible Loan Notes A on 6 January 2012. The maturity date of 2010 Convertible Loan Notes A was changed to 13 December 2012. Various terms regarding increased charge on convertible preference shares and ordinary shares, amendment on redemption upon change of control and additional terms on redemption as a result of a major assets acquisition and/or disposal and guaranteed return were altered in accordance with the Supplementary Agreement B. Details of the aforesaid alterations are set out in the Company’s circular dated 8 February 2012. Pursuant to the resolution passed in a special general meeting on 23 February 2012, the alterations were approved by the shareholders.

As explained in the Company’s announcement dated 8 October 2012 and circular dated 25 March 2013, the Group entered into several contracts to acquire the entire equity interests in Lexing (the “Acquisition”) and to dispose of entire equity interests in North Asia Resources Group Limited (“NARG”) and Good Loyal Group Limited (“GLG”) (NARG and GLG and their subsidiaries collectively referred to as the “Disposal Group”) and the sum of the outstanding loans from the Disposal Group to the Group (the “Sale Loans”) (the “Disposal”) on 7 June 2013.

Moreover, on 6 September 2012, the Company and the Bond Holder A entered into the subscription agreement (the “Subscription Agreement A”) in which the Company agreed to allot and issue ordinary shares (the “Subscription Ordinary Shares”) and convertible preference shares (the “Subscription CPS”) at HK\$0.17 per Subscription Ordinary Share and Subscription CPS to the Bond Holder A (the “Subscription”).

27. 可換股貸款票據 (續)

A類二零一零年可換股貸款票據 (續)

本公司與債券持有人A於二零一二年一月六日訂立補充協議(「補充協議B」)，內容有關修改A類二零一零年可換股貸款票據之若干條款及條件。A類二零一零年可換股貸款票據之到期日更改為二零一二年十二月十三日。有關可轉換優先股及普通股支出增加之多項條款、控制權變動後有關贖回股份之修訂以及因重大資產收購及／或出售及保證回報而贖回股份之額外條款已按照補充協議B修改。上述修改之詳情載於本公司日期為二零一二年二月八日之通函。依據於二零一二年二月二十三日舉行之股東特別大會上通過之決議案，有關修改已獲股東批准。

按本公司日期為二零一二年十月八日之公佈及日期為二零一三年三月二十五日之通函所述，本集團訂立多份合約以收購樂興全部股本權益(「收購事項」)以及出售北亞資源集團有限公司(「北亞資源集團」)及Good Loyal Group Limited(「GLG」)(北亞資源集團、GLG及該等公司之附屬公司統稱「出售集團」)全部股本權益及出售集團於二零一三年六月七日結欠本集團之未償還貸款額(「待售貸款」)(「出售事項」)。

此外，於二零一二年九月六日，本公司與債券持有人A訂立認購協議(「A類認購協議」)，據此，本公司同意配發及發行普通股(「認購普通股」)及可轉換優先股(「認購可轉換優先股」)予債券持有人A，每股認購普通股及認購可轉換優先股作價0.17港元(「認購事項」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2010 Convertible Loan Notes A (continued)

The consideration of the Subscription that is payable by Bond Holder A to the Company shall be satisfied by setting off against the aggregate of (a) US\$15,000,000 principal amount of the 2010 Convertible Loan Notes A (the “Set-Off Convertible Loan Notes”) and (b) the difference between (i) an amount that would yield the internal return rate of 18% calculated on the Set-Off Convertible Loan Notes from the issue date of the 2010 Convertible Loan Notes A up to and including the date of completion of the Subscription (such amount shall take into account of any interest (other than default interest) previously paid with respect to the Set-Off Convertible Loan Notes, and (ii) interest on the Set-Off Convertible Loan Notes accrued from the date of the last interest payment (i.e. 14 March 2012) up to and including the date of completion of the Subscription at the rate of 8% per annum.

Further, on 6 September 2012, the Company, Bond Holder A and City Bloom Limited (“City Bloom”), an independent third party to the Group and the vendor of Lexing, entered into a supplemental agreement (the “Supplemental Agreement C”) to amend terms and conditions of the non-capitalised portion of the 2010 Convertible Loan Notes A with outstanding principal amount of US\$15,000,000 immediately after the Subscription (the “Remaining US\$15M Convertible Loan Notes”) (the “Alterations”). The principle terms of the Remaining US\$15M Convertible Loan Notes as altered was detailed in the Company’s announcement dated 8 October 2012.

The completion of the Acquisition, Disposal, Subscription and Alteration (collectively referred to as the “Transactions”) should take place simultaneously. Since the Transactions were not yet completed on 12 December 2012, the Company had entered into an extension agreement on 14 December 2012 (the “Extension Agreement”) for the extension of the completion date of the Transactions. The Bond Holder A has also given an undertaking to and covenanted with the Company that it would not request for any redemption of the whole or any part of the 2010 Convertible Loan Notes A on or before 13 March 2013 and it would not otherwise exercise or enforce any rights under the 2010 Convertible Loan Notes A to request the Company to redeem the whole or part of the 2010 Convertible Loan Notes A on or before 13 March 2013.

27. 可換股貸款票據 (續)

A類二零一零年可換股貸款票據 (續)

債券持有人A應付予本公司之認購事項代價之支付方式為抵銷以下兩者之總和：(a)A類二零一零年可換股貸款票據（「抵銷可換股貸款票據」）之本金額15,000,000美元；及(b)以下兩者之差額：(i)由A類二零一零年可換股貸款票據發行日期起直至並包括認購事項完成日期止期間按抵銷可換股貸款票據內部回報率18%計算之金額（該金額將計及任何過往就抵銷可換股貸款票據已付之利息（違約利息除外））；及(ii)抵銷可換股貸款票據由最後付息日期（即二零一二年三月十四日）起直至並包括認購事項完成日期止期間按年利率8厘累計之利息。

再者，於二零一二年九月六日，本公司、債券持有人A及城興有限公司（「城興」，為本集團之獨立第三方及樂興之賣方）訂立補充協議（「補充協議C」），以修改A類二零一零年可換股貸款票據不予撥充資本部分之條款及條件，緊隨認購事項後之未償還本金額為15,000,000美元（「餘下一千五百萬美元可換股貸款票據」）（「修改」）。經修改之餘下一千五百萬美元可換股貸款票據主要條款之詳情，載於本公司日期為二零一二年十月八日之公佈。

收購事項、出售事項、認購事項及修改（統稱為「交易」）須同時落實完成。鑒於交易於二零一二年十二月十二日尚未完成，本公司於二零一二年十二月十四日訂立推遲交易完成日期之延期協議（「延期協議」）。債券持有人A亦向本公司承諾及契諾，表明其不會要求於二零一三年三月十三日或之前贖回全部或任何部分A類二零一零年可換股貸款票據，亦不會行使或強制執行A類二零一零年可換股貸款票據賦予之任何權利，要求本公司於二零一三年三月十三日或之前贖回全部或部分A類二零一零年可換股貸款票據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2010 Convertible Loan Notes A (continued)

As detailed in the Company's announcement dated 18 March 2013, the Company had entered into another extension agreement in relation to the further extension of the completion date of the Transactions from 13 March 2013 to 30 June 2013. Bond Holder A had also given an undertaking to and covenanted with the Company that it would not request for any redemption of the whole or any part of the 2010 Convertible Loan Notes A on or before 30 June 2013 and it would not otherwise exercise or enforce any rights under the 2010 Convertible Loan Notes A to request the Company to redeem the whole or part of the 2010 Convertible Loan Notes A on or before 30 June 2013.

The Transactions were approved by shareholders of the Company in the extraordinary general meeting held on 12 April 2013 and completed on 7 June 2013. As a result, upon the completion of the Subscription on 7 June 2013, as detailed in the Company's announcement dated 7 June 2013, the Company issued 351,122,243 Subscription Ordinary Shares and 547,638,384 Subscription CPS to Bond Holder A to settle the Set-Off Convertible Loan Notes. According to the settlement deed, an additional loan from a related company of approximately HK\$4,102,000 had been used to settle the outstanding interests.

A loss on redemption of the Set-Off Convertible Loan Notes of approximately HK\$91,812,000 was recognised during the year ended 31 December 2013.

Upon the completion of the Alteration on 7 June 2013, the Remaining US\$15M Convertible Loan Notes will be due on 6 June 2016. The Remaining US\$15M Convertible Loan Notes can be converted up to an aggregate of 430,555,555 ordinary shares of HK\$0.01 each. The effective interest rate of the liability component is 14.68% per annum. A gain on amendment of terms of the Remaining US\$15M Convertible Loan Notes of approximately HK\$14,538,000 was recognised in the consolidated statement of profit and loss during the year ended 31 December 2013.

27. 可換股貸款票據 (續)

A類二零一零年可換股貸款票據 (續)

按本公司日期為二零一三年三月十八日之公佈所述，本公司訂立另一份延期協議，內容關於將交易之完成日期由二零一三年三月十三日進一步延遲至二零一三年六月三十日。債券持有人A亦向本公司承諾及契諾，表明不會要求於二零一三年六月三十日或之前贖回全部或任何部分A類二零一零年可換股貸款票據，亦不會行使或強制執行A類二零一零年可換股貸款票據賦予之任何權利，要求本公司於二零一三年六月三十日或之前贖回全部或部分A類二零一零年可換股貸款票據。

交易於二零一三年四月十二日舉行之股東特別大會上獲本公司股東批准，並於二零一三年六月七日完成。因此，於二零一三年六月七日認購事項完成後，誠如本公司日期為二零一三年六月七日之公佈所詳述，本公司已向債券持有人A發行351,122,243股認購普通股及547,638,384股認購可轉換優先股，以償付抵銷可換股貸款票據。按照償還契據，來自一間關連公司之額外貸款約4,102,000港元已用於清償未償還之利息。

於截至二零一三年十二月三十一日止年度，本集團已確認贖回抵銷可換股貸款票據之虧損約91,812,000港元。

於二零一三年六月七日完成修改後，餘下一千五百萬美元可換股貸款票據將於二零一六年六月六日到期。餘下一千五百萬美元可換股貸款票據可兌換為最多合共430,555,555股每股面值0.01港元之普通股。負債部分之實際年利率為14.68厘。於截至二零一三年十二月三十一日止年度，本集團於綜合損益表確認修訂餘下一千五百萬美元可換股貸款票據條款之收益約14,538,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2010 Convertible Loan Notes A (continued)

On 4 May 2015, the holders of the 2010 Convertible Loan Notes A converted principal amount of US\$15,000,000 (equivalent to HK\$116,250,000) of the 2010 Convertible Loan Notes A into 683,823,529 ordinary shares of the Company.

As at 31 December 2015, all of the 2010 Convertible Loan Notes A has been fully converted and there is no outstanding 2010 Convertible Loan Notes A as at 31 December 2015.

2013 Convertible Loan Notes A

On 7 June 2013, the Company issued convertible loan notes to the shareholders of City Bloom with an aggregate principal amount of approximately HK\$3,548,272,000 (the “2013 Convertible Loan Notes A”) with coupon rate equal to the rate of dividend per share from time to time declared and paid by the Company to the shareholders as if the 2013 Convertible Loan Notes A have been converted in full into shares at the same time when the relevant dividend is payable to the shareholder, in respect of the Acquisition. The 2013 Convertible Loan Notes A had a maturity date of 6 June 2018 and can be converted up to an aggregate of 20,872,186,547 ordinary shares of HK\$0.01 each at HK\$0.17 per share. The notes were denominated in HK\$ and entitled the holders to convert them into ordinary shares of the Company at any time during the period commencing from immediately after the date of issue of the 2013 Convertible Loan Notes A up to the maturity date. The effective interest rate of the liability component is 9.78% per annum.

The Company may redeem whole or part of the 2013 Convertible Loan Notes A at 100% of the outstanding principal amount together with declared but unpaid dividend of the 2013 Convertible Loan Notes A (the “Redemption Amount”) at any time after six months of the date of issue of the 2013 Convertible Loan Notes A and before the maturity date with prior notice to the shareholders of City Bloom.

27. 可換股貸款票據 (續)

A類二零一零年可換股貸款票據 (續)

於二零一五年五月四日，A類二零一零年可換股貸款票據之持有人將本金額15,000,000美元（相等於116,250,000港元）之A類二零一零年可換股貸款票據兌換為683,823,529股本公司普通股。

於二零一五年十二月三十一日，所有A類二零一零年可換股貸款票據已獲悉數兌換，而於二零一五年十二月三十一日並無未獲兌換之A類二零一零年可換股貸款票據。

A類二零一三年可換股貸款票據

於二零一三年六月七日，本公司就收購事項發行本金總額約3,548,272,000港元之可換股貸款票據（「A類二零一三年可換股貸款票據」）予城興之股東，票面息率相等於本公司不時向股東宣派及派付之每股股息率，猶如A類二零一三年可換股貸款票據已於向股東派付相關股息時獲悉數兌換為股份。A類二零一三年可換股貸款票據之到期日為二零一八年六月六日，可按每股0.17港元兌換為最多合共20,872,186,547股每股面值0.01港元之普通股。該等票據以港元計值，賦予持有人權利於緊隨A類二零一三年可換股貸款票據發行日後至到期日期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為9.78厘。

本公司可於A類二零一三年可換股貸款票據發行日滿六個月後及到期日前隨時透過事先知會城興之股東，按未償還本金額之100%連同A類二零一三年可換股貸款票據之已宣派但未付股息（「贖回額」）贖回全部或部分A類二零一三年可換股貸款票據。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2013 Convertible Loan Notes A (continued)

The shareholders of City Bloom may at any time after one year of the date of issue of the 2013 Convertible Loan Notes A and before the maturity date with prior notice to request the Company to redeem whole or part of the 2013 Convertible Loan Notes A at Redemption Amount. On 2 September 2013 and 3 September 2013, the holders of the 2013 Convertible Loan Note A converted HK\$13,600,000 and HK\$10,200,000 of 2013 Convertible Loan note A into 80,000,000 and 60,000,000 ordinary shares of the Company respectively. On 27 January 2014, 28 March 2014, 4 April 2014, 23 June 2014, 19 August 2014, 29 September 2014, 11 November 2014 the holders of the 2013 Convertible Loan Notes A converted principal amounts of HK\$8,500,000, HK\$4,828,000, HK\$34,000,000, HK\$5,100,000, HK\$27,200,000, HK\$93,546,000 and HK\$337,412,000 of the 2013 Convertible Loan Notes A into 50,000,000, 28,400,000, 200,000,000, 30,000,000, 160,000,000, 550,268,000 and 1,984,775,000 ordinary shares of the Company respectively.

On 5 January 2015, 27 March 2015, 15 April 2015, 28 April 2015, 8 May 2015, 28 May 2015 and 14 September 2015, the holders of the 2013 Convertible loan Note A converted principal amounts approximately HK\$8,000,000, HK\$252,431,000, HK\$363,315,000, HK\$213,345,000, HK\$386,204,000, HK\$52,417,000 and HK\$317,787,000 into 47,058,822, 1,484,887,143, 2,137,145,257, 1,254,969,463, 2,271,787,254, 308,335,000 and 1,869,337,346 ordinary shares of the Company respectively.

On 18 March 2016, the conversion price of the 2013 Convertible Loan Notes A was adjusted from HK\$0.17 per share to HK\$0.07 per share pursuant to certain adjustment terms of the 2013 Convertible Loan Notes A as a result of the placing of the Company's shares on the same date.

27. 可換股貸款票據 (續)

A類二零一三年可換股貸款票據 (續)

城興之股東可於A類二零一三年可換股貸款票據發行日滿一周年後及到期日前隨時透過事先發出通知，要求本公司按贖回額贖回全部或部分A類二零一三年可換股貸款票據。於二零一三年九月二日及二零一三年九月三日，A類二零一三年可換股貸款票據之持有人將13,600,000港元及10,200,000港元之A類二零一三年可換股貸款票據分別兌換為80,000,000股及60,000,000股本公司普通股。於二零一四年一月二十七日、二零一四年三月二十八日、二零一四年四月四日、二零一四年六月二十三日、二零一四年八月十九日、二零一四年九月二十九日及二零一四年十一月十一日，A類二零一三年可換股貸款票據持有人將本金額為8,500,000港元、4,828,000港元、34,000,000港元、5,100,000港元、27,200,000港元、93,546,000港元及337,412,000港元之A類二零一三年可換股貸款票據分別兌換為50,000,000股、28,400,000股、200,000,000股、30,000,000股、160,000,000股、550,268,000股及1,984,775,000股本公司普通股。

於二零一五年一月五日、二零一五年三月二十七日、二零一五年四月十五日、二零一五年四月二十八日、二零一五年五月八日、二零一五年五月二十八日及二零一五年九月十四日，A類二零一三年可換股貸款票據持有人將約8,000,000港元、252,431,000港元、363,315,000港元、213,345,000港元、386,204,000港元、52,417,000港元及317,787,000港元之本金額分別兌換為47,058,822股、1,484,887,143股、2,137,145,257股、1,254,969,463股、2,271,787,254股、308,335,000股及1,869,337,346股本公司普通股。

於二零一六年三月十八日，因本公司於同日配售股份而根據A類二零一三年可換股貸款票據之若干調整條款，A類二零一三年可換股貸款票據之兌換價由每股0.17港元調整為每股0.07港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2013 Convertible Loan Notes A (continued)

On 30 December 2016, the holders of the 2013 Convertible loan Note A converted principal amounts approximately HK\$1,001,287,000 into 14,304,099,595 ordinary shares of company.

As at 31 December 2016, the remaining principal of the 2013 Convertible Loan Note A is HK\$419,101,000 (2015: HK\$1,420,388,000).

2013 Convertible Loan Notes B

On 24 June 2013, the Company issued convertible loan notes which had a maturity date on 23 June 2016 with an aggregate principal amount of US\$23,000,000 (equivalent to HK\$179,400,000) (the "2013 Convertible Loan Notes B") and with coupon rate of 8% per annum, settled semi-annually. The 2013 Convertible Loan Notes B can be converted up to an aggregate of 578,709,677 ordinary shares of HK\$0.01 each at HK\$0.31 per share (subject to adjustment). The notes were denominated in US\$ and entitled the holders to convert them into ordinary shares of the Company at any time from (and including) the date of the issue date and up to five business days prior to the maturity date. The effective interest rate of the liability component is 20.61% per annum.

On 15 May 2015 and 20 May 2015, the holders of the 2013 Convertible Loan Notes B converted principal amounts of US\$3,000,000 (equivalent to HK\$23,400,000) and US\$500,000 (equivalent to HK\$3,900,000) of the 2013 Convertible Loan Notes B into 75,483,871 and 12,580,645 ordinary shares of the Company respectively.

On 9 November 2015, the Company early redeemed principal amounts of US\$3,000,000 (equivalent to HK\$23,400,000) of the 2013 Convertible Loan Notes B at a cash consideration of HK\$23,400,000. A loss on redemption of approximately HK\$981,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2015.

27. 可換股貸款票據 (續)

A類二零一三年可換股貸款票據 (續)

於二零一六年十二月三十日，A類二零一三年可換股貸款票據持有人將約1,001,287,000港元之本金額兌換為14,304,099,595股本公司普通股。

於二零一六年十二月三十一日，A類二零一三年可換股貸款票據之剩餘本金額為419,101,000港元（二零一五年：1,420,388,000港元）。

B類二零一三年可換股貸款票據

於二零一三年六月二十四日，本公司發行本金總額23,000,000美元（相等於179,400,000港元）、票面息率為每年8厘及到期日為二零一六年六月二十三日之可換股貸款票據（「B類二零一三年可換股貸款票據」），利息每半年結算一次。B類二零一三年可換股貸款票據可按每股0.31港元（可予調整）兌換為最多合共578,709,677股每股面值0.01港元之普通股。該等票據以美元計值，賦予持有人權利於發行日期當日（包括該日）起至到期日前五個營業日期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為20.61厘。

於二零一五年五月十五日及二零一五年五月二十日，B類二零一三年可換股貸款票據持有人將本金額為3,000,000美元（相等於23,400,000港元）及500,000美元（相等於3,900,000港元）之B類二零一三年可換股貸款票據分別兌換為75,483,871股及12,580,645股本公司普通股。

於二零一五年十一月九日，本公司按現金代價23,400,000港元提早贖回本金額為3,000,000美元（相等於23,400,000港元）之B類二零一三年可換股貸款票據。贖回虧損約981,000港元已於截至二零一五年十二月三十一日止年度之綜合損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2013 Convertible Loan Notes B (continued)

On 18 March 2016, the Company has early redeemed principal amounts of US\$16,500,000 (equivalent to HK\$128,700,000) of the 2013 Convertible Loan Notes B at a cash consideration of HK\$128,700,000. A loss on redemption of approximately HK\$4,181,000 is recognised in the consolidated statement of profit or loss for the year ended 31 December 2016. The Company agreed with the notes holders to pay an additional interest of approximately HK\$14,089,000 for the redemption.

As at 31 December 2015, the remaining principal of the 2013 Convertible Loan Notes B was US\$16,500,000 (equivalent to HK\$128,700,000) (2016: nil).

2013 Convertible Loan Notes C

On 3 July 2013, the Company issued convertible loan notes which had a maturity date on 2 July 2016 with an aggregate principal amount of US\$7,000,000 (equivalent to approximately HK\$54,600,000) (the "2013 Convertible Loan Notes C") and with coupon rate of 8% per annum, settled semi-annually. The 2013 Convertible Loan Notes C can be converted up to an aggregate of 176,129,032 ordinary shares of HK\$0.01 each at HK\$0.31 per share (subject to adjustment). The notes were denominated in US\$ and entitled the holders to convert them into ordinary shares of the Company at any time from (and including) the date of the issue date and up to five business days prior to the maturity date. The effective interest rate of the liability component is 22.61% per annum.

The Company may redeem whole or part of the 2013 Convertible Loan Notes B and 2013 Convertible Loan Notes C at 100% of the outstanding principal amount together with unpaid interest at any time after twelve months of the date of issue of the 2013 Convertible Loan Notes B and the 2013 Convertible Loan Notes C and before the maturity date with prior notice to notes holders.

On 28 May 2015, the holders of the 2013 Convertible Loan Notes C converted principal amounts of US\$1,000,000 (equivalent to HK\$7,800,000) of 2013 Convertible Loan Notes C into 25,161,290 ordinary shares of the Company.

27. 可換股貸款票據 (續)

B類二零一三年可換股貸款票據 (續)

於二零一六年三月十八日，本公司按現金代價128,700,000港元提早贖回本金額為16,500,000美元（相等於128,700,000港元）之B類二零一三年可換股貸款票據。贖回虧損約4,181,000港元已於截至二零一六年十二月三十一日止年度之綜合損益表內確認。本公司與票據持有人協定就贖回支付額外利息約14,089,000港元。

於二零一五年十二月三十一日，B類二零一三年可換股貸款票據之剩餘本金為16,500,000美元（相等於128,700,000港元）（二零一六年：無）。

C類二零一三年可換股貸款票據

於二零一三年七月八日，本公司發行本金總額7,000,000美元（相等於約54,600,000港元）、票面息率每年8厘及到期日為二零一六年七月二日之可換股貸款票據（「C類二零一三年可換股貸款票據」），利息每半年結算一次。C類二零一三年可換股貸款票據可按每股0.31港元（可予調整）兌換為最多合共176,129,032股每股面值0.01港元之普通股。該等票據以美元計值，賦予持有人權利於發行日期當日（包括該日）至到期日前五個營業日期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為22.61厘。

本公司可於B類二零一三年可換股貸款票據及C類二零一三年可換股貸款票據發行日滿十二個月後及到期日前隨時透過事先知會票據持有人，按未償還本金額之100%連同未付利息贖回全部或部分B類二零一三年可換股貸款票據及C類二零一三年可換股貸款票據。

於二零一五年五月二十八日，C類二零一三年可換股貸款票據持有人將本金額為1,000,000美元（相等於7,800,000港元）之C類二零一三年可換股貸款票據兌換為25,161,290股本公司普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

2013 Convertible Loan Notes C (continued)

On 9 November 2015, the Company has early redeemed principal amounts of US\$6,000,000 (equivalent to HK\$46,800,000) of the 2013 Convertible Loan Notes C at a cash consideration of HK\$46,800,000. A loss on redemption of approximately HK\$2,324,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2015.

The movements of the liability and derivative components of the convertible loan notes are set out below:

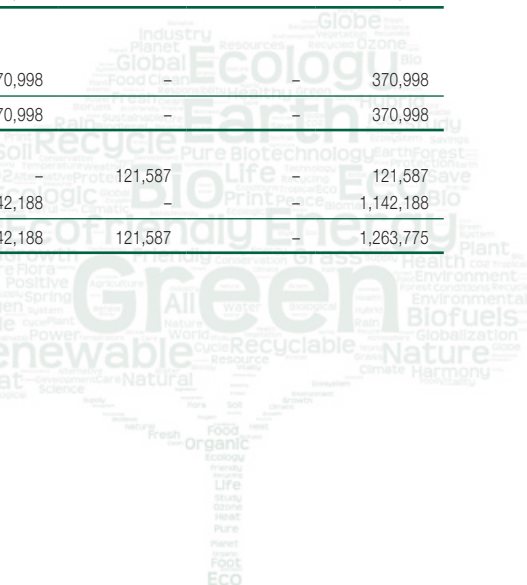
		2010	2013	2013	2013	
		Convertible	Convertible	Convertible	Convertible	Total
		Loan Notes A	Loan Notes A	Loan Notes B	Loan Notes C	
		A類二零一零年	A類二零一三年	B類二零一三年	C類二零一三年	
		可換股	可換股	可換股	可換股	
		貸款票據	貸款票據	貸款票據	貸款票據	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Liabilities component	負債部分					
At 1 January 2015	於二零一五年一月一日	186,637	2,199,644	153,505	47,600	2,587,386
Effective interest expenses (Note 8)	實際利息開支(附註8)	8,738	149,683	26,412	8,137	192,970
Interest paid during the year	年內已付利息	-	-	(12,083)	(4,306)	(16,389)
Redemptions of convertible loan notes	贖回可換股貸款票據	-	-	(22,377)	(44,388)	(66,765)
Conversion of convertible loan notes	兌換可換股貸款票據	(195,375)	(1,207,139)	(23,870)	(7,043)	(1,433,427)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	-	1,142,188	121,587	-	1,263,775
Effective interest expenses (Note 8)	實際利息開支(附註8)	-	114,697	19,447	-	134,144
Interest paid during the year	年內已付利息	-	-	(16,515)	-	(16,515)
Redemptions of convertible loan notes	贖回可換股貸款票據	-	-	(124,519)	-	(124,519)
Conversions of convertible loan notes	兌換可換股貸款票據	-	(885,887)	-	-	(885,887)
At 31 December 2016	於二零一六年十二月三十一日	-	370,998	-	-	370,998
Presented by:	按以下方式呈列:					
As at 31 December 2016	於二零一六年十二月三十一日					
Non-current liabilities	非流動負債	-	370,998	-	-	370,998
		-	370,998	-	-	370,998
As at 31 December 2015	於二零一五年十二月三十一日					
Current liabilities	流動負債	-	-	121,587	-	121,587
Non-current liabilities	非流動負債	-	1,142,188	-	-	1,142,188
		-	1,142,188	121,587	-	1,263,775

27. 可換股貸款票據(續)

C類二零一三年可換股貸款票據(續)

於二零一五年十一月九日，本公司按現金代價46,800,000港元提早贖回本金額為6,000,000美元(相等於46,800,000港元)之C類二零一三年可換股貸款票據。贖回虧損約2,324,000港元已於截至二零一五年十二月三十一日止年度之綜合損益表內確認。

可換股貸款票據負債及衍生工具部分之變動載列如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

27. 可換股貸款票據 (續)

		2010 Convertible Loan Notes A A類二零一零年 可換股 貸款票據 HK\$'000 千港元	2013 Convertible Loan Notes A A類二零一三年 可換股 貸款票據 HK\$'000 千港元	2013 Convertible Loan Notes B B類二零一三年 可換股 貸款票據 HK\$'000 千港元	2013 Convertible Loan Notes C C類二零一三年 可換股 貸款票據 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Derivative component	衍生工具部分					
At 1 January 2015	於二零一五年一月一日	(11,340)	922,792	6,077	1,861	919,390
Conversion of convertible loan notes	兌換可換股貸款票據	(52,034)	(1,284,637)	(10,275)	(2,462)	(1,349,408)
Redemption of convertible loan notes	贖回可換股貸款票據	-	-	(42)	(88)	(130)
Change in fair value	公平值變動	63,374	718,068	4,242	689	786,373
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	-	356,223	2	-	356,225
Conversion of convertible loan notes	兌換可換股貸款票據	-	(161,780)	-	-	(161,780)
Change in fair value	公平值變動	-	(126,849)	(2)	-	(126,851)
At 31 December 2016	於二零一六年十二月三十一日	-	67,594	-	-	67,594
Presented by:	按以下方式呈列:					
As at 31 December 2016	於二零一六年十二月三十一日					
Current liabilities	流動負債	-	67,594	-	-	67,594
		-	67,594	-	-	67,594
As at 31 December 2015	於二零一五年十二月三十一日					
Current liabilities	流動負債	-	356,223	2	-	356,225
		-	356,223	2	-	356,225

The fair value of the derivative component of the 2010 Convertible Loan Notes A was estimated at the date of amendment of terms, the date of conversion and the end of each reporting period respectively using the Black-Scholes model with trinomial tree method. The change in fair value of the derivative component is recognised in the consolidated statement of profit or loss.

The derivative component of the 2010 Convertible Loan Notes A represented the conversion option of the holder and the redemption option of the Company, revalued on 4 May 2015 based on the valuation performed by Greater China, using the Black-Scholes model with trinomial tree method. The significant inputs to the models were as follows:

A類二零一零年可換股貸款票據之衍生工具部分之公平值於條款修訂日期、兌換日期及各報告期末分別利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法估計。衍生工具部分之公平值變動於綜合損益表確認。

A類二零一零年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於二零一五年五月四日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值重估。該等模型之重大輸入值如下：

4 May 2015
二零一五年
五月四日

Spot price (HK\$)	現貨價 (港元)	0.28
Risk free rate	無風險利率	0.2782%
Expected option period (year)	預期期權期限 (年)	1.09
Expected volatility	預期波幅	51.78%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

The derivative component of 2013 Convertible Loan Notes A which represented the conversion option of the holder and the redemption option of the Company, was valued 5 January 2015, 27 March 2015, 15 April 2015, 28 April 2015, 8 May 2015, 28 May 2015, 14 September 2015, 31 December 2015, 30 December 2016 and 31 December 2016 based on the valuations performed by Greater China, using Black-Scholes model with Trinomial Lattice Tree model. The significant inputs to the models were as follows:

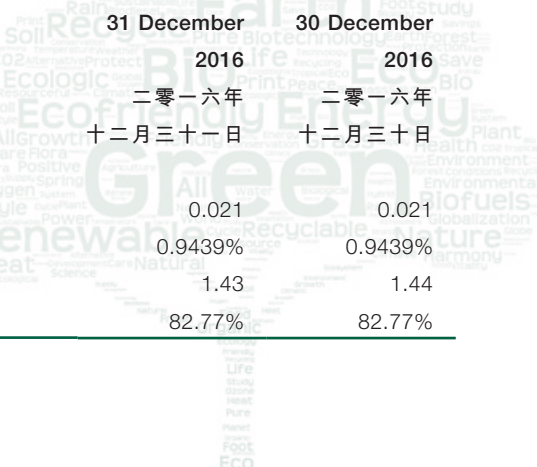
		31 December 2015 二零一五年 十二月三十一日	14 September 2015 二零一四年 九月十四日	28 May 2015 二零一五年 五月二十八日	8 May 2015 二零一五年 五月八日
Spot price (HK\$)	現貨價 (港元)	0.035	0.100	0.335	0.360
Risk free rate	無風險利率	0.7520%	0.6403%	0.7362%	0.8494%
Expected option period (year)	預期期權期限 (年)	2.44	2.73	3.03	3.08
Expected volatility	預期波幅	70.42%	62.17%	53.36%	54.24%

		28 April 2015 二零一五年 四月二十八日	15 April 2015 二零一五年 四月十五日	27 March 2015 二零一五年 三月二十七日	5 January 2015 二零一五年 一月五日
Spot price (HK\$)	現貨價 (港元)	0.270	0.224	0.169	0.146
Risk free rate	無風險利率	0.6827%	0.6970%	0.7869%	1.1039%
Expected option period (year)	預期期權期限 (年)	3.11	3.15	3.20	3.42
Expected volatility	預期波幅	51.49%	47.68%	49.08%	58.50%

		31 December 2016 二零一六年 十二月三十一日	30 December 2016 二零一六年 十二月三十日
Spot price (HK\$)	現貨價 (港元)	0.021	0.021
Risk free rate	無風險利率	0.9439%	0.9439%
Expected option period (year)	預期期權期限 (年)	1.43	1.44
Expected volatility	預期波幅	82.77%	82.77%

27. 可換股貸款票據 (續)

A類二零一三年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於二零一五年一月五日、二零一五年三月二十七日、二零一五年四月十五日、二零一五年四月二十八日、二零一五年五月八日、二零一五年五月二十八日、二零一五年九月十四日、二零一五年十二月三十一日、二零一六年十二月三十日及二零一六年十二月三十一日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。該等模型之重大輸入值如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. CONVERTIBLE LOAN NOTES (CONTINUED)

The derivative component of 2013 Convertible Loan Notes B which represented the conversion option of the holder and the redemption option of the Company, was valued on issue date 18 March 2016, 15 May 2015, 20 May 2015, 9 November 2015 and 31 December 2015 based on the valuations performed by Greater China, using Black-Scholes model with trinomial tree model. The significant inputs to the models were as follows:

		18 March 2016 二零一六年 三月十八日	31 December 2015 二零一五年 十二月三十一日	9 November 2016 二零一六年 十一月九日
Spot price (HK\$)	現貨價 (港元)	0.036	0.035	0.070
Risk free rate	無風險利率	0.3061%	0.4597%	0.3732%
Expected option period (year)	預期期權期限 (年)	0.27	0.48	0.62
Expected volatility	預期波幅	87.30%	97.06%	93.01%

			20 May 2015 二零一五年 五月二十日	15 May 2015 二零一五年 五月十五日
Spot price (HK\$)	現貨價 (港元)		0.320	0.370
Risk free rate	無風險利率		0.2540%	0.2463%
Expected option period (year)	預期期權期限 (年)		1.10	1.11
Expected volatility	預期波幅		65.41%	64.86%

The derivative component of 2013 Convertible Loan Notes C which represented the conversion option of the holder and the redemption option of the Company, was valued on 28 May 2015 and 9 November 2015 based on the valuations performed by Greater China, using the Black-Scholes model with trinomial tree model. The significant inputs to the models were as follows:

			9 November 2015 二零一五年 十一月九日	28 May 2015 二零一五年 五月二十八日
Spot price (HK\$)	現貨價 (港元)		0.070	0.335
Risk free rate	無風險利率		0.3829%	0.2952%
Expected option period (year)	預期期權期限 (年)		0.65	1.10
Expected volatility	預期波幅		91.77%	65.73%

27. 可換股貸款票據 (續)

B類二零一三年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於二零一六年三月十八日之發行日期、二零一五年五月十五日、二零一五年五月二十日、二零一五年十一月九日及二零一五年十二月三十一日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。該等模型之重大輸入值如下：

C類二零一三年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於二零一五年五月二十八日及二零一六年十一月九日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。該等模型之重大輸入值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. SHARE CAPITAL

28. 股本

		Number of shares 股份數目		Share capital 股本	
		2016 二零一六年	2015 二零一五年	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
Authorised:	法定：				
At 1 January	於一月一日	76,905,061,616	76,905,061,616	769,051	769,051
Increase	增加	120,000,000,000	-	1,200,000	-
At 31 December	於十二月三十一日	196,905,061,616	76,905,061,616	1,969,051	769,051
Issued and fully paid	已發行及繳足				
At beginning of the financial year	於財政年度開始時	20,663,363,407	6,034,978,023	206,634	60,350
Issue of shares upon:	因以下事項發行股份：				
Conversion of convertible preference shares (note a)	兌換可轉換優先股（附註a）	-	2,185,231,785	-	21,852
Conversion of convertible loan notes (note b)	兌換可換股貸款票據（附註b）	14,304,099,595	10,170,569,620	143,041	101,706
Issued on placing (note c)	配售時發行（附註c）	38,000,000,000	2,234,505,000	380,000	22,345
Interest capitalisation (note d)	利息資本化（附註d）	-	28,078,979	-	281
Exercise of share option (note e)	購股權獲行使（附註e）	-	10,000,000	-	100
At the end of the financial year	於財政年度結束時	72,967,463,002	20,663,363,407	729,675	206,634

Notes:

- a. On 30 March 2015, 15 April 2015, 21 April 2015 and 8 May 2015, 1,988,720,587 of preference shares were converted into consideration shares. 2,185,231,785 of ordinary shares were issued and allotted as consideration shares upon conversion of the convertible preference shares.

附註：

- a. 於二零一五年三月三十日、二零一五年四月十五日、二零一五年四月二十一日及二零一五年五月八日，1,988,720,587股優先股已兌換為代價股份。於兌換可轉換優先股時，已發行及配發2,185,231,785股普通股作為代價股份。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. SHARE CAPITAL (CONTINUED)

Notes: (continued)

- b. On 30 December 2016, the holders of the 2013 Convertible Loan Notes A converted principal amounts of approximately HK\$1,001,287,000 of the 2013 Convertible Loan Notes A into 14,304,099,595 ordinary shares of the Company.

On 4 May 2015, the holders of the 2010 Convertible Loan Notes A converted principal amounts of HK\$116,250,000 of 2010 Convertible Loan Notes A into 683,823,529 ordinary shares of the Company.

On 5 January 2015, 27 March 2015, 15 April 2015, 28 April 2015, 8 May 2015, 28 May 2015 and 14 September 2015, the holders of the 2013 Convertible Loan Notes A converted principal amounts of approximately HK\$8,000,000, HK\$252,431,000, HK\$363,315,000, HK\$213,345,000, HK\$386,204,000, HK\$52,417,000, HK\$317,787,000 of the 2013 Convertible Loan Notes A into 47,058,822, 1,484,887,143, 2,137,145,257, 1,254,969,463, 2,271,787,254, 308,335,000 and 1,869,337,346 ordinary shares of the Company respectively.

On 15 May 2015 and 20 May 2015, the holders of the 2013 Convertible Loan Notes B converted principal amounts of HK\$23,400,000 and HK\$3,900,000 of 2013 Convertible Loan B into 75,483,871 and 12,580,645 ordinary shares of Company respectively.

On 28 May 2015, the holders of the 2013 Convertible Loan Notes C converted principal amount of HK\$7,800,000 of 2013 Convertible Loan Notes C into 25,161,290 ordinary shares of the Company.

- c. On 18 March 2016, the placement of 380,000,000 ordinary shares of the Company at HK\$0.01 per share were allotted and issued under the Specific Mandate.

On 17 April 2015 and 16 July 2015, the placement of 472,205,000 and 1,762,300,000 ordinary shares of the Company at HK\$0.18 and HK\$0.145 per share respectively were allotted and issued under the General Mandate.

- d. On 13 July 2015, the Company entered into an agreement with a lender that it would issue 28,078,979 ordinary shares of the Company to offset the unpaid accrued interest amounting to HK\$4,071,000 for a borrowing of approximately HK\$32,000,000 classified as other borrowing. Upon issue of the shares on 22 Jul 2015, fair value of the share issued amounted to approximately HK\$3,594,000 and a gain of HK\$477,000 was recognised from the transaction.
- e. On July 2015, share options were exercised to subscribe for 10,000,000 shares of the Company at a consideration of HK\$1,500,000. The total amount of the consideration and the relevant share option reserve of HK\$1,952,000 were transferred to share capital and share premium in accordance with accounting policy set of in Note 3.

28. 股本 (續)

附註：(續)

- b. 於二零一六年十二月三十日，A類二零一三年可換股貸款票據持有人將本金額約1,001,287,000港元之A類二零一三年可換股貸款票據兌換為14,304,099,595股本公司普通股。

於二零一五年五月四日，A類二零一零年可換股貸款票據持有人將本金額116,250,000港元之A類二零一零年可換股貸款票據兌換為683,823,529股本公司普通股。

於二零一五年一月五日、二零一五年三月二十七日、二零一五年四月十五日、二零一五年四月二十八日、二零一五年五月八日、二零一五年五月二十八日及二零一五年九月十四日，A類二零一三年可換股貸款票據持有人將本金額約8,000,000港元、252,431,000港元、363,315,000港元、213,345,000港元、386,204,000港元、52,417,000港元及317,787,000港元之A類二零一三年可換股貸款票據分別兌換為47,058,822股、1,484,887,143股、2,137,145,257股、1,254,969,463股、2,271,787,254股、308,335,000股及1,869,337,346股本公司普通股。

於二零一五年五月十五日及二零一五年五月二十日，B類二零一三年可換股貸款票據持有人將本金額23,400,000港元及3,900,000港元之B類二零一三年可換股貸款票據分別兌換為75,483,871股及12,580,645股本公司普通股。

於二零一五年五月二十八日，C類二零一三年可換股貸款票據持有人將本金額7,800,000港元之C類二零一三年可換股貸款票據兌換為25,161,290股本公司普通股。

- c. 於二零一六年三月十八日，配售380,000,000股本公司普通股按每股0.01港元根據特別授權配發及發行。

於二零一五年四月十七日及二零一五年七月十六日，配售472,205,000股及1,762,300,000股本公司普通股分別按每股0.18港元及0.145港元配發及根據一般授權配發及發行。

- d. 於二零一五年七月十三日，本公司與一名貸款人訂立一份協議，發行28,078,979股本公司普通股，以抵銷就約32,000,000港元借貸（分類為其他借貸）之4,071,000港元未付應計利息。於二零一五年七月二十二日發行股份後，已發行股份之公平值約為3,594,000港元，477,000港元之交易收益已確認。

- e. 於二零一五年七月，有購股權獲行使，以按代價1,500,000港元認購10,000,000股本公司股份。代價及相關購股權儲備總額1,952,000港元已按照附註3所載之會計政策轉撥至股本及股份溢價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

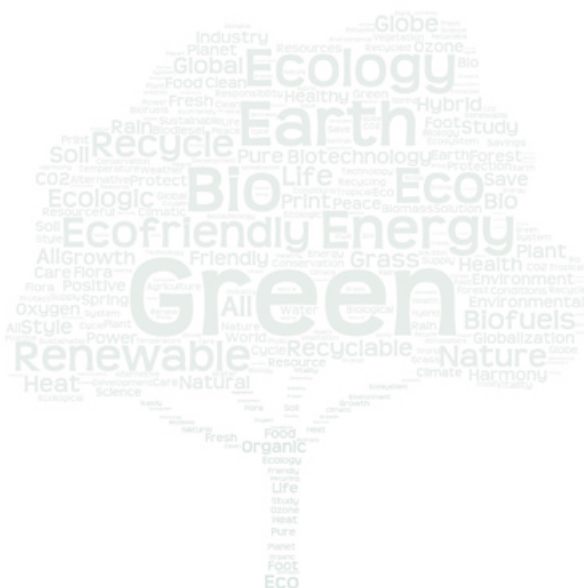
29. CONVERTIBLE PREFERENCE SHARES

Convertible preference shares at HK\$0.01 each, issued and fully paid:

29. 可轉換優先股

每股面值0.01港元之可轉換優先股，已發行及繳足：

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Convertible preference shares (note a)	可轉換優先股 (附註a)		
At 1 January 2015	於二零一五年一月一日	1,441,082,203	14,411
Conversion during the year	年內兌換	(1,441,082,203)	(14,411)
At 31 December 2015 and 2016	於二零一五年及 二零一六年十二月三十一日	-	-
Convertible preference shares (Class A) (note b)	可轉換優先股 (A類) (附註b)		
At 1 January 2015	於二零一五年一月一日	547,638,384	5,476
Conversion during the year	年內兌換	(547,638,384)	(5,476)
At 31 December 2015 and 2016	於二零一五年及 二零一六年十二月三十一日	-	-
Total convertible preference shares	可轉換優先股總數		
At 31 December 2015 and 2016	於二零一五年及 二零一六年十二月三十一日	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

29. CONVERTIBLE PREFERENCE SHARES (CONTINUED)

Note:

- (a) On 16 December 2009, the Company issued 2,547,300,000 convertible preference shares of par value of HK\$0.01 at issue price of HK\$0.5 per share in respect of the acquisition of NARG.

The initial conversion price of HK\$0.5 per ordinary share is for each convertible preference share. The conversion rate of each convertible preference share is determined by dividing the issue price of each convertible preference share by the conversion price. The major terms of the above-mentioned preference shares are set out below:

- (i) The convertible preference share holders has the right, exercisable at any time perpetual as from the date of issue, to convert the preference shares into fully paid ordinary shares, provided that (1) any conversion of the convertible preference shares does not trigger a mandatory offer obligation under rule 26 of the Hong Kong Code on Takeovers and Mergers on the part of the convertible preference shares holders and their concert parties who exercise the conversion rights; (2) the number of conversion shares to be allotted and issued upon the exercise of the conversion rights attaching to the convertible preference shares represents not more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; (3) the number of the conversion shares to be allotted and issued to any holder of the convertible preference shares will not result in the aggregate holding by such holder of convertible preference shares to exceed 19.99% of the then issued share capital of the Company on a fully diluted basis; and (4) the public float of the shares shall not be less than 25%.
- (ii) The convertible preference shares are transferable other than to connected persons, as defined under the Listing Rules, of the Company and do not carry the right to vote. The convertible preference shares holders shall not be entitled to any dividend.
- (iii) The convertible preference shares shall rank pari passu with any and all current and future preferred equity securities of the Company.
- (iv) The convertible preference shares are non-redeemable.

Based on their terms and conditions, the convertible preference shares have been classified as equity instrument in the consolidated statement of financial position.

On 11 February 2010, the conversion price of the convertible preference shares was adjusted from HK\$0.5 per share to HK\$0.44 per share as a result of the issuance of shares placed on the same date which resulted a conversion ratio of 88 convertible preference shares for 100 ordinary shares of the Company. The details of the adjustment are set out in the Company's announcement dated on 20 May 2010.

29. 可轉換優先股 (續)

附註：

- (a) 於二零零九年十二月十六日，本公司就收購北亞資源集團按發行價每股0.5港元發行2,547,300,000股每股面值0.01港元之可轉換優先股。

每股可轉換優先股之初步兌換價為每股普通股0.5港元。每股可轉換優先股之兌換率按每股可轉換優先股之發行價除以兌換價釐定。上述優先股之主要條款列載如下：

- (i) 可轉換優先股之持有人擁有可自發行日期起任何時間行使之永久權利，將優先股兌換為繳足股款普通股，條件為(1)可轉換優先股之兌換不會觸發行使兌換權之可轉換優先股持有人及其一致行動人士根據香港公司收購及合併守則規則26提出強制要約之責任；(2)將於可轉換優先股所附兌換權獲行使時配發及發行之兌換股份數目佔本公司當時已發行普通股股本不超過29.99%（按全面攤薄基準）；(3)將向任何可轉換優先股持有人配發及發行之兌換股份數目不會導致該名可轉換優先股持有人之總持股量超過本公司當時已發行股本之19.99%（按全面攤薄基準）；及(4)股份之公眾持股量不會低於25%。
- (ii) 除不得轉讓予上市規則所界定之本公司關連人士外，可轉換優先股可予轉讓，且並無投票權。可轉換優先股持有人無權享有任何股息。
- (iii) 可轉換優先股與本公司任何及一切現有及未來優先股本證券具同等地位。
- (iv) 可轉換優先股不可贖回。

基於其條款及條件，可轉換優先股已於綜合財務狀況表分類為股本工具。

於二零一零年二月十一日，由於發行於當日配售之股份，可轉換優先股之兌換價由每股0.5港元調整至每股0.44港元，兌換比率為88股可轉換優先股兌100股本公司普通股。調整之詳情載於本公司日期為二零一零年五月二十日之公佈。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

29. CONVERTIBLE PREFERENCE SHARES (CONTINUED)

Note: (continued)

- (b) On 7 June 2013, the Company issued 547,638,384 convertible preference shares (at the "CPS Class A") with par value of HK\$0.01 in respect of a subscription completed as at the same date.

The valuation of the CPS Class A was carried out by Greater China, an independent qualified professional valuer not connected to the Group. The variables and assumptions used in computing the fair value of the CPS Class A are based on the directors' best estimate.

The fair value of the CPS Class A as at 7 June 2013 (completion date of Subscription) amounted to approximately HK\$135,800,000, approximately HK\$0.25 per share. The amount in excess of the par value of the CPS Class A is credited to the share premium in the equity of the Company.

Each of the CPS Class A can be converted into one ordinary share. The major terms of the CPS Class A are set out below:

- (i) The CPS Class A share holders has the right, exercisable at any time perpetual as from the date of issue, to convert the CPS Class A into fully paid ordinary shares, provided that (1) the conversion of CPS Class A will not cause the holders and parties acting in concert with it, will directly or indirectly, control or be interested in 20% or more of the entire issued ordinary shares of the Company; and (2) the public float of the shares shall not be less than 25%.
- (ii) The CPS Class A are transferable other than to connected persons, as defined under the Listing Rules, of the Company and do not carry the right to vote.
- (iii) The CPS Class A have priority to any rights of the holders of any other class of shares of the Company to receive dividends. And dividend declared shall not be less than that declared in respect of any other class of shares of the Company on a per share basis.
- (iv) The CPS Class A shall rank prior to the ordinary shares of the Company in respect of dividends and distributions of surplus assets upon the occurrence of liquidation.
- (v) The CPS Class A are non-redeemable by neither the Company nor any holder of the CPS Class A.

Based on their terms and conditions, the CPS Class A have been classified as equity instrument in the consolidated statement of financial position.

As at 31 December 2015, all of the convertible preference shares have been fully converted.

29. 可轉換優先股 (續)

附註：(續)

- (b) 於二零一三年六月七日，本公司就於同日完成之認購事項發行547,638,384股每股面值0.01港元之可轉換優先股（「A類可轉換優先股」）。

A類可轉換優先股之估值由與本集團並無關連之獨立合資格專業估值師漢華進行。計算A類可轉換優先股公平值所使用之變量及假設乃基於董事之最佳估計得出。

A類可轉換優先股於二零一三年六月七日（認購事項之完成日期）之公平值約為135,800,000港元，即約每股0.25港元。超出A類可轉換優先股面值之款額記入本公司權益中之股份溢價。

每股A類可轉換優先股可兌換為一股普通股。A類可轉換優先股之主要條款列載如下：

- (i) A類可轉換優先股持有人擁有可自發行日期起任何時間行使之永久權利，將A類可轉換優先股兌換為繳足股款普通股，條件為(1)A類可轉換優先股之兌換不會導致持有人及其一致行動人士直接或間接控制本公司全部已發行普通股20%或以上或於當中擁有權益；及(2)股份之公眾持股量不會低於25%。
- (ii) 除不得轉讓予上市規則所界定之本公司關連人士外，A類可轉換優先股可予轉讓，且並無投票權。
- (iii) A類可轉換優先股具有較本公司任何其他類別股份之持有人優先收取股息之權利，而所宣派之股息按每股基準計不得低於就本公司任何其他類別股份宣派之股息。
- (iv) A類可轉換優先股於發生清盤時就股息及剩餘資產分派而言優先於本公司之普通股。
- (v) A類可轉換優先股不可由本公司或A類可轉換優先股任何持有人贖回。

基於其條款及條件，A類可轉換優先股已於綜合財務狀況表分類為股本工具。

於二零一五年十二月三十一日，所有可轉換優先股已獲悉數兌換。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS 30. 恢復、修復及環境成本撥備

		HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	67,933
Imputed interest expense (Note 8)	估算利息開支(附註8)	3,788
Exchange realignment	匯兌調整	(4,224)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	67,497
Imputed interest expense (Note 8)	估算利息開支(附註8)	3,683
Exchange realignment	匯兌調整	(4,498)
At 31 December 2016	於二零一六年十二月三十一日	66,682

The restoration and rehabilitation works will be performed in the years from 2022 to 2040. The provision is carried at amortised cost at effective interest rate ranges from 4.1% to 6.96% per annum.

恢復及修復之工作將於二零二年至二零四零年進行。撥備乃按實際年利率介乎4.1厘至6.96厘計算之攤銷成本列賬。

31. PROMISSORY NOTES

The movements of the promissory notes for the two years ended 31 December 2016 and 2015 are set out below:

31. 承兌票據

承兌票據於截至二零一六年及二零一五年十二月三十一日止兩個年度之變動載列如下：

		Promissory Notes A A類承兌票據 HK\$'000 千港元	Promissory Notes B B類承兌票據 HK\$'000 千港元	Promissory Notes C C類承兌票據 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	41,552	179,397	57,685	278,634
Redemption during the year	年內贖回	(44,042)	(19,456)	-	(63,498)
Interest paid during the year	年內已付利息	-	(20,419)	(6,552)	(26,971)
Effective interest expenses (Note 8)	實際利息開支(附註8)	2,490	20,650	6,658	29,798
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	-	160,172	57,791	217,963
Redemption during the year	年內贖回	-	(159,820)	(54,553)	(214,373)
Interest paid during the year	年內已付利息	-	(4,521)	(4,667)	(9,188)
Effective interest expenses (Note 8)	實際利息開支(附註8)	-	4,169	1,429	5,598
At 31 December 2016	於二零一六年十二月三十一日	-	-	-	-
As at 31 December 2015	於二零一五年十二月三十一日				
Current liabilities	流動負債	-	160,172	57,791	217,963

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31. PROMISSORY NOTES (CONTINUED)

Promissory Notes A

On 7 June 2013, the Company issued unsecured promissory notes with principal value of HK\$400,000,000 in respect to the acquisition of a subsidiary (the "Promissory Notes A"). Promissory Notes A will mature on 6 June 2016 and bear interest at 5% per annum. All interests will be accrued and paid on the date of maturity. The Company may redeem whole or part of the Promissory Notes A at any time after the date of issue of the Promissory Notes A and before the maturity date with prior notice to the shareholders of City Bloom. No interest shall be accrued and payable in respect of the Promissory Notes A that are early redeemed by the Company. The Promissory Notes A were measured at amortised cost, using the effective interest rates at 10.14%. The directors of the Company determined that no value has been assigned for the redemption options of the Company as it is considered to be insignificant in value. On 24 July 2015 and 10 August 2015, the Company redeemed the Promissory Notes A with principal amount of HK\$20,000,000 and HK\$21,600,000 at a cash consideration of HK\$20,000,000 and HK\$21,600,000 respectively. A gain on redemption of approximately HK\$2,442,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2015. As at 31 December 2015, all the Promissory Note A had been fully redeemed.

Promissory Notes B

On 23 June 2013, the Company issued unsecured promissory notes with principal value of US\$23,000,000 (equivalent to HK\$179,400,000) by placing (the "Promissory Notes B"). The Promissory Notes B will mature on 23 June 2016, bear interest at 12% per annum payable every six months. The Company may redeem whole or part of the Promissory Notes B from twelve months after the date of issue of the Promissory Notes B and before the maturity date with prior notice to the placees. The Promissory Notes B are measured at amortised cost, using the effective interest rates at 12.18%. The directors of the Company determined that no value has been assigned for the redemption options of the Company as it is considered to be insignificant in value. On 3 July 2015, the Company have early redeemed principal amounts of US\$2,500,000 (equivalent to HK\$19,500,000) of the Promissory Notes B at a cash consideration of HK\$19,500,000. A loss on redemption of approximately HK\$44,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2015. As at 31 December 2015, the remaining principal amount of the Promissory Notes B is US\$20,500,000 (equivalent to HK\$159,900,000).

31. 承兌票據 (續)

A類承兌票據

於二零一三年六月七日，本公司就收購一間附屬公司發行本金額為400,000,000港元之無抵押承兌票據（「A類承兌票據」）。A類承兌票據將於二零一六年六月六日到期，並按年息5厘計息。所有利息將會累算，並於到期日支付。本公司可於A類承兌票據發行日後至到期日前隨時透過事先知會城興之股東，贖回全部或部分A類承兌票據。本公司提前贖回之A類承兌票據並不會累算及獲付利息。A類承兌票據使用實際利率10.14厘按攤銷成本計量。本公司董事認為由於價值不大，故決定不就本公司之贖回選擇權評定價值。於二零一五年七月二十四日及二零一五年八月十日，本公司已分別按現金代價20,000,000港元及21,600,000港元贖回本金額為20,000,000港元及21,600,000港元之A類承兌票據。贖回收益約2,442,000港元已於截至二零一五年十二月三十一日止年度之綜合損益表內確認。於二零一五年十二月三十一日，所有A類承兌票據已悉數贖回。

B類承兌票據

於二零一三年六月二十三日，本公司以配售方式發行本金額為23,000,000美元（相等於179,400,000港元）之無抵押承兌票據（「B類承兌票據」）。B類承兌票據將於二零一六年六月二十三日到期，並須每六個月按年息12厘計息。本公司可於B類承兌票據發行日後十二個月起至到期日前隨時透過事先知會承配人，贖回全部或部分B類承兌票據。B類承兌票據使用實際利率12.18厘按攤銷成本計量。本公司董事認為由於價值不大，故決定不就本公司之贖回選擇權評定價值。於二零一五年七月三日，本公司已按現金代價19,500,000港元提早贖回本金額為2,500,000美元（相等於19,500,000港元）之B類承兌票據。贖回虧損約44,000港元已於截至二零一五年十二月三十一日止年度之綜合損益表內確認。於二零一五年十二月三十一日，B類承兌票據之餘下本金額為20,500,000美元（相等於159,900,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31. PROMISSORY NOTES (CONTINUED)

Promissory Notes B (continued)

On 18 March 2016, the Company have early redeemed principal amounts of US\$20,500,000 (equivalent to HK\$159,900,000) of the Promissory Notes B at a cash consideration of HK\$159,900,000. A loss on redemption of approximately HK\$79,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2016. As at 31 December 2016, all the Promissory Note A had been fully redeemed.

Promissory Notes C

On 3 July 2013, the Company issued unsecured promissory notes with principal value of US\$7,000,000 (equivalent to HK\$54,600,000) by placing (the "Promissory Notes C"). The Promissory Notes C will mature on 3 July 2016 and bear interest at 12% per annum payable every six months. The Company may redeem whole or part of the Promissory Notes C from twelve months after the date of issue of the Promissory Notes C and before the maturity date with prior notice to the placees. The Promissory Notes C are measured at amortised cost, using the effective interest rates at 12.23%. The directors of the Company determined that no value has been assigned for the redemption options of the Company as it is considered to be insignificant in value. As at 31 December 2015, the remaining principal amount of the Promissory Notes C is US\$7,000,000 (equivalent to HK\$54,600,000).

On 18 March 2016, the Company have early redeemed principal amounts of US\$7,000,000 (equivalent to HK\$54,600,000) of the Promissory Notes C at a cash consideration of HK\$54,600,000. A loss on redemption of approximately HK\$47,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2016. As at 31 December 2016, all the Promissory Note C had been fully redeemed.

31. 承兌票據 (續)

B類承兌票據 (續)

於二零一六年三月十八日，本公司已按現金代價159,900,000港元提早贖回本金額為20,500,000美元（相等於159,900,000港元）之B類承兌票據。贖回虧損約79,000港元已於截至二零一六年十二月三十一日止年度之綜合損益表內確認。於二零一六年十二月三十一日，所有B類承兌票據已悉數贖回。

C類承兌票據

於二零一三年七月三日，本公司以配售方式發行本金額為7,000,000美元（相等於54,600,000港元）之無抵押承兌票據（「C類承兌票據」）。C類承兌票據將於二零一六年七月三日期滿，並須每六個月按年息12厘計息。本公司可於C類承兌票據發行日後十二個月起至到期日前隨時透過事先知會承配人，贖回全部或部分C類承兌票據。C類承兌票據使用實際利率12.23厘按攤銷成本計量。本公司董事認為由於價值不大，故決定不就本公司之贖回選擇權評定價值。於二零一五年十二月三十一日，C類承兌票據之餘下本金額為7,000,000美元（相等於54,600,000港元）。

於二零一六年三月十八日，本公司已按現金代價54,600,000港元提早贖回本金額為7,000,000美元（相等於54,600,000港元）之C類承兌票據。贖回虧損約47,000港元已於截至二零一六年十二月三十一日止年度之綜合損益表內確認。於二零一六年十二月三十一日，所有C類承兌票據已悉數贖回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. DEFERRED TAX LIABILITY

The following is the movements of deferred tax liability during the current and prior years:

		Mining rights 採礦權 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	2,627,261
Credited to profit or loss	計入損益	(678,756)
Exchange realignment	匯兌調整	(157,677)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	1,790,828
Charged to profit or loss	自損益扣除	116,777
Exchange difference	匯兌差額	(112,179)
At 31 December 2016	於二零一六年十二月三十一日	1,795,426

At the end of the reporting period, the Group had unused tax losses of approximately HK\$26,749,000 (2015: HK\$23,381,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The tax losses of approximately HK\$21,178,000 (2015: HK\$21,178,000) may be carried forward indefinitely. The remaining of approximately HK\$5,571,000 (2015: HK\$2,203,000) will be carried forward for 5 years from the year in which the respective loss arose.

At the end of the reporting period, the Group had deductible temporary differences of approximately HK\$5,800,000 (2015: HK\$15,094,000). No deferred tax assets have been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the Tax Law of the Cambodia, withholding tax is imposed on dividends in respect of profits earned by the Cambodia subsidiaries. As at 31 December 2016, deferred taxation has not been provided for in the consolidation financial statements in respect of temporary difference as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As at 31 December 2016, the Group has accumulated earnings of approximately HK\$2,517,000 (2015: Nil).

32. 遞延稅項負債

本年度及過往年度之遞延稅項負債變動如下：

	Mining rights 採礦權 HK\$'000 千港元
At 1 January 2015	2,627,261
Credited to profit or loss	(678,756)
Exchange realignment	(157,677)
At 31 December 2015 and 1 January 2016	1,790,828
Charged to profit or loss	116,777
Exchange difference	(112,179)
At 31 December 2016	1,795,426

於報告期末，本集團有未動用稅項虧損約26,749,000港元（二零一五年：23,381,000港元），可用作抵銷未來溢利。由於未能預期未來溢利來源，因此並無就有關稅項虧損確認遞延稅項資產。稅項虧損約21,178,000港元（二零一五年：21,178,000港元）可無限期結轉。其餘虧損約5,571,000港元（二零一五年：2,203,000港元）將由各自出現之年份起於5年內結轉。

於報告期末，本集團有可扣減暫時差額約5,800,000港元（二零一五年：15,094,000港元）。由於不大可能有應課稅溢利用作抵銷可動用之可扣減暫時差額，因此並無就有關可扣減暫時差額確認遞延稅項資產。

根據柬埔寨稅法，有關柬埔寨附屬公司所賺取溢利之股息須繳納預扣稅。於二零一六年十二月三十一日，本集團並未就暫時差額於綜合財務報表作出遞延稅項撥備，原因是本集團能控制撥回暫時差額之時間，且有關暫時差額不大可能於可見將來撥回。於二零一六年十二月三十一日，本集團有累計盈利約2,517,000港元（二零一五年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. DEFERRED TAX LIABILITY (CONTINUED)

Under the New Enterprises Income Tax Law of the PRC, withholding tax is imposed on dividends in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards (the “Post-2008 Earnings”). As at 31 December 2016 and 2015, deferred taxation has not been provided for in the consolidation financial statements in respect of temporary difference attributable to the “Post-2008 Earnings” as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As at 31 December 2016, the Group has Post-2008 earnings of approximately HK\$5,199,000 (2015: HK\$2,993,000).

33. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND GOODWILL

Impairment testing of mining rights, property, plant and equipment and goodwill in relation to mining operation

For the purpose of impairment testing, the Group’s mining operation was allocated into five CGUs namely 山西煤炭運銷集團古交鉑龍煤業有限公司 (“Bolong”), 山西煤炭運銷集團古交遼源煤業有限公司 (“Liaoyuan”), 山西煤炭運銷集團古交鑫峰煤業有限公司 (“Xinfeng”), 山西煤炭運銷集團古交福昌煤業有限公司 (“Fuchang”) and 山西煤炭運銷集團古交世紀金鑫有限公司 (“Jinxin”), which represented five subsidiaries in the mining operation segment to determine their recoverable amounts.

The recoverable amounts of the mining operation CGUs are determined from value-in-use calculation. Their recoverable amounts are based on certain similar key assumptions. As extracted from Greater China Appraisal Limited (“Greater China”)’s valuation reports for the recoverable amounts as at 31 December 2016 and 2015 (the “Valuation Reports”), the management of the Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and cash flows beyond 5-year period are extrapolated using 3% (2015: 3%) growth rate over nine to eighteen (2015: nine to eighteen) years which does not exceed the long-term growth rate assuming the extension of mining licenses is available and administrative in nature. In preparing the forecast, management made reference to the mineral reserves presently verified the production cost projection and the future production capacity according to the technical report issued by John T. Boyd (“J T Boyd”).

32. 遞延稅項負債 (續)

根據中國新企業所得稅法，有關中國附屬公司自二零零八年一月一日起所賺取溢利（「二零零八年後盈利」）之股息須繳納預扣稅。於二零一六年及二零一五年十二月三十一日，本集團並未就「二零零八年後盈利」帶來之暫時差額，於綜合財務報表作出遞延稅項撥備，原因是本集團能控制撥回暫時差額之時間，且有關暫時差額不大可能於可見將來撥回。於二零一六年十二月三十一日，本集團有二零零八年後盈利約5,199,000港元（二零一五年：2,993,000港元）。

33. 採礦權、物業、廠房及設備及商譽減值

與採礦業務有關之採礦權、物業、廠房及設備及商譽減值測試

就減值測試而言，本集團之採礦業務分配至五個現金產生單位，即山西煤炭運銷集團古交鉑龍煤業有限公司（「鉑龍」）、山西煤炭運銷集團古交遼源煤業有限公司（「遼源」）、山西煤炭運銷集團古交鑫峰煤業有限公司（「鑫峰」）、山西煤炭運銷集團古交福昌煤業有限公司（「福昌」）及山西煤炭運銷集團古交世紀金鑫有限公司（「金鑫」），代表採礦業務之五間附屬公司，以釐定其可收回金額。

採礦業務現金產生單位之可收回金額按使用價值計算法釐定。其可收回金額乃根據若干類似主要假設釐定。本集團管理層基於漢華評值有限公司（「漢華」）估值報告（「估值報告」）所列於二零一六年及二零一五年十二月三十一日之可收回金額，按最近期經管理人員批准之財務預算編製現金流量預測，超過五年期間之現金流量則按3%（二零一五年：3%）增長率（並無超過長期增長率）作出九至十八年（二零一五年：九至十八年）推算，當中假設採礦許可證可續期且續期屬行政性質。管理人員參考約翰T博德公司（「JT博德」）發出之技術報告所載現階段測定之生產成本預測及未來產能編製預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (CONTINUED)

Impairment testing of mining rights, property, plant and equipment and goodwill in relation to mining operation (continued)

Based on the Valuation Reports, the recoverable amounts of the relevant mining operations CGUs are determined as follows:

Bolong	鉑龍
Liaoyuan	遼源
Xinfeng	鑫峰
Fuchang	福昌
Jinxin	金鑫

For the purpose of impairment testing, goodwill of approximately HK\$1,322,481,000, HK\$644,490,000, HK\$782,843,000, HK\$537,950,000 and HK\$373,791,000 were allocated to Bolong, Liaoyuan, Xinfeng, Fuchang and Jinxin respectively and was fully impaired during the year ended 31 December 2013.

The directors of the Company were of the opinion that, based on the Valuation Reports, the recoverable amounts of the mining rights were HK\$7,944,075,000 (2015: HK\$7,977,311,000) and recoverable amounts of property, plant and equipment of HK\$1,513,092,000 (2015: HK\$1,059,067,000) under the mining operations. The amounts for impairment loss and reversal of impairment loss in respect of mining rights and property, plant and equipment are disclosed in Note 16 and Note 15 respectively.

33. 採礦權、物業、廠房及設備及商譽減值(續)

與採礦業務有關之採礦權、物業、廠房及設備及商譽減值測試(續)

根據估值報告，有關採礦業務現金產生單位之可收回金額釐定如下：

31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
--	--

3,804,685	3,400,383
1,584,463	1,646,631
1,784,361	1,729,980
1,517,460	1,306,818
766,198	945,267

就減值測試而言，約1,322,481,000港元、644,490,000港元、782,843,000港元、537,950,000港元及373,791,000港元之商譽已分別分配至鉑龍、遼源、鑫峰、福昌及金鑫，已於截至二零一三年十二月三十一日止年度悉數減值。

本公司董事認為，根據估值報告，採礦業務旗下採礦權之可收回金額為7,944,075,000港元(二零一五年：7,977,311,000港元)及物業、廠房及設備之可收回金額為1,513,092,000港元(二零一五年：1,059,067,000港元)。有關採礦權及物業、廠房及設備之減值虧損及減值虧損撥回的金額，分別於附註16及附註15披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (CONTINUED)

Impairment testing of mining rights, property, plant and equipment and goodwill in relation to mining operation (continued)

The key assumptions for the value-in-use calculation are those regarding discount rates, anticipated changes to future selling prices, production costs and anticipated production capacity, as follows:

- Management used a discount rate which was derived from the Company's cost of capital, representing the expected return on the Company's capital, and assigned the following pre-tax discount rate to each mine:

		2016 二零一六年 %	2015 二零一五年 %
Bolong	鉑龍	19.79	20.74
Fuchang	福昌	24.86	22.70
Jinxin	金鑫	21.32	23.11
Liaoyuan	遼源	20.64	21.41
Xinfeng	鑫峰	22.52	23.15

- Future selling prices were estimated with reference to existing and past quoted commodity prices of the mining industry.
- Future production costs were derived in accordance with feasibility reports issued by J T Boyd with reference to the mine's preliminary design report and current industry cost indicators.
- Future production capacity estimation was made in accordance with the feasibility report issued by J T Boyd dated 28 February 2017 (2015: 21 November 2012). The estimated optimal production capacity per annum is expected to be as follows:

		31 December 2016 二零一六年 十二月三十一日 tonnes 噸	31 December 2015 二零一五年 十二月三十一日 tonnes 噸
Bolong	鉑龍	1,200,000	1,270,000
Fuchang	福昌	600,000	680,000
Jinxin	金鑫	450,000	450,000
Liaoyuan	遼源	600,000	630,000
Xinfeng	鑫峰	900,000	880,000

33. 採礦權、物業、廠房及設備及商譽減值(續)

與採礦業務有關之採礦權、物業、廠房及設備及商譽減值測試(續)

使用價值計算法所用之主要假設涉及貼現率、未來售價預期變動、生產成本及預期產能，詳情如下：

- 管理人員所用貼現率按本公司資本成本(即本公司資本之預期回報)及下列各個礦區之指定稅前貼現率釐定：

- 未來售價參考現有及過往礦業商品報價估計。
- 未來生產成本乃根據JT博德發出之可行性報告並參考礦區之最初設計報告及目前行業成本指標計算。
- 未來產能根據JT博德發出之日期為二零一七年二月二十八日(二零一五年：二零一二年十一月二十一日)之可行性報告估計。預期估計最佳年產能如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (CONTINUED)

Impairment testing of mining rights, property, plant and equipment and goodwill in relation to mining operation (continued)

For the year ended 31 December 2015, impairment testing of goodwill in relation to the acquisition of Jiang Xi Jin Chuang Information Technology Limited (“Jin Chuang”). Details of the acquisition are set out in Note 34.

For the purpose of impairment testing, goodwill with indefinite useful lives set out in Note 17 has been allocated to one individual CGU, systems integration services and software solutions, to determine its recoverable amount.

The recoverable amount of the goodwill is determined from value-in-use calculation. The management of the Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and cash flows beyond 5-year period are extrapolated using zero growth rate over five years which does not exceed the long-term growth rate. Cash flow projections during the budget period for Jin Chuang is also based on the budgeted sales and expected gross margins during the budget period and the same raw materials price inflation during the budget period. Expected cash inflows/outflows, which include budgeted sales, gross margin and raw material price inflation, have been determined based on past performance and management’s expectations for the market development. Management considered that the carrying amount of goodwill of Jin Chuang exceeded its recoverable amount. An impairment loss of goodwill of HK\$2,352,000 was recognised for the year ended 31 December 2015.

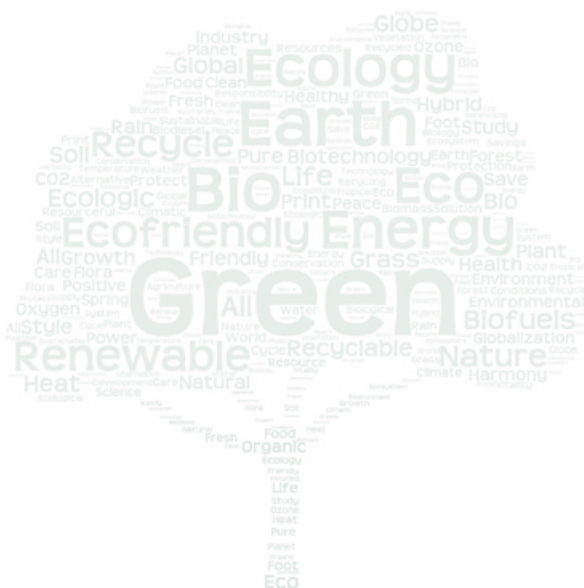
33. 採礦權、物業、廠房及設備及商譽減值(續)

與採礦業務有關之採礦權、物業、廠房及設備及商譽減值測試(續)

於截至二零一五年十二月三十一日止年度，與收購江西金創資訊技術有限公司(「金創」)有關之商譽減值測試。有關收購詳情載於附註34。

就減值測試而言，附註17所載具無限可使用年期之商譽已分配至一個單一現金產生單位，即系統集成服務及軟件解決方案，以釐定可收回金額。

商譽之可收回金額按使用價值計算法釐定。本集團管理層按最近期經管理人員批准之財務預算編製現金流量預測，超過五年期間之現金流量則按零增長率(並無超過長期增長率)作出五年推算。金創於預算期內之現金流量預測亦以預算期內之預算銷售額及預期毛利率，以及預算期內之相同原材料價格升幅為基礎。預期現金流入／流出(包括預算銷售額、毛利率及原材料價格升幅)乃按過往表現及管理層對市場發展之預期而釐定。管理層認為，金創商譽之賬面值超過其可收回金額。商譽減值虧損2,352,000港元於截至二零一五年十二月三十一日止年度確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

34. ACQUISITION OF A SUBSIDIARY

On 4 December 2015, the Group acquired 100% equity interest of Jin Chuang from an independent third parties, settled by a cash consideration of HK\$2,387,000. The acquisition has been accounted for using the acquisition method. Jin Chuang is engaged in the systems integration services and software solutions business. Jin Chuang is acquired so as to continue the expansion of the Group's systems integration services and software solutions operation.

The effect of acquisition is summarised as follows:

Consideration transferred

		HK\$'000 千港元
Cash consideration	現金代價	2,387

Asset (liabilities) recognised at the date of acquisition

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	6
Trade and other payables	貿易及其他應付款項	(41)
		(35)

Net cash outflow arising on acquisition

		HK\$'000 千港元
Cash consideration paid	已付現金代價	2,387

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	2,387
Add: net liabilities acquired	加：所收購負債淨額	(35)
		2,352

34. 收購一間附屬公司

於二零一五年十二月四日，本集團向一名獨立第三方收購金創之100%股本權益，並以現金支付2,387,000港元代價。收購事項以收購法入賬。金創從事系統集成服務及軟件解決方案業務。金創之收購目的為繼續拓展本集團之系統集成服務及軟件解決方案業務。

收購之影響概述如下：

已轉讓代價

	HK\$'000 千港元
Cash consideration	2,387

於收購日期確認之資產（負債）

	HK\$'000 千港元
Property, plant and equipment	6
Trade and other payables	(41)
	(35)

收購產生之現金流出淨額

	HK\$'000 千港元
Cash consideration paid	2,387

收購產生之商譽

	HK\$'000 千港元
Consideration transferred	2,387
Add: net liabilities acquired	(35)
	2,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

34. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Goodwill arose in the acquisition of Jin Chuang because the consideration included a control premium and assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Included in the profit for the year is approximately HK\$40,000 attributable to the additional business generated by Jin Chuang. Revenue for the year includes approximately HK\$4,184,000 generated from Jin Chuang. Had the acquisition been completed on 1 January 2015, total revenue of the Group for the year would have been approximately HK\$64,116,000, and loss for the year would have been approximately HK\$3,774,385,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

35. RELATED PARTIES TRANSACTIONS

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant transactions with related parties during the year:

Transaction with 上海微肯網絡科技有限公司:

	2016	2015
	二零一六年	二零一五年
	HK\$'000	HK\$'000
	千港元	千港元
Purchase expense paid	229	
	已付採購開支	

Mr. Zhang Sanhuo, a director and chairman of the Company is also a director of 上海微肯網絡科技有限公司。

34. 收購一間附屬公司 (續)

由於代價包括控制權溢價及組裝人手，故收購金創產生商譽。該等利益並無與商譽分開確認，因為其不符合可資識別無形資產之確認條件。

年度溢利包括金創額外業務所產生之約40,000港元。年度收入包括金創所產生之約4,184,000港元。倘收購事項於二零一五年一月一日完成，則本集團之年度收入總額將約為64,116,000港元，而年度虧損將約為3,774,385,000港元。備考資料僅供說明用途，並不一定為倘收購事項已於二零一五年一月一日完成本集團將實際取得之收入及經營業績之指標，且並不擬作為未來業績之預測。

35. 關聯方交易

除綜合財務報表其他部分所披露者外，本集團於年內曾與關聯方訂立以下重大交易：

與上海微肯網絡科技有限公司進行之交易：

2016
二零一六年
HK\$'000
千港元

2015
二零一五年
HK\$'000
千港元

本公司董事兼主席張三貨先生亦為上海微肯網絡科技有限公司之董事。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. RELATED PARTIES TRANSACTIONS (CONTINUED)

Compensation of key management personnel

The remunerations of the directors of the Company and other members of key management during the year were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits	短期福利	8,917	8,838
Post-employment benefits	離職後福利	78	86
Share-based payments	股份付款	6,538	17,523
		15,533	26,447

The remunerations of directors of the Company and other members of key management were determined by the remuneration committee having regard to the performance of individuals and market trends.

35. 關聯方交易 (續)

主要管理人員補償

年內，本公司董事及其他主要管理層成員之薪酬如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits	8,917	8,838
Post-employment benefits	78	86
Share-based payments	6,538	17,523
	15,533	26,447

本公司董事及其他主要管理層成員之薪酬由薪酬委員會按個人表現及市場趨勢釐定。

36. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2015, there were conversions of convertible preference shares into ordinary shares as detailed in Note 28(a).
- (b) During the year ended 31 December 2016 and 2015, there were conversions of convertible loan notes into ordinary shares as detailed in Note 28(b).
- (c) During the year ended 31 December 2015, the Company issued 20,000,000 share options (with fair value of share options at grant date of approximately HK\$2,102,000), as detailed in Note 38, to a lender of the other borrowing as a consideration to renew the borrowing. Fair value of the share options is considered as part of the borrowing costs and was off set with the relevant other borrowing recorded in the balance sheet and amortised over the term of the loan.

36. 主要非現金交易

- (a) 於截至二零一五年十二月三十一日止年度，有可轉換優先股兌換為普通股，詳情載於附註28(a)。
- (b) 於截至二零一六年及二零一五年十二月三十一日止年度，有可換股貸款票據兌換為普通股，詳情載於附註28(b)。
- (c) 於截至二零一五年十二月三十一日止年度，本公司向其他借貸之貸款人發行20,000,000份購股權（購股權於授出日期之公平值約為2,102,000港元），作為更新借貸之代價，詳情載於附註38。購股權之公平值被視為借貸成本之一部分，與列於資產負債表中之相關其他借貸抵銷，並於貸款期內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

36. MAJOR NON-CASH TRANSACTIONS (CONTINUED)

- (d) During the year ended 31 December 2015, the Company issued share options (with fair value of share options at grant date of approximately HK\$41,007,000 charged to profit and loss for the year ended 31 December 2015), as detailed in Note 38, to directors, senior management and employees for the purpose of providing incentives to directors and eligible employees.
- (e) During the year ended 31 December 2015, the Government had approved the refund of certain mineral compensation fees amounting to approximately HK\$22,581,000 previously paid by a subsidiary of the Group and recognised as cost of mining right. HK\$5,967,000 was refunded in cash while the remaining amount was offset with payables due to certain government agencies included in other payables.
- (f) During the year ended 31 December 2015, the Company issued 28,078,979 ordinary shares of the Company to settle interest payables of HK\$4,071,000 as detailed in Note 28(d).
- (g) During the year ended 31 December 2015, Mr. Tse has resigned, therefore HK\$66,000 has reallocated from amount due from a director to other receivables. However during the year ended 31 December 2016, Mr. Tse has been re-appointed, therefore HK\$66,000 has reallocated from other receivable to amount due from a director.
- (h) During the year ended 31 December 2016, the Company entered into agreements with a customer of the Group to offset trade receivables due from the customer of HK\$8,733,000 with other payables in aggregate of HK\$8,733,000 due by the Group entities to the customer.

36. 主要非現金交易（續）

- (d) 於截至二零一五年十二月三十一日止年度，本公司向董事、高級管理層及僱員發行購股權（購股權於授出日期之公平價值約為41,007,000港元，已於截至二零一五年十二月三十一日止年度於損益中扣除），作為董事及合資格僱員之獎勵，詳情載於附註38。
- (e) 於截至二零一五年十二月三十一日止年度，政府批准退回本集團一間附屬公司過去已支付，並確認為採礦權成本之若干礦產資源補償費約22,581,000港元。5,967,000港元以現金退回，而餘額則用於抵銷其他應付款項中之應付若干政府部門款項。
- (f) 於截至二零一五年十二月三十一日止年度，本公司發行28,078,979股本公司普通股，以清償應付利息4,071,000港元，詳情載於附註28(d)。
- (g) 於截至二零一五年十二月三十一日止年度，謝先生已辭任，因此，66,000港元由應收一名董事款項調撥至其他應收款項。然而，於截至二零一六年十二月三十一日止年度，謝先生已獲重新委任，故66,000港元已由其他應收款項重新分配至應收一名董事款項。
- (h) 於截至二零一六年十二月三十一日止年度，本公司與本集團一名客戶訂立協議，以將應收客戶之貿易應收款項8,733,000港元與本集團實體結欠客戶之其他應付款項合共8,733,000港元相抵銷。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

37. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

(a) Commitments under operating leases

The Group as lessee

The Group's leases certain of its office premises and staff quarters under operating lease arrangements. Leases for properties are negotiated for a term ranging from two months to three years and rentals are fixed.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	9,784	10,833
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	4,152	8,942
		13,936	19,775

(b) Other capital commitments

Contracted but not provided for in respect of:	已訂約但未撥備:		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	313,879	328,555

37. 承擔

於報告期末，本集團有以下承擔：

(a) 經營租賃承擔

本集團作為承租人

本集團根據經營租賃安排租賃若干寫字樓物業及員工宿舍。物業租期議定為兩個月至三年不等，並支付定額租金。

於報告期末，本集團根據不可撤銷經營租賃在以下期間到期之未來最低租金承擔如下：

(b) 其他資本承擔

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
--	----------------------------------	----------------------------------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company:

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 14 July 2015 for the primary purpose of providing incentives to directors and eligible employees and loan arrangement with an independent third party (the 'Lender'), and will expire on 13 July 2025. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

On 14 July 2015, share options to subscribe for 825,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company were granted to certain individuals. At 31 December 2016 and 2015, 807,000,000 options remained outstanding.

Options granted must be taken up within 28 days of the date of upon which it is made provided that no such offer shall be open for acceptance after the earlier of the 10th anniversary of the date of adoption or the termination of Scheme or the participant to whom such offer is made has ceased to be a participant. For the share option 73% of the options are exercisable from the date of grant to expiry of option period; and 27% of the options are exercisable from the first anniversary of the Date of Grant to expiry of option period.

A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an option. An option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the participant together with the said consideration of HK\$1.00 is received by the Company. The exercise price is determined by the board of directors at its absolute discretion but in any event will not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant.

38. 股份支付交易

本公司之權益結算購股權計劃：

本公司根據於二零一五年七月十四日通過之決議案採納購股權計劃（「該計劃」），主要作為董事及合資格僱員以及獨立第三方（「貸款人」）訂立貸款安排之獎勵，將於二零二五年七月十三日屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司之董事）授出購股權，以認購本公司之股份。

於二零一五年七月十四日，本公司向若干人士授出可認購本公司股本中825,000,000股每股面值0.01港元之普通股之購股權。於二零一六年及二零一五年十二月三十一日，807,000,000份購股權仍未行使。

已授出之購股權必須於由提呈要約日期起計28日內承購，惟有關要約不得於由該計劃採納日期起計滿10週年之日或該計劃終止之日，或獲提呈要約之參與者不再為參與者之日（以較早者為準）後仍可供接納。購股權之73%可於由授出購股權日期起至購股權期間屆滿止期間行使，27%則可於授出購股權日期起計滿一週年之日起至購股權期間屆滿止期間行使。

承授人須於接納購股權時支付1.00港元之不可退回名義代價。當本公司收訖參與者妥為簽署之函件（構成購股權之接納）複本連同上述1.00港元代價時，購股權將被視為已獲接納。行使價可由董事會全權酌情釐定，但於任何情況下均不會低於以下三者之最高者：(i) 股份於授出日期（該日須為營業日）在聯交所每日報價表所示之收市價；(ii) 股份於緊接授出日期前五個營業日之平均收市價；及(iii) 股份於授出日期之面值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Details of specific categories of options are as follows:

Option granted on 14 July 2015

Grantee	Vesting proportion	Vesting period	Exercisable period	Exercise price	Fair value at grant date
承授人	歸屬比例	歸屬期	行使期	行使價 HK\$ 港元	於授出日期之 公平值 HK\$ 港元
Directors 董事	17%	N/A 不適用	14 July 2015 to 13 July 2025 二零一五年七月十四日至 二零二五年七月十三日	0.15	0.0815
Directors 董事	17%	14 July 2015 to 13 July 2016 二零一五年七月十四日至 二零一六年七月十三日	14 July 2016 to 13 July 2025 二零一六年七月十四日至 二零二五年七月十三日	0.15	0.0831
Senior Management & Employees 高級管理層及僱員	9%	N/A 不適用	14 July 2015 to 13 July 2025 二零一五年七月十四日至 二零二五年七月十三日	0.15	0.0453
Senior Management & Employees 高級管理層及僱員	9%	14 July 2015 to 13 July 2016 二零一五年七月十四日至 二零一六年七月十三日	14 July 2016 to 13 July 2025 二零一六年七月十四日至 二零二五年七月十三日	0.15	0.0575
The Lender 貸款人	1%	N/A 不適用	14 July 2015 to 13 July 2025 二零一五年七月十四日至 二零二五年七月十三日	0.15	0.1051
The Lender 貸款人	1%	14 July 2015 to 13 July 2016 二零一五年七月十四日至 二零一六年七月十三日	14 July 2016 to 13 July 2025 二零一六年七月十四日至 二零二五年七月十三日	0.15	0.1051
Employees 僱員	46%	N/A 不適用	14 July 2015 to 13 July 2025 二零一五年七月十四日至 二零二五年七月十三日	0.15	0.0453

38. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

購股權之具體類別詳情如下：

於二零一五年七月十四日授出之購股權

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Details of the share options outstanding during the year are as follows:

	Outstanding at 1 January 2016 於二零一六年 一月一日 尚未行使 '000 千份	Granted during year 年內授出 '000 千份	Exercised during year 年內行使 '000 千份	Forfeited during the year 年內沒收 '000 千份	Outstanding at 31 December 2016 於二零一六年 十二月三十一日 尚未行使 '000 千份	Exercisable at 31 December 2016 於二零一六年 十二月三十一日 可予行使 '000 千份
Option granted on 14 July 2015 於二零一五年七月十四日 授出之購股權	807,000	-	-	-	807,000	807,000
Weighted average exercise price 加權平均行使價	0.15	-	-	-	0.15	0.15

	Outstanding at 1 January 2015 於二零一五年 一月一日 尚未行使 '000 千份	Granted during year 年內授出 '000 千份	Exercised during year 年內行使 '000 千份	Forfeited during the year 年內沒收 '000 千份	Outstanding at 31 December 2015 於二零一五年 十二月三十一日 尚未行使 '000 千份	Exercisable at 31 December 2015 於二零一五年 十二月三十一日 可予行使 '000 千份
Option granted on 14 July 2015 於二零一五年七月十四日 授出之購股權	-	825,000	(10,000)	(8,000)	807,000	591,000
Weighted average exercise price 加權平均行使價	-	0.15	0.15	0.15	0.15	0.15

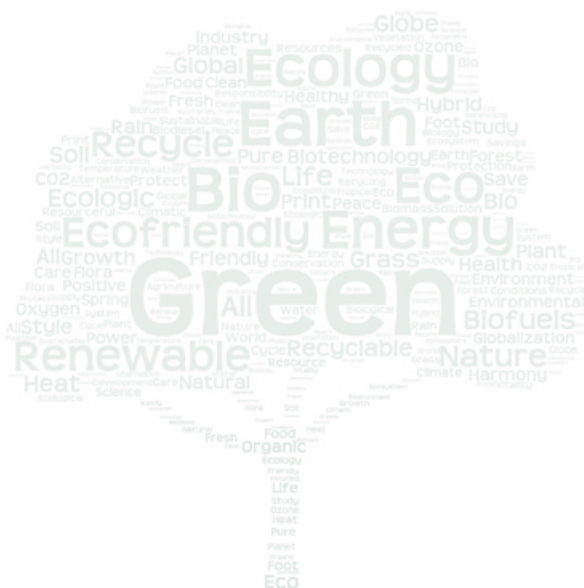
In respect of the share options exercised during the year ended 31 December 2015, the weighted average share price at the dates of exercise is HK\$0.128 (2016: Nil).

38. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

年內尚未行使購股權詳情如下：

就於截至二零一五年十二月三十一日止年度行使之購股權而言，於行使日期之加權平均股價為0.128港元（二零一六年：無）。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

During the year ended 31 December 2015, 825,000,000 options were granted on 14 July 2015 (2016: Nil). The estimated fair value of the share options at the granted date was HK\$49,237,000.

The Group recognised the total share based payment expense of HK\$8,229,000 (2015: HK\$41,007,000) for the year ended 31 December 2016 in relation to share options granted by the Company.

These fair values were calculated using The Black-Scholes pricing model with Binomial Tree method. The inputs into the model were as follows:

Weighted average share price	加權平均股價	HK\$0.1360港元
Exercise price	行使價	HK\$0.15港元
Expected volatility	預期波幅	74.52%
Expected life	預期年期	10 years 年
Risk-free rate	無風險利率	1.9254%
Expected dividend yield	預期股息率	0%
Suboptimal factor	次優系數	
	Directors 董事:	2.8
	Senior management and employees 高級管理層及僱員:	1.5
	The Lender 貸款人:	N/A 不適用

Expected volatility was determined by using the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

38. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

於截至二零一五年十二月三十一日止年度，825,000,000份購股權已於二零一五年七月十四日授出(二零一六年：無)。該等購股權於授出日期之估計公平值為49,237,000港元。

於截至二零一六年十二月三十一日止年度，本集團就本公司授出之購股權確認總股份支付開支8,229,000港元(二零一五年：41,007,000港元)。

該等公平值乃使用布萊克-肖爾斯期權定價模型及二項式樹狀定價法計算。模型之輸入值如下：

		Options 購股權
		HK\$0.1360港元
		HK\$0.15港元
		74.52%
		10 years 年
		1.9254%
		0%
	Directors 董事:	2.8
	Senior management and employees 高級管理層及僱員:	1.5
	The Lender 貸款人:	N/A 不適用

預期波幅按本公司股份股價於去年之歷史波幅釐定。模型所用之預期年期已按照管理層之最佳估計，就不可轉讓性、行使限制及行為考慮之影響作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

		NOTES	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		102	59
Investments in subsidiaries	於附屬公司之投資		390	390
			492	449
Current assets	流動資產			
Other receivables	其他應收款項		3,840	3,890
Amounts due from subsidiaries	應收附屬公司款項	(a)	5,206,301	5,181,179
Amount due from a director	應收一名董事款項		66	–
Bank balances and cash	銀行結餘及現金		15,499	14,369
			5,225,706	5,199,438
Current liabilities	流動負債			
Other payables	其他應付款項		7,520	7,999
Amounts due to subsidiaries	應付附屬公司款項	(a)	1,567	1,633
Amounts due to related companies	應付關連公司款項		44,389	–
Liabilities component of convertible loan Notes	可換股貸款票據之負債部分		–	121,587
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分		67,594	356,225
Promissory notes	承兌票據		–	217,963
			121,070	705,407
Net current assets	流動資產淨值		5,104,636	4,494,031
			5,105,128	4,494,480
Capital and reserves	資本及儲備			
Share capital	股本		729,675	206,634
Reserves	儲備	(b)	4,004,455	3,145,658
Total equity	權益總額		4,734,130	3,352,292
Non-current liabilities	非流動負債			
Liabilities component of convertible loan notes	可換股貸款票據之負債部分		370,998	1,142,188
			370,998	1,142,188
			5,105,128	4,494,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

(a) Amounts due from (to) subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand. The fair values of the amounts at the end of the reporting period were approximated to the corresponding carrying amounts due to their short-term maturity.

(b) Reserves

39. 本公司財務狀況表 (續)

(a) 應收 (應付) 附屬公司款項

該等款項為無抵押、免息及須於要求時償還。由於該等款項於短期內到期，故其於報告期末之公平值與賬面值相若。

(b) 儲備

		Share premium 股份溢價 HK\$'000 千港元	Convertible preference shares 可轉換優先股 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	4,974,717	19,887	458,561	29,545	(4,271,361)	1,211,349
Loss for the year	年度虧損	-	-	-	-	(1,085,298)	(1,085,298)
Recognition of share based payment expense	確認股份支付開支	-	-	-	41,007	-	41,007
Issue of shares upon:	因以下各項而發行股份：						
- Placings	- 配售	318,185	-	-	-	-	318,185
- Expenses on issue shares	- 股份發行開支	(3,575)	-	-	-	-	(3,575)
- Interest capitalisation	- 利息資本化	3,313	-	-	-	-	3,313
- Exercise of share options	- 行使購股權	1,852	-	-	(452)	-	1,400
- Conversions of convertible preference shares	- 兌換可轉換優先股	(1,965)	(19,887)	-	-	-	(21,852)
- Conversions of convertible loan notes	- 兌換可換股貸款票據	2,681,129	-	-	-	-	2,681,129
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	7,973,656	-	458,561	70,100	(5,356,659)	3,145,658
Loss for the year	年度虧損	-	-	-	-	(50,068)	(50,068)
Recognition of share based payment expense	確認股份支付開支	-	-	-	8,229	-	8,229
Issue of shares upon	因以下各項而發行股份						
- Transaction costs attributable to placing	- 配售應佔交易成本	(3,990)	-	-	-	-	(3,990)
- Conversions of convertible loan notes	- 兌換可換股貸款票據	904,626	-	-	-	-	904,626
At 31 December 2016	於二零一六年十二月三十一日	8,874,292	-	458,561	78,329	(5,406,727)	4,004,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	207,910	130,242
Financial liabilities	金融負債		
Amortised cost	攤銷成本	5,442,003	6,348,728
FVTPL derivative	按公平值計入損益之衍生工具	67,594	356,225

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from a related company, amount due from a director, bank balances and cash, trade and other payables, convertible loan notes, other borrowings, promissory notes, amounts due to related companies and amount due to a non-controlling interest holder. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain financial assets are denominated in currencies other than the functional currency of the respective group companies.

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from transactions or recognised assets denominated in a currency (HK\$ and US\$) other than the functional currency (RMB) of the entity to which they relate.

40. 金融工具

(a) 金融工具之分類

(b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、應收一間關連公司款項、應收一名董事款項、銀行結餘及現金、貿易及其他應付款項、可換股貸款票據、其他借貸、承兌票據、應付關連公司款項及應付一名非控股權益持有人款項。該等金融工具之詳情於相關附註內披露。與該等金融工具有關之風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。降低該等風險之政策載於下文。管理層管理及監控該等風險，確保及時有效地採取適當措施。

市場風險

貨幣風險

若干金融資產以集團公司各自功能貨幣以外之貨幣計值。

下表顯示本集團於報告期末所面對以實體相關功能貨幣（人民幣）以外之貨幣（港元及美元）計值之交易或已確認資產所產生之貨幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

40. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Assets	資產		
– HK\$	– 港元	1,314	5,468
– US\$	– 美元	14,130	3,620
		15,444	9,088
Liabilities	負債		
– HK\$	– 港元	153,878	116,355
– US\$	– 美元	–	339,550
		153,878	455,905

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

As at 31 December 2016, assets and liabilities denominated in US\$ arise mainly from entities with functional currencies in denominated HK\$ (2015: HK\$). For the sensitivity analysis related to the currency risk of US\$. As HK\$ is pegged to US\$, management considered the foreign currency risk exposed to these US\$ assets and liabilities is insignificant.

At as 31 December 2016, the Group is mainly exposed to the currency of HK\$ against RMB (2015: HK\$ against RMB).

本集團目前並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外幣風險。

敏感度分析

於二零一六年十二月三十一日，以美元計值之資產及負債主要因以港元（二零一五年：港元）為計值功能貨幣之實體而產生。就與美元貨幣風險有關之敏感度分析而言，由於港元與美元掛鈎，故管理層認為該等美元資產及負債面對之外幣風險甚微。

於二零一六年十二月三十一日，本集團主要面對港元兌人民幣之貨幣風險（二零一五年：港元兌人民幣）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against HK\$. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit for the year (2015: decrease in loss for the year) where the functional currencies of the relevant group entities strengthen 5% against the relevant currency. For a 5% weakening of the Group entity's functional currency against HK\$, there would be an equal and opposite impact on the profit for the year (2015: the loss for the year), and the balances below would be negative.

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Impact on profit (2015: loss) for the year 對年度溢利 (二零一五年：虧損)之影響	5,721	4,158

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate amounts due to related companies (see Note 20), other borrowings (see Note 25), convertible loan notes (see Note 27) and promissory notes (see Note 31).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate amounts due to non-controlling interest holder (see Note 24) and bank balances.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

40. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

敏感度分析 (續)

下表詳列本集團對相關集團實體之功能貨幣兌港元升值及貶值5%之敏感度。敏感度分析僅包括流通外幣計值之貨幣項目，以匯率變動5%調整其於年結日之換算。下文正數顯示倘相關集團實體之功能貨幣兌相關貨幣升值5%時年度溢利增加(二零一五年：年度虧損減少)。倘相關集團實體之功能貨幣兌港元貶值5%，則對年度溢利(二零一五年：年度虧損)構成同等金額之相反影響，而以下結餘將為負數。

利率風險

本集團面對有關定息應付關連公司款項(見附註20)、其他借貸(見附註25)、可換股貸款票據(見附註27)及承兌票據(見附註31)之公平值利率風險。

本集團亦面對有關浮息應付非控股權益持有人款項(見附註24)及銀行結餘之現金流量利率風險。

本集團現時並無任何利率對沖政策。然而，管理層監控利率風險，並會於有需要時考慮對沖重大利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate amount due to non-controlling interest holder and bank balances, the analysis is prepared assuming amount due to non-controlling interest holder and bank balances at the end of each reporting period was outstanding for the whole year. The basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

50 basis points have been used for variable-rate amount due to non-controlling interest holder and bank balances.

For variable-rate amount due to non-controlling interest holder and bank balances, if the interest rates had been 50 basis points (2015: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year (2015: loss for the year) would increase/decrease (2015: decrease/increase) by approximately HK\$14,592,000 (2015: HK\$13,822,000).

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has no significant credit risks as it has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities with good repayment history.

40. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

利率風險 (續)

敏感度分析

下列敏感度分析依照浮息應付非控股權益持有人款項及銀行結餘之利率風險釐定，而編製有關分析時假設於各報告期末之應付非控股權益持有人款項及銀行結餘整年均存在。基點升跌用於內部向主要管理人員報告利率風險，並為管理層對利率之合理可能變動之評估。

本集團已就浮息應付非控股權益持有人款項及銀行結餘採用50個基點。

倘浮息應付非控股權益持有人款項及銀行結餘利率上升/下跌50個基點(二零一五年: 50個基點)，而所有其他變數維持不變，則本集團年度溢利(二零一五年: 年度虧損)將增加/減少(二零一五年: 減少/增加)約14,592,000港元(二零一五年: 13,822,000港元)。

信貸風險

信貸風險指債務人不履行責任償還其結欠本集團之款項而導致本集團蒙受損失之風險。倘對手方於財政年度結束時未能履行有關各類已確認金融資產之責任，則本集團面對之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。

由於本集團已制定政策確保產品及服務銷售予具合適信貸紀錄之客戶，故並無重大信貸風險。本集團採納之政策為僅與信譽良好之對手方進行交易(如適用)，以盡量降低違約招致財務損失之風險。本集團僅與還款紀錄良好之實體交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group has no significant concentration of credit risk by customer, with exposure spreading over a number of counterparties and customers.

The Group's concentration of credit risk by geographical locations is mainly in the PRC with exposure spreading over a number of customers, which accounted for all trade receivables for both years ended 31 December 2016 and 2015.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 31 December 2016, the Group had net current liabilities of HK\$5,011,026,000 (2015: HK\$4,465,371,000). The directors of the Company have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. As detailed in Note 1 to the consolidated financial statements, the directors of the Company believe that the Company will be able to operate as a going concern.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

40. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

客戶方面，本集團並無任何重大集中信貸風險，風險分佈於不同對手方及客戶。

地區分佈方面，本集團信貸風險主要集中於中國，風險分佈於不同客戶，佔截至二零一六年及二零一五年十二月三十一日止兩個年度全部貿易應收款項。

流動資金方面之信貸風險有限，原因為對手方均為獲國際信貸評級機構給予高信貸評級之銀行。

流動資金風險

管理流動資金風險時，本集團監察及維持管理層認為足夠之現金及現金等價物水平，以撥付本集團業務所需及減低現金流量波動之影響。

於二零一六年十二月三十一日，本集團流動負債淨額為5,011,026,000港元（二零一五年：4,465,371,000港元）。本公司董事已仔細考慮目前就本集團流動資金狀況採取之措施。誠如綜合財務報表附註1所詳述，本公司董事認為本公司能夠持續經營。

下表按協定還款期詳列本集團非衍生金融負債餘下合約到期情況。該表根據本集團最早可被要求付款日期按金融負債之未貼現現金流量編製。表中包括利息及本金現金流量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity risk tables

40. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險列表

		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31 December 於十二月 三十一日 之賬面值
		一年內或應要求	一年以上 但於兩年內	兩年以上 但於五年內	未貼現 現金流量總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2016	二零一六年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	758,626	-	-	758,626	758,626
Amounts due to related companies	應付關連公司款項	347,672	-	-	347,672	344,157
Amounts due to a non-controlling interest holder	應付一名非控股權益持有人款項	4,105,457	26,221	-	4,131,678	3,928,215
Other borrowings	其他借貸	41,595	-	-	41,595	40,007
Promissory notes	承兌票據	-	-	-	-	-
Convertible loan notes	可換股貸款票據	-	419,101	-	419,101	370,998
		5,253,350	445,322	-	5,698,672	5,442,003
2015	二零一五年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	788,047	-	-	788,047	788,047
Amounts due to related companies	應付關連公司款項	321,448	-	-	321,448	321,448
Amounts due to a non-controlling interest holder	應付一名非控股權益持有人款項	2,892,596	1,036,150	-	3,928,746	3,720,456
Other borrowings	其他借貸	8,723	32,872	-	41,595	37,039
Promissory notes	承兌票據	227,379	-	-	227,379	217,963
Convertible loan notes	可換股貸款票據	133,862	-	1,420,388	1,554,250	1,263,775
		4,372,055	1,069,022	1,420,388	6,861,465	6,348,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

The directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised cost approximate their fair values due to their immediate or short-term maturities.

The directors of the Company also consider that the fair values of the long-term portion of financial assets and financial liabilities approximates to their carrying amounts.

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions.

Derivative component of convertible loan notes

The fair value of the derivative component of convertible loan notes is determined by the inputs to Black-Scholes model with trinomial tree method including spot price, risk free rate, expected option period and expected volatility. Please refer to Note 27 for the details of the inputs.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers among level 1, 2 and 3 in the current and prior years.

40. 金融工具 (續)

公平值

本公司董事認為，由於按攤銷成本入賬之即期金融資產及即期金融負債均即時到期或於短期內到期，故其賬面值與公平值相若。

本公司董事亦認為，金融資產及金融負債長期部分之公平值與賬面值相若。

其他金融資產及金融負債之公平值以現時可觀察市場交易之價格或利率，根據貼現現金流量分析以公認定價模型釐定。

可換股貸款票據之衍生工具部分

可換股貸款票據之衍生工具部分之公平值使用布萊克-肖爾斯期權定價模型及三項式樹狀定價法之輸入數據（包括現貨價、無風險利率、期權預計期限及預期波幅）釐定。有關輸入數據之詳情請參閱附註27。

於綜合財務狀況表確認之公平值計量

於首次確認後按公平值計量之金融工具根據公平值之可觀察程度分為第一至三層，分析載於下表。

- 第一層公平值計量使用相同資產或負債於活躍市場上之報價（未經調整）得出。
- 第二層公平值計量使用資產或負債之直接（即價格）或間接（即自價格衍生）可觀察輸入數據（第一層包括之報價除外）得出。
- 第三層公平值計量使用估值技術（包括並非建基於可觀察市場數據之資產或負債輸入數據（不可觀察輸入數據））得出。

於本年度及過往年度，第一、二及三層之間並無轉移。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

As at 31 December 2016 and 2015, the only financial instrument measured at fair value was the derivative component of convertible loan notes which belongs to level 3 financial instruments.

Financial instrument 金融工具	Fair value as at 於下列日期之公平值		Fair value hierarchy 公平值架構
	31/12/2016 二零一六年 十二月三十一日 HK\$'000 千港元	31/12/2015 二零一五年 十二月三十一日 HK\$'000 千港元	
Derivative component of convertible loan notes 可換股貸款票據之衍生工具部分			

- Financial liabilities
- 金融負債

(67,594)

(356,225)

Level 3
第三層

40. 金融工具 (續)

公平值 (續)

於綜合財務狀況表確認之公平值計量 (續)

於二零一六年及二零一五年十二月三十一日，唯一按公平值計量之金融工具為可換股貸款票據之衍生工具部分，屬於第三層金融工具。

Valuation techniques and significant key or unobservable inputs 估值技術及主要關鍵或不可觀察輸入數據

Valuation technique: 估值技術:	Black-Scholes model with trinomial tree method 布萊克-肖爾斯期權定價模型及三項式樹狀定價法
Key observable inputs: 關鍵可觀察輸入數據:	
Risk-free rate 無風險利率	0.94% (2015: 0.46%-0.75%) 0.94% (二零一五年: 0.46%至0.75%)
Effective interest Rate 實際利率	13.05% (2015: 12.59%-13.04%) 13.05% (二零一五年: 12.59%至13.04%)
Key unobservable inputs: 關鍵不可觀察輸入數據:	
Volatility 波幅	82.77% (2015: 47.68%-97.06%) (note i) 82.77% (二零一五年: 47.68%至97.06%) (附註i)

Notes:

- i) An increase in the volatility used in isolation would result in an increase in the fair value measurement of the derivative component of convertible loan notes classified as financial liabilities, and vice versa. A 10 % increase or decrease in the volatility with all other variables constant, the fair value of derivative component of convertible loan notes classified as financial liabilities at 31 December 2016 and 2015 would not have material change.

附註:

- i) 僅所使用之波幅增加將會導致分類為金融負債之可換股貸款票據衍生工具部分之公平值計量增加，反之亦然。如波幅增加或減少10%，而所有其他變數維持不變，於二零一六年及二零一五年十二月三十一日分類為金融負債之可換股貸款票據衍生工具部分之公平值不會出現重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

There were no transfers into or out of Level 3 during the years ended 31 December 2016 and 2015.

Please refer to Note 27 for the reconciliation of Level 3 fair value measurements.

Valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The appropriate valuation techniques and inputs for the fair value measurements are determined by the directors of the Company and the independent qualified valuer.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuer to perform the valuation. The directors of the Company work closely with the independent qualified valuer to establish the appropriate valuation techniques and inputs to the model. The directors of the Company will review the cause of fluctuations in fair value of the assets and liabilities semi-annually.

40. 金融工具 (續)

公平值 (續)

於綜合財務狀況表確認之公平值計量 (續)

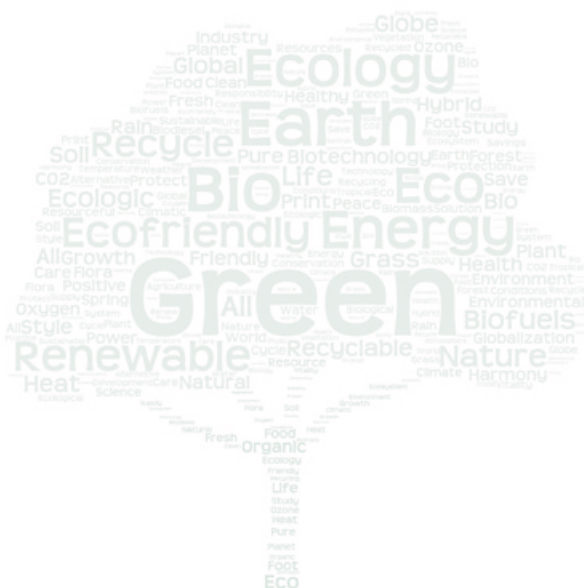
於截至二零一六年及二零一五年十二月三十一日止年度，第三層概無轉入或轉出。

有關第三層公平值計量之對賬，請參閱附註27。

估值過程

本集團部分資產及負債就財務申報而按公平值計量。公平值計量使用之適當估值技術及輸入數據由本公司董事及獨立合資格估值師釐定。

於估計資產或負債之公平值時，本集團使用可獲得之市場可觀察數據。倘無法取得第一層輸入數據，本集團會委聘獨立合資格估值師進行估值。本公司董事與獨立合資格估值師緊密合作，確立模型使用之適當估值技術及輸入數據。本公司董事將每半年檢視資產及負債公平值波動之因由。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES

At the end of the reporting period, the Company has interests in the following principal subsidiaries:

41. 於附屬公司之投資

於報告期末，本公司於下列主要附屬公司擁有權益：

Company 公司	Place of incorporation 註冊成立地點	Nominal value of paid-up share/registered capital 實繳股份/註冊資本之面值	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Held directly: 直接持有								
Technology Venture Investments Limited	BVI 英屬處女群島	US\$1,000 1,000美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
North Asia Precious Metals Group Limited	BVI 英屬處女群島	US\$60,000 60,000美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Guang Cheng Group Limited 廣城集團有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Sanmu Investment Holding Limited	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	-	100	-	Investment Holding 投資控股
Held indirectly: 間接持有：								
Sequent China/ Hong Kong Limited	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供電腦技術服務
Technology Venture (Software) Holdings Limited	BVI 英屬處女群島	US\$1,000 1,000美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Topasia Computer Limited	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供電腦技術服務
冠亞電腦有限公司	香港	10,000港元	普通					
Topsoft Limited	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供電腦技術服務
宏昌軟件有限公司	香港	10,000港元	普通					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

41. 於附屬公司之投資 (續)

Company 公司	Place of incorporation 註冊成立地點	Nominal value of paid-up share/ registered capital 實繳股份 / 註冊 資本之面值	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Held indirectly: 間接持有:								
# Topasia Tech (Shanghai) Limited 冠亞科技(上海)有限公司	The PRC 中國	US\$3,800,000 3,800,000美元	Registered Capital 註冊資本	100	100	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供電腦 技術服務
*Topasia IT (Shanghai) Limited 冠亞信息科技服務 (上海)有限公司	The PRC 中國	US\$1,000,000 1,000,000美元	Registered Capital 註冊資本	100	100	100	100	Systems integration services and software solutions 系統集成服務及軟件解決方案
Rong Xin Finance Limited 融信財務有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Lexing Holdings Limited 樂興控股有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Hong Kong OEPC Limited 香港國際能源中心有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
*Jiangxi Wantai Enterprise Co., Ltd 江西萬泰實業有限公司	The PRC 中國	RMB113,000,000 人民幣 113,000,000元	Registered Capital 註冊資本	100	100	100	100	Coal Operation 煤炭業務
*Jiangxi Hengchuang Energy Investments Co., Ltd 江西恒創能源投資有限公司	The PRC 中國	RMB60,300,000 人民幣 60,300,000元	Registered Capital 註冊資本	100	100	100	100	Coal trading and new energy development 煤炭貿易及新能源開發
*Jiangxi Hengpuwei Energy Investments Co., Ltd 江西恒普威能源投資有限公司	The PRC 中國	RMB51,350,000 人民幣 51,350,000元	Registered Capital 註冊資本	100	100	100	100	Energy wholesale and investment 能源批發及投資
*Shanxi Ruiying Investment and Management Co., Ltd 山西瑞盈投資管理有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	Registered Capital 註冊資本	100	100	100	100	Investment holding 投資控股
*Taiyuan Zhituo Investment Consultant Co., Ltd 太原市智拓投資顧問有限公司	The PRC 中國	RMB1,100,000 人民幣 1,100,000元	Registered Capital 註冊資本	100	100	100	100	Investment holding 投資控股
*Shanxi Changtong Energy Share Co., Ltd 山西昌通能源股份有限公司	The PRC 中國	RMB100,000,000 人民幣 100,000,000元	Registered Capital 註冊資本	100	100	100	100	Energy development and equipment trading 能源開發及設備貿易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

41. 於附屬公司之投資 (續)

Company 公司	Place of incorporation 註冊成立地點	Nominal value of paid-up share/ registered capital 實繳股份/註冊資本之面值	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2016	2015	2016	2015	
				二零一六年 %	二零一五年 %	二零一六年 %	二零一五年 %	
Held indirectly: 間接持有: Shanxi coal * 山西煤炭*	The PRC 中國	RMB370,000,000 人民幣 370,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal operating and trading 煤炭業務及貿易
Jinxin * 金鑫*	The PRC 中國	RMB50,080,000 人民幣 50,080,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Bolong* 鉞龍*	The PRC 中國	RMB23,924,200 人民幣 23,924,200元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Liaoyuan * 遼源*	The PRC 中國	RMB2,000,000 人民幣2,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Fuchang * 福昌*	The PRC 中國	RMB2,000,000 人民幣2,000,000元	Registered Capital 註冊資本	34	34	56	56	Coal mine development 煤礦開發
Xinfeng * 鑫峰*	The PRC 中國	RMB62,000,000 人民幣 62,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Parkson Global Investments Limited 百盛環球投資有限公司	Samoa 薩摩亞	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Billion Zone Development Limited 兆維發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Shanxi Guanghui Corporate Management Consultancy Limited 山西廣慧企業管理諮詢有限公司	The PRC 中國	RMB\$10,000,000 人民幣 10,000,000元	Registered Capital 註冊資本	100	100	100	100	IT service, system integration, sales of equipments and services 資訊科技服務、系統集成、銷售設備及服務
Jiang Xi Jin Chuang Information Technology Limited 江西金創信息技術有限公司	The PRC 中國	RMB\$2,000,000 人民幣2,000,000元	Registered Capital 註冊資本	100	100	100	100	IT service, system integration 資訊科技服務、系統集成
Sky Rainbow Ventured Limited 天虹創投有限公司	BVI 英屬處女群島	USD \$1 1美元	Ordinary Share 普通股	100	-	100	-	Investment Holding 投資控股
Seasonal Global Investment Co. Limited 東埔寨	Cambodia 柬埔寨	USD\$10,000 10,000美元	Ordinary Share 普通股	100	-	100	-	Cultivation and processing of cassava starch for sale 種植及加工木薯澱粉以供銷售

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

41. 於附屬公司之投資 (續)

Company 公司	Place of incorporation 註冊成立地點	Nominal value of paid-up share/ registered capital 實繳股份 / 註冊 資本之面值	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Held indirectly: 間接持有:								
Snmu High Tech Argo Research and Development Limited	Samoa 薩摩亞	USD \$1 1美元	Ordinary Share 普通股	100	-	100	-	Dormant 暫無業務
Snmu High Tech Argo Research and Development (Hong Kong) Limited	Hong Kong 香港	HK\$1 1港元	Ordinary Share 普通股	100	-	100	-	Dormant 暫無業務
Sunshine Agricultural Investment Limited	Cambodia 柬埔寨	USD\$1 1美元	Ordinary Share 普通股	100	-	100	-	Dormant 暫無業務
North Asia Financial Investments Holdings Limited 北亞金融投資控股有限公司	Hong Kong 香港	HK\$1 1港元	Ordinary Share 普通股	100	-	100	-	Investment holding 投資控股
北亞投資諮詢(深圳)有限公司**	PRC 中國	-	Registered capital 註冊資本	100	-	100	-	Dormant 暫無業務
北亞金融控股(深圳)有限公司**	PRC 中國	-	Registered capital 註冊資本	100	-	100	-	Dormant 暫無營業

*: English name is for identification purpose only

*: 英文名稱僅供識別

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during both years ended 31 December 2016 and 2015.

概無附屬公司擁有任何於年結日或於截至二零一六年及二零一五年十二月三十一日止兩個年度任何時間尚未償還之債務證券。

*: Although the Group only held 49% of equity in interest in Shanxi coal, Jinxin, Bolong, Liaoyuan, and 34% equity in Fuchang, the directors of the Company concluded that the Group has control over these companies on the basis as set out in Note 4.

*: 儘管本集團僅持有山西煤炭、金鑫、鉞龍及遼源之49%股權以及福昌之34%股權，惟本公司董事認為，按照附註4所載基準，本集團擁有該等公司之控制權。

** : 北亞投資諮詢(深圳)有限公司 and 北亞金融控股(深圳)有限公司 are incorporated in the PRC with a registered capital of RMB\$30,000,000 and RMB\$300,000,000 respectively, which have not been paid up by their holding Company as at 31 December 2016.

** : 北亞投資諮詢(深圳)有限公司及北亞金融控股(深圳)有限公司於中國註冊成立，其註冊資本分別為人民幣30,000,000元及人民幣300,000,000元，均於二零一六年十二月三十一日仍未由彼等控股公司繳足。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests:

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest	Voting power held by the non-controlling interests	Profit/(Loss) allocated to non-controlling interests	Accumulated non-controlling interests
附屬公司名稱	註冊成立地點及主要營業地點	擁有權權益比例	分配予非控股權益之虧損	分配予非控股權益之利潤／(虧損)	累計非控股權益
				HK\$'000 千港元	HK\$'000 千港元

2016

二零一六年

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司	The PRC 中國	51%	44%	83,593	2,935,887
--	---------------	-----	-----	--------	-----------

2015

二零一五年

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司	The PRC 中國	51%	44%	(1,399,451)	2,945,506
--	---------------	-----	-----	-------------	-----------

As at 31 December 2016 and 2015, the Group has only 49% ownership in Shanxi Coal, the directors of the Company concluded that the Group has control over Shanxi Coal on the basis of set out in Note 4. The 51% ownership interests in Shanxi Coal are owned by Shanxi Coal Transportation and Sales Group Co., Ltd (41%) and 山西能源產業集團有限責任公司(10%).

41. 於附屬公司之投資 (續)

存在重大非控股權益之非全資附屬公司詳情：

下表呈列存在重大非控股權益之本集團非全資附屬公司詳情：

於二零一六年及二零一五年十二月三十一日，本集團僅擁有山西煤炭之49%擁有權，本公司董事認為，按照附註4所載基準，本集團擁有山西煤炭之控制權。山西煤炭之51%擁有權由山西煤炭運銷集團有限公司擁有41%及由山西能源產業集團有限責任公司擁有10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

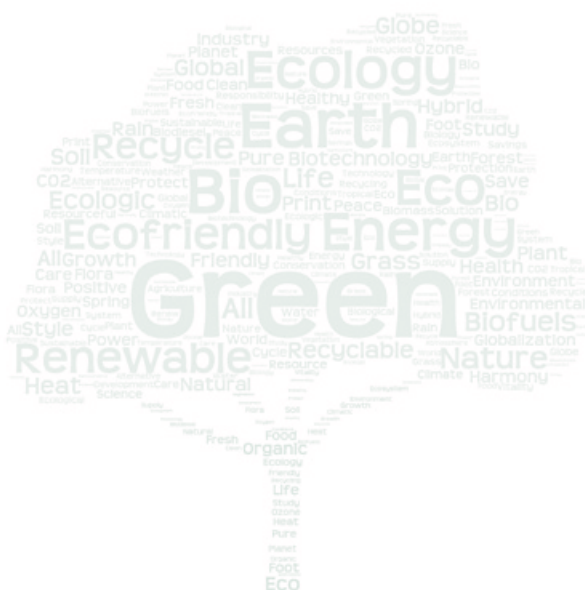
Shanxi Coal and its subsidiaries

山西煤炭及其附屬公司

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	136,715	62,816
Non-current assets	非流動資產	9,402,905	9,078,670
Current liabilities	流動負債	(4,687,797)	(3,488,951)
Non-current liabilities	非流動負債	(1,939,967)	(2,976,758)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(24,031)	(269,729)
Non-controlling interests	非控股權益	2,935,887	2,945,506

41. 於附屬公司之投資 (續)

本集團具有重大非控股權益之附屬公司之財務資料概要呈列如下。下述之財務資料概要為集團內抵銷前金額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

41. 於附屬公司之投資 (續)

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	93,225	5,590
Expenses	開支	(380,267)	(186,721)
Impairment losses	減值虧損	(390,600)	(3,083,454)
Reversal of impairment losses	減值虧損撥回	1,044,397	-
Profit (loss) for the year	年度溢利(虧損)	259,316	(2,583,322)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	175,724	(1,183,871)
Loss attributable to non-controlling interests	非控股權益應佔虧損	83,593	(1,399,451)
Profit (loss) for the year	年度溢利(虧損)	256,511	(2,583,322)
Other comprehensive expense attributable to owners of the Company	本公司擁有人應佔其他全面開支	(73,240)	(151,207)
Other comprehensive expense attributable to non-controlling interests	非控股權益應佔其他全面開支	(93,212)	(186,302)
Other comprehensive expense for the year	年度其他全面開支	(166,452)	(337,509)
Total comprehensive income (expenses) attributable to owners of the Company	本公司擁有人應佔全面收益(開支)總額	102,484	(1,335,078)
Total comprehensive income (expense) attributable to non-controlling interests	非控股權益應佔全面收益(開支)總額	(9,619)	(1,585,753)
Total comprehensive income (expenses) for the year	年度全面收益(開支)總額	92,865	(2,920,831)
Net cash outflow from operating activities	經營活動現金流出淨額	(6,867)	(127,920)
Net cash outflow from investing activities	投資活動現金流出淨額	(171,024)	(65,690)
Net cash inflow from financing activities	融資活動現金流入淨額	182,132	193,762
Net cash inflow	現金流入淨額	4,241	152



N A R
NORTH ASIA RESOURCES
北亞資源

Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司
Stock Code 股份代號 : 0061

Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong
香港中環德輔道中189號李寶椿大廈20樓2001-2室