



德泰新能源集團有限公司 DeTai New Energy Group Limited

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(香港聯合交易所上市編號 | HK Stock code : 559)

ANNUAL REPORT

2018

年報



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Corporate Information

公司資料

DIRECTORS

Executive Directors

WONG Hin Shek (*Chairman*)
CHI Chi Hung, Kenneth (*Chief Executive Officer*)
CHAN Wai Ki
HE Mingshou

Non-executive Director

CHUI Kwong Kau

Independent Non-executive Directors

CHIU Wai On
MAN Kwok Leung
WONG Yun Kuen

COMPANY SECRETARY

TSANG Kwai Ping

AUDIT COMMITTEE

CHIU Wai On (*Chairman*)
MAN Kwok Leung
WONG Yun Kuen

REMUNERATION COMMITTEE

CHIU Wai On (*Chairman*)
MAN Kwok Leung
WONG Yun Kuen

NOMINATION COMMITTEE

CHIU Wai On (*Chairman*)
MAN Kwok Leung
WONG Yun Kuen

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2702, 27th Floor
China Resources Building
26 Harbour Road
Wan Chai, Hong Kong

STOCK CODE

559

WEBSITE

www.detai-group.com

董事

執行董事

王顯碩 (*主席*)
季志雄 (*行政總裁*)
陳偉祺
何明壽

非執行董事

崔光球

獨立非執行董事

招偉安
萬國樑
黃潤權

公司秘書

曾桂萍

審核委員會

招偉安 (*主席*)
萬國樑
黃潤權

薪酬委員會

招偉安 (*主席*)
萬國樑
黃潤權

提名委員會

招偉安 (*主席*)
萬國樑
黃潤權

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處兼主要營業地點

香港灣仔
港灣道26號
華潤大廈
27樓2702室

股份代號

559

網站

www.detai-group.com

Corporate Information

公司資料

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISER

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

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Bank of Communications Co., Ltd.
China CITIC Bank International Limited
Sumitomo Mitsui Banking Corporation
Canadian Imperial Bank of Commerce
Bank of Tianjin
Swedbank AB

核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中 111 號
永安中心 25 樓

法律顧問

李智聰律師事務所
香港
皇后大道中 39 號
豐盛創建大廈 19 樓

百慕達股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東 183 號
合和中心 22 樓

主要往來銀行

交通銀行股份有限公司
中信銀行(國際)有限公司
三井住友銀行
加拿大帝國商業銀行
天津銀行
瑞典銀行有限公司

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of DeTai New Energy Group Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2018.

BUSINESS REVIEW AND PROSPECTS

Loss for the year ended 30 June 2018 attributable to shareholders of the Company amounted to approximately HK\$156.8 million as compared to the loss of approximately HK\$144.4 million for the same financial year of 2017. Basic loss per share was approximately 2.72 HK cents as compared to basic loss per share of 2.97 HK cents in the previous year.

The increase in the net loss was mainly attributable to (i) the increase in impairment loss on intangible assets and goodwill of approximately HK\$151.9 million and HK\$60.3 million respectively and (ii) the increase in general and administrative expenses of approximately HK\$31.5 million as compared to that for the corresponding year of 2017.

During the year under review, the hotel hospitality business recorded a turnover of approximately HK\$37.4 million (2017: approximately HK\$25.2 million) and a segment loss of approximately HK\$1.8 million (2017: approximately HK\$19.9 million). The decrease in segment loss was mainly attributed to the absence of exchange loss recognised in the current year. The Group is optimistic about the prospects and the potential momentum of the hotel and resort industry in Japan which will generate satisfactory income to the Group in the future.

The Group's turnover of new energy business was approximately HK\$7.7 million (2017: approximately HK\$3.5 million) and the segment loss was approximately HK\$146.2 million (2017: approximately HK\$26.7 million). The segment loss was mainly attributable to the impairment loss of the goodwill and intangible assets which was partly offset by the income from the cancellation of the contingent consideration payable in relation to the acquisition in December 2016.

各位股東：

本人謹代表德泰新能源集團有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一八年六月三十日止年度之全年業績。

業務回顧及展望

截至二零一八年六月三十日止年度，本公司股東應佔虧損約為156,800,000港元，而二零一七年相同財政年度則為虧損約144,400,000港元。每股基本虧損約為2.72港仙，而去年則為每股基本虧損2.97港仙。

有關虧損淨額增加主要歸因於(i)無形資產及商譽減值虧損分別增加約151,900,000港元及60,300,000港元；及(ii)相較於二零一七年同期，一般及行政開支增加約31,500,000港元。

於回顧年度，酒店款待業務錄得營業額約37,400,000港元(二零一七年：約25,200,000港元)及分類虧損約1,800,000港元(二零一七年：約19,900,000港元)。分類虧損減少主要歸因於本年度並無確認匯兌虧損。本集團對日後將為本集團帶來可觀收入之日本酒店及度假村行業之前景及潛力抱持樂觀態度。

本集團新能源業務之營業額約為7,700,000港元(二零一七年：約3,500,000港元)，而分類虧損約為146,200,000港元(二零一七年：約26,700,000港元)。分類虧損主要由於商譽及無形資產錄得減值虧損，而其被註銷有關於二零一六年十二月收購之應付或然代價所得之收入部份抵銷。

Chairman's Statement

主席報告

The performance of money lending business was relatively stable. The turnover of the money lending services business was approximately HK\$10.9 million for the year ended 30 June 2018 (2017: approximately HK\$12.3 million) and a segment profit of approximately HK\$5.6 million (2017: approximately HK\$5.5 million) was recorded. All the borrowers have been carefully evaluated by the Group on their repayment capability and securities provided.

The turnover of electric cycles business was nil (2017: approximately HK\$0.7 million) and the segment profit was approximately HK\$4.9 million (2017: segment loss of approximately HK\$3.7 million). The segment profit was mainly attributed to the gain on disposal of subsidiaries. Although the Group had strived to enhance the brand recognition and market penetration, the results still fell short of expectation. The Group has ceased this business segment during the year to reduce financial burden on the Group and allow the Group to focus its resources on the remaining business segments of the Group, thus strengthening the financial position of the Group and enhancing shareholders' values.

The turnover of the liquor and wine business was approximately HK\$3.9 million (2017: approximately HK\$2.4 million) and a segment profit of approximately HK\$12.3 million was recorded (2017: segment loss of approximately HK\$80.3 million). The segment profit was mainly attributed to the gain on disposal of a subsidiary. The performance of the liquor and wine business still fell short of expectation. The Group will continuously explore different sales channels to enhance the Group's revenue stream.

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our staff for their dedication and commitment as well as to our valued shareholders, customers, suppliers and other business partners for their support and encouragement to the Group in the past year.

Wong Hin Shek
Chairman

Hong Kong, 28 September 2018

借貸業務表現相對穩定。截至二零一八年六月三十日止年度，借貸服務業務之營業額約為10,900,000港元(二零一七年：約12,300,000港元)，而分類溢利則約為5,600,000港元(二零一七年：約5,500,000港元)。本集團審慎評估所有借款人之還款能力及所提供之抵押品。

電動自行車業務之營業額為零港元(二零一七年：約700,000港元)，而分類溢利則約為4,900,000港元(二零一七年：分類虧損約3,700,000港元)。分類溢利主要由於錄得出售附屬公司所得收益所致。儘管本集團致力提升品牌知名度及市場滲透率，惟業績仍遜於預期。本集團於本年度不再從事此業務分類，以減輕本集團之財務負擔，讓本集團集中資源於其餘下業務分類，從而加強本集團之財務狀況及提升股東價值。

酒類產品業務之營業額約為3,900,000港元(二零一七年：約2,400,000港元)，而分類溢利則約為12,300,000港元(二零一七年：分類虧損約80,300,000港元)。分類溢利主要來自出售一間附屬公司之收益。酒類產品業務仍遜於預期。本集團將不斷探索不同銷售渠道以擴闊本集團之收入來源。

致意

最後，本人謹此代表董事會，向全體員工之竭誠努力致以衷心謝意，並由衷感謝各尊貴股東、客戶、供應商及其他業務夥伴過去一年對本集團之支持及鼓勵。

主席
王顯碩

香港，二零一八年九月二十八日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year, the Group was engaged in six business segments, (i) hotel hospitality business; (ii) new energy business; (iii) provision of money lending services; (iv) trading and distribution of liquor and wine; (v) investments in securities and funds; and (vi) manufacturing and trading of electric cycles (Disposed on 6 April 2018). As at 30 June 2018, the Group recorded a turnover of approximately HK\$59.9 million (2017: approximately HK\$43.5 million). Loss for the year attributable to owners of the Company was approximately HK\$156.8 million (2017: approximately HK\$144.4 million). Basic loss per share was approximately 2.72 HK cents (2017: approximately 2.97 HK cents). The increase in the net loss for the year was mainly attributable to (i) the increase in impairment loss on intangible assets and goodwill of approximately HK\$151.9 million and HK\$60.3 million respectively and (ii) the increase in general and administrative expenses of approximately HK\$31.5 million as compared to that for the corresponding year of 2017.

Hotel hospitality business

The hotel hospitality business recorded a turnover of approximately HK\$37.4 million (2017: approximately HK\$25.2 million) and a segment loss of approximately HK\$1.8 million (2017: approximately HK\$19.9 million). The decrease in segment loss was mainly attributed to the absence of exchange loss recognised in the current year.

Hotel hospitality business is one of the core businesses of the Group which contributed approximately 62.4% of the Group's revenue for the year ended 30 June 2018. The hotel, One Niseko Resort Towers (the "Resort Towers"), is located in the famous Japanese skiing destination of Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. The hotel consists of two-tower complex of 110 units of high-end accommodation and has an onsen with an indoor and outdoor bath. It attracts many tourists from world-wide for skiing in the winter time. The hotel currently operates with the support from a hotel business services provider who provides revenue management as well as sales services by setting the daily rate of each guestroom and manages bookings from various channels.

業務回顧

於本年度，本集團從事六個業務分類：(i) 酒店款待業務；(ii) 新能源業務；(iii) 提供借貸服務；(iv) 買賣及分銷酒類產品；(v) 證券及基金投資；及(vi) 製造及買賣電動自行車（於二零一八年四月六日出售）。於二零一八年六月三十日，本集團錄得營業額約59,900,000港元（二零一七年：約43,500,000港元）。本公司擁有人應佔年內虧損約為156,800,000港元（二零一七年：約144,400,000港元）。每股基本虧損約為2.72港仙（二零一七年：約2.97港仙）。年內虧損淨額增加主要歸因於相較於二零一七年同期，(i) 無形資產及商譽減值虧損分別增加約151,900,000港元及60,300,000港元及(ii) 一般及行政開支增加約31,500,000港元。

酒店款待業務

酒店款待業務錄得營業額約37,400,000港元（二零一七年：約25,200,000港元）及分類虧損約1,800,000港元（二零一七年：約19,900,000港元）。分類虧損減少主要歸因於本年度並無確認匯兌虧損。

酒店款待業務是本集團核心業務之一，截至二零一八年六月三十日止年度，有關業務為本集團貢獻約62.4%的收益。酒店One Niseko Resort Towers（「Resort Towers」）位於日本北海道二世古之著名滑雪勝地。二世古是享譽日本的滑雪度假勝地之一，以其厚重的粉雪及壯觀的鄉郊景緻而聞名。酒店由兩幢綜合大樓組成，提供110間高檔客房，並設有室內及室外溫泉。在冬季，該地區一直吸引眾多來自世界各地的遊客前來滑雪。酒店目前在酒店業務服務供應商的支持下運營，有關供應商通過為每間客房設定每日房價提供收入管理和銷售服務，並管理來自各種渠道的預訂。

Management Discussion and Analysis

管理層討論及分析

In recent years, Niseko has become a year round resort destination and is experiencing a rapid increase in foreign visitors and interest especially from China and South East Asia who have been responsible for popularising the resort area with the skiing/snowboarding community outside Japan. In view of the large potential growth in tourism in Japan driven by the Tokyo Olympics 2020 and the enactment of the Integrated Resort Laws in Japan, the Directors are optimistic about the prospects and the potential momentum of the hotel and resort industry in Japan which will generate satisfactory income to the Group in the future.

New energy business

Emission Particle Solution Sweden AB ("EPS") is the Group's operating subsidiary for the new energy business. EPS is principally engaged in the development, manufacturing and distribution of a fuel additive product, namely EuroAd which can reduce fuel consumption and environmental impact. EuroAd is a totally biodegradable fuel additive that acts as a catalyst to achieve fuel efficiency and cost savings.

The turnover for the year ended 30 June 2018 of the new energy business was approximately HK\$7.7 million (2017: approximately HK\$3.5 million) and the segment loss was approximately HK\$146.2 million (2017: approximately HK\$26.7 million). The segment loss was mainly resulted from the impairment loss on intangible assets and goodwill which was partly offset by the income from the cancellation of the contingent consideration payable in relation to the acquisition of the new energy business.

During the year, the Group has concentrated its effort in brand building and has executed a series of market entry exercises with local distributors and agents for expansion of distribution network of EuroAd in different regions namely the Middle East, North and South America and parts of Africa. Nevertheless, results were not up to the expectation. Moreover, the time taken to carry out product testing on our potential customers' plants and premises was much longer than expected because of the constraints presented in the customers' own facilities. All these resulted in delays in placing of sales orders from those potential customers.

Despite the effort to adopt new strategies and solutions in tackling the hurdles encountered in the testing process and the resources spent in promoting EuroAd's multilevel of applications to expand our market segments to different industries such as shipping and pulp and paper, sales continued to be unsatisfactory and did not meet the original expectation when the new energy business was acquired in 2016.

近年來，二世古已成為全年度假勝地，外國遊客數量快速增長，尤其吸引來自中國和東南亞等日本以外地區滑雪／單板滑雪愛好人士的興趣，令當地成為大受歡迎的度假區。鑑於二零二零年東京奧運及日本頒佈綜合度假村法案將為日本旅遊業帶來巨大增長潛力，董事對日本酒店及度假產業的前景及潛力持樂觀態度，並認為有關業務日後可為本集團帶來滿意的收入。

新能源業務

Emission Particle Solution Sweden AB ("EPS") 為本集團經營新能源業務之附屬公司。EPS主要從事開發、生產及分銷名為EuroAd之燃料添加劑產品，有關產品可減低燃料消耗及對環境之影響。EuroAd為可完全生物降解之燃料添加劑，透過催化作用提升燃料效益及節省成本。

新能源業務於截至二零一八年六月三十日止年度之營業額約為7,700,000港元(二零一七年：約3,500,000港元)，而分類虧損約為146,200,000港元(二零一七年：約26,700,000港元)。分類虧損主要源於無形資產及商譽減值虧損，有關款項已為取消有關收購新能源業務之應付或然代價之收入所部份抵銷。

年內，本集團全力專注於品牌建設，就拓展EuroAd於中東、南北美洲及非洲部分地區等不同區域之分銷網絡與當地分銷商及代理實行一系列市場拓展活動。然而，結果不如預期。此外，礙於客戶之設施備受限制，於潛在客戶廠房及處所進行產品測試所需時間遠超預期。所有此等因素導致潛在客戶押後下達銷售訂單。

儘管我們努力採取新策略及解決方案應付於測試過程中遭遇之障礙，以及運用資源宣傳EuroAd之多層面應用，將我們之市場板塊擴展至船運、製漿及造紙等不同行業，惟銷售仍然不如理想，未能達到於二零一六年收購新能源業務時之原先預期。

Management Discussion and Analysis

管理層討論及分析

During the year, the Group had been receiving positive responses from some potential customers in the markets of the People's Republic of China (the "PRC") and central Asia. With EuroAd, the Group aims to develop both wholesale and retail business through online and offline distribution channels. The Group has entered some strategic cooperation agreements with some potential customers and planned to devote more resources to expand its market share in the PRC and central Asia markets whilst withdraw the market development of other countries.

Pursuant to the terms of the sale and purchase agreement dated 29 July 2016 (as amended by supplemental agreement dated 22 December 2016) entered into between Perfect Essential Holdings Limited, a subsidiary of the Company, as purchaser and the eight vendors, the maximum consideration for the acquisition is SEK239 million, in which SEK101.2 million was paid on the completion date i.e. 22 December 2016 and the remaining maximum balance of SEK137.8 million will be subject to post completion adjustment mechanism. The remaining balance will be adjusted in accordance with the ratio of the net profit after tax of EPS forecasted for the period from 1 January 2017 to 31 December 2017 by way of agreements and/or orders as determined by Perfect Essential Holdings Limited to the guaranteed profit of SEK30.0 million.

EPS recorded a net loss after tax for the year ended 31 December 2017. Pursuant to the terms of the sale and purchase agreement (as amended and supplemented by the supplemental agreement), neither Perfect Essential Holdings Limited nor the Company shall be obligated to pay the balance or the adjusted balance or any part thereof.

On 4 April 2018, the Company as vendor, Excellent Point Asia Limited as purchaser and Mr. Zhu Yongjun as guarantor entered into a sale and purchase agreement (the "SPA"), pursuant to which the Company conditionally agreed to sell and the purchaser conditionally agreed to purchase the 49 issued shares of Perfect Essential Holdings Limited (the "Target Company", together with its subsidiaries, the "Target Group"), representing 49% of the issued share capital of the Target Company.

Pursuant to the SPA, the purchaser and the vendor shall enter into the option deed in respect of the grant of the call option upon the first completion, pursuant to which the vendor shall grant the purchaser the right to acquire all but not part of the option shares, representing 51% of the issued share capital of the Target Company within six months from the first completion date.

年內，本集團一直收到中華人民共和國（「中國」）及中亞市場若干潛在客戶之正面回應。憑藉EuroAd，本集團旨在透過線上線下分銷渠道發展批發及零售業務。本集團已與若干潛在客戶訂立若干戰略合作協議，並計劃投入更多資源以擴大其於中國及中亞市場之市場份額，同時退出於其他國家之市場開發。

根據本公司之附屬公司Perfect Essential Holdings Limited（作為買方）與八名賣方所訂立日期為二零一六年七月二十九日之買賣協議（經日期為二零一六年十二月二十二日之補充協議修訂）之條款，收購代價上限為239,000,000克朗，其中101,200,000克朗已於完成日期（即二零一六年十二月二十二日）支付，而餘款最多137,800,000克朗須受完成後調整機制約束。代價餘額將按EPS由二零一七年一月一日至二零一七年十二月三十一日期間之預測除稅後純利（以協議方式及／或在Perfect Essential Holdings Limited指令下釐定）對保證溢利30,000,000克朗之比率予以調整。

EPS於截至二零一七年十二月三十一日止年度錄得除稅後淨虧損。根據買賣協議（經補充協議修訂及補充）之條款，Perfect Essential Holdings Limited或本公司毋須支付餘款或經調整餘款或其任何部分。

於二零一八年四月四日，本公司（作為賣方）、Excellent Point Asia Limited（作為買方）與朱勇軍先生（作為擔保人）訂立買賣協議（「買賣協議」），據此，本公司有條件同意出售而買方有條件同意購買Perfect Essential Holdings Limited（「目標公司」，連同其附屬公司統稱「目標集團」）49股已發行股份（相當於目標公司已發行股本之49%）。

根據買賣協議，買方與賣方須於首次完成後就授出認購期權訂立期權契約，據此，賣方須於首次完成日期起計六個月內授予買方權利收購全部而非部分期權股份（相當於目標公司已發行股本之51%）。

Management Discussion and Analysis

管理層討論及分析

The Directors consider that the disposal can bring cash inflow to the Company and lower the working capital required on the part of the Company. The exercise of the call option would enable the Company to realise the investment and operating costs incurred in the Target Group since it became subsidiaries of the Group. Therefore, the Directors believe that the disposal would strengthen the financial position of the Group and enhance shareholders' values.

The first completion took place on 18 July 2018 in accordance with the terms and conditions of the SPA. Immediately upon the first completion, the Company held 51% equity interest of the Target Company and the Target Group became non-wholly-owned subsidiaries of the Company.

In the course of preparing the financial statements, the management had duly engaged an independent qualified valuer (the "1st Valuer") to determine the recoverable amount of the cash generating unit as at 30 June 2018 of the new energy business. In view of the materiality of the carrying amount of intangible assets and goodwill of the new energy business and for the sake of prudence, the Company engaged another independent qualified valuer to conduct an independent review of the valuation report issued by the 1st Valuer on the valuation methodology, assessment of the discount rate and any other key variables used in the valuation and the internal consistency of the valuation model used by the 1st Valuer for accounting reference purpose.

Despite the management provided all the relevant information to support the assumptions made on the forecasts in assessing the recoverable amount of the cash generating unit as at 30 June 2018 of the new energy business, the management has confidence in developing EPS business with its focus in both Sweden and China markets and expects the number of sales orders would be improved in the next financial year 2018/19 based on the negotiation progress with potential customers and entering into several sales contracts and strategic cooperation agreements with certain customers as provided by the management of EPS. The auditor considered the information was not sufficient and appropriate for the assessment for the accuracy and the relevance of the data used in estimating the recoverable amount of the EPS business for the year ended 30 June 2018.

董事認為，是項出售會為本公司帶來現金流入，減輕本公司所需營運資金負擔。行使認購期權將使本公司得以變現於目標集團之投資及目標集團自成為本集團附屬公司以來所產生的經營成本。因此，董事認為是項出售將會鞏固本集團之財務狀況，提升股東價值。

首次完成根據買賣協議之條款及條件於二零一八年七月十八日落實。緊隨首次完成後，本公司持有目標公司之51%股權，而目標集團則成為本公司非全資附屬公司。

於編製財務報表時，管理層已正式委聘一名獨立合資格估值師（「首名估值師」）釐定新能源業務現金產生單位於二零一八年六月三十日之可收回金額。鑑於新能源業務之無形資產及商譽賬面值重大，加上為審慎起見，本公司委聘另一名獨立合資格估值師對首名估值師所發出估值報告之估值方法、評估貼現率及估值所用任何其他主要可變因素以及首名估值師就會計參考目的所用估值模式之內部一致方面進行獨立審查。

儘管管理層已提供所有相關資料以支持在評估新能源業務之現金產生單位於二零一八年六月三十日之可收回金額時所作之假設，加上管理層對發展主攻瑞典及中國市場之EPS業務充滿信心，且基於與潛在客戶進行磋商之進展及據EPS管理層所提供與若干客戶訂立多項銷售合約及戰略合作協議而預期銷售訂單數量將於下一個二零一八／一九財政年度有所改善，惟核數師仍然認為並無足夠及適當資料供評估就估計EPS業務於截至二零一八年六月三十日止年度之可收回金額所用數據是否準確及適切。

Management Discussion and Analysis

管理層討論及分析

The audit committee noted the reasons for the audit qualifications from auditing perspective and concurred with the management's view and is optimistic about the EPS business in the Sweden and China markets and expects that the sales volume will be improved and there will be new customers in the next financial year 2018/19 based on the feedback from the potential customers on the future sales order as well as the sales contracts and strategic cooperation agreements signed with certain customers. The Board targets to remove the audit qualifications in the coming financial year by way of either (i) dispose of its entire equity interests of the EPS group (i.e, if the purchaser chooses to exercise the option to acquire the remaining 51% of the entire share capital of the EPS business); or (ii) provide all sufficient information and documents including but not limited to signed sales contracts, actual sales orders and sales records to facilitate the auditor to assess the recoverable amount of the intangible assets and goodwill of the EPS business.

In assessing the recoverable amount of the cash generating unit of the new energy business as at 30 June 2018, value-in-use calculation has been adopted that the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflected current market assessment of time value of money and the risk specific to the new energy business. The calculation used in cash flow projections was based on latest financial budgets covering a period of 5 years and at a pre-tax discount rate of 28.2% which was determined with reference to the market conditions, such as company specific risk premium and cost of debt of the new energy business. The cash flow projections beyond the 5-year period are extrapolated using a perpetual growth rate of 3%. The management of new energy business reviewed the assumptions taking into account of (i) the general economic environment; (ii) industry dynamics; (iii) past performance; and (iv) on-going business development of the new energy business in preparing the cash flow projections.

Money lending services

As at 30 June 2018, the Group has loans receivable with gross principal amount of approximately HK\$164.1 million (2017: approximately HK\$106.1 million). The Group recorded interest income from loans receivable of approximately HK\$10.9 million for the year ended 30 June 2018 (2017: approximately HK\$12.3 million).

審核委員會注意到根據審核角度發表審核保留意見之理由，同意管理層對瑞典及中國市場之EPS業務之立場並對此抱持樂觀態度，根據潛在客戶對未來銷售訂單之回應以及與若干客戶所簽訂之銷售合約及策略合作協議，預期銷量將於下一個二零一八／一九財政年度有所改善並將吸納新客戶。董事會之目標為於下一個財政年度移除審核保留意見，方法為(i)出售其於EPS集團之全部股權(即倘買方選擇行使期權以收購EPS業務全部股本餘下51%權益)；或(ii)提供一切充分資料及文件，包括但不限於已簽訂銷售合約、實際銷售訂單及銷售記錄，以便核數師評估EPS業務之無形資產及商譽可收回金額。

於評估新能源業務現金產生單位於二零一八年六月三十日之可收回金額時，乃採用使用價值計算，估計未來現金流量已採用反映貨幣時間價值及新能源業務特定風險之現行市場評估稅前貼現率貼現至現值。現金流量預測所採用計量基於涵蓋五年期間之最新財政預算，並按稅前貼現率28.2%貼現，乃參考市況(如新能源業務之公司特定風險溢價及債務成本)而釐定。超越五年期間之現金流量預測乃採用長期增長率3%推算。新能源業務之管理人員於編製現金流量預測時已審閱各種假設，當中考慮到(i)整體經濟環境；(ii)行業動態；(iii)過往表現；及(iv)新能源業務之持續業務發展。

借貸服務

於二零一八年六月三十日，本集團有本金總額約164,100,000港元(二零一七年：約106,100,000港元)之應收貸款。截至二零一八年六月三十日止年度，本集團錄得來自應收貸款之利息收入約10,900,000港元(二零一七年：約12,300,000港元)。

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管理層討論及分析

The loan portfolio comprises loans to independent third party borrowers with term ranging from one month to eleven months and interest rate from 7% to 20% per annum.

The money lending business has been providing the Company with stable income as compared to other business segments. As such, the Company has invested more resources in this segment to expand the scale of the money lending business in order to enhance the income stream and improve return to the shareholders.

Electric cycles business

The turnover of the electric cycles business for the year ended 30 June 2018 was nil (2017: approximately HK\$0.7 million) and a segment profit of approximately HK\$4.9 million was recorded for the year ended 30 June 2018 (2017: a segment loss of approximately HK\$3.7 million). The segment profit was mainly attributed to the gain on disposal of subsidiaries.

Pursuant to the terms of the settlement deed dated 26 September 2016 (the "2016 Settlement Deed") entered into between the Company and the then vendor that the then vendor shall compensate to the Company an amount of HK\$100.85 million due to the profit shortfall. The compensation amount shall be paid by the then vendor in 4 installments: (i) as of HK\$20.0 million shall be paid to the Company on or before 30 September 2016; (ii) as of HK\$20.4 million shall be paid to the Company on or before 31 March 2017; (iii) as of HK\$30.3 million shall be paid to the Company on or before 30 September 2017; and (iv) as of HK\$30.15 million shall be paid to the Company on or before 31 March 2018. The first three installments of HK\$70.7 million in aggregate was received by the Company on 27 September 2016 and 21 September 2017. Pursuant to the supplemental settlement deed entered into between the vendor and the Company on 28 September 2018, the vendor shall pay HK\$30.65 million (being the sum of the outstanding settlement payment of HK\$30.15 million and the additional amount of compensation of HK\$0.5 million) to the Company in the following manner: (a) HK\$10 million shall be paid to the Company on the date of the supplemental settlement deed; and (b) HK\$20.65 million shall be paid to the Company on or before 31 March 2019. The Company has received HK\$10 million from the vendor on 28 September 2018.

貸款組合包括向獨立第三方借方作出之貸款，為期一個月至十一個月不等，年利率介乎7厘至20厘。

與其他業務分類相比，借貸業務一直為本公司提供穩定收入。因此，本公司已投放更多資源於此分類，藉以擴大借貸業務規模，務求增加收入來源及提高股東回報。

電動自行車業務

截至二零一八年六月三十日止年度，電動自行車業務之營業額為零港元(二零一七年：約700,000港元)，而截至二零一八年六月三十日止年度之分類溢利則約為4,900,000港元(二零一七年：分類虧損約3,700,000港元)。分類溢利主要由於錄得出售附屬公司所得收益所致。

根據本公司與當時之賣方所訂立日期為二零一六年九月二十六日之償付契約(「二零一六年償付契約」)之條款，當時之賣方因溢利不足而須向本公司補償100,850,000港元。當時之賣方須分四期支付補償金額，即(i)於二零一六年九月三十日或之前向本公司支付其中20,000,000港元；(ii)於二零一七年三月三十一日或之前向本公司支付其中20,400,000港元；(iii)於二零一七年九月三十日或之前向本公司支付其中30,300,000港元；及(iv)於二零一八年三月三十一日或之前向本公司支付餘下30,150,000港元。本公司已於二零一六年九月二十七日及二零一七年九月二十一日收訖首三期款項合共70,700,000港元。根據賣方與本公司於二零一八年九月二十八日所訂立之補充償付契約，賣方須按如下方式向本公司支付30,650,000港元(即尚未償付款項30,150,000港元加額外補償金額500,000港元之總和)：(a)於補充償付契約日期向本公司支付10,000,000港元；及(b)於二零一九年三月三十一日或之前向本公司支付20,650,000港元。本公司已於二零一八年九月二十九日自賣方收訖10,000,000港元。

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In view of the continuous loss-making records of the manufacturing and trading of electric cycles business, on 6 April 2018, the Company as vendor entered into a share transfer agreement with an independent third party as purchaser, pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to acquire, the entire equity interest of wholly-owned subsidiaries of the Company which engaged in the manufacturing and trading of electric cycles. Upon completion of the disposal, the Group has discontinued the business of manufacturing and trading of electric cycles.

The Directors are of the view that the disposal can reduce financial burden on the Group and allow the Group to focus its resources on the remaining business segments of the Group.

Liquor and wine business

The turnover for the year ended 30 June 2018 of the liquor and wine business was approximately HK\$3.9 million (2017: approximately HK\$2.4 million) and a segment profit of approximately HK\$12.3 million was recorded as at the year ended 30 June 2018 (2017: segment loss of approximately HK\$80.3 million). The segment profit was mainly contributed from the gain on disposal of Guocang Liquor & Wine Merchant Limited ("Guocang"), one of the subsidiaries engaged in the trading and distribution of liquor and wine business, on 27 September 2017.

The Group will continue to explore on sales opportunities such as expansion into other industries and diversification of sales channels with an aim to improve the revenue stream of the Group. Also, the Group will explore on the possibility of new liquor and wine products to expand on the product and customer portfolio.

Listed securities investments

As at 30 June 2018, the Group did not have any portfolio of listed securities investments. Details of the significant gains/(losses) for the year ended 30 June 2017 are as below:

鑑於電動自行車製造及貿易業務持續錄得虧損，於二零一八年四月六日，本公司(作為賣方)與一名獨立第三方(作為買方)訂立股權轉讓協議，據此，本公司有條件同意出售，而買方有條件同意收購本公司旗下從事電動自行車製造及貿易業務之全資附屬公司之全部股權。於出售完成後，本集團已終止經營電動自行車製造及貿易業務。

董事認為，出售可減輕本集團之財務負擔，並可讓本集團將資源集中於本集團其餘業務分類。

酒類產品業務

酒類產品業務於截至二零一八年六月三十日止年度之營業額約為3,900,000港元(二零一七年：約2,400,000港元)，而截至二零一八年六月三十日止年度之分類溢利則約為12,300,000港元(二零一七年：分類虧損約80,300,000港元)。分類溢利主要來自於二零一七年九月二十七日出售國藏酒莊有限公司(「國藏」，其中一家從事買賣及分銷酒類產品業務的附屬公司)的收益。

本集團將繼續尋求進軍其他行業及銷售渠道多元化等銷售機遇，以改善本集團的收入來源。此外，本集團將探討擴展新酒類產品的產品及客戶組合的可能性。

上市證券投資

於二零一八年六月三十日，本集團並無任何上市證券組合投資。截至二零一七年六月三十日止年度之重大收益/(虧損)之詳情如下：

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Significant gains/(losses) for the year ended 30 June 2017

截至二零一七年六月三十日止年度之重大收益／(虧損)

| Name of listed securities 上市證券名稱 | Stock code 股份代號 | For the year ended 30 June 2017 截至二零一七年六月三十日止年度 | | |
|--|--------------------|--|--|--|
| | | Realised gains/(losses) 已變現 收益／(虧損) HK\$'000 千港元 | Unrealised gains/(losses) 未變現 收益／(虧損) HK\$'000 千港元 | Dividend received 已收股息 HK\$'000 千港元 |
| China New Economy Fund Limited 中國新經濟投資有限公司 | 80 | (687) | - | - |
| Huarong International Financial Holdings Limited 華融國際金融控股有限公司 | 993 | 196 | - | - |
| Zhong An Real Estate Limited 眾安房產有限公司 | 672 | (316) | - | - |
| Telecom Digital Holdings Limited 電訊數碼控股有限公司 | 6033 | (62) | - | - |

The Group disposed all the listed securities during the year ended 30 June 2017 and reallocated financial resources to other business segments.

本集團於截至二零一七年六月三十日止年度出售全部上市證券，並將財務資源重新分配至其他業務分類。

PROSPECTS Hotel Hospitality Business

The next Olympic Games will be held in Tokyo, Japan in 2020, and the Japanese government has been actively prepared for the increase number of foreign tourists such as the enactment of the Integrated Resort Laws and expansion of the Shinkansen line. It is expected that this internationally popular sports event together with the new measures of the government will attract 40 million arrivals not only to Tokyo but also to regional areas in Japan. Driven by the government's implementation and Niseko itself as a popular skiing and family holiday destination, tourism development is expected to boom. In recent years, Niseko has become a year round resort destination experiencing rapid growth in foreign visitors and investments especially from Greater China Region and South East Asia.

Japan was assigned to be the next host country for the 2019 G-20 Summit in July 2017. In addition to the leaders' summit, separate G-20 ministerial meetings are planned. Kutchan, a tourist hot spot and transport hub located just 15 minutes-drive away from Niseko, will be the host town for the tourist ministers' meeting. The Board believes that the meeting in Kutchan will bring the attention from all over the world to the area as delegation members, international journalist and non-governmental organization representatives are expected for the meeting, which will boost the revenue of the hospitality business.

前景 酒店款待業務

下屆奧運會將於二零二零年在日本東京舉行，日本政府已積極為外國遊客數目上升作準備，如制定綜合度假村法案及擴建新幹線。預期這項國際體壇盛事以及政府之新措施將吸引40,000,000人次到訪東京以至日本各地。受到政府政策及二世古本身作為享負盛名之滑雪及家庭度假勝地所推動，旅遊業發展預期將欣欣向榮。近年，二世古成為全年度假勝地，外國旅客及投資(尤其來自大中華地區及東南亞)快速增長。

日本於二零一七年七月獲指派為下屆二零一九年G-20峰會之主辦國。除領袖峰會外，亦計劃舉行個別G-20部長級會議。是次旅遊部長會議主辦城市為俱知安町，該地區為旅遊熱點，是距離二世古僅十五分鐘車程之交通樞紐。董事會相信，由於預期代表團成員、國際記者及非政府組織代表均參加於俱知安町舉行之會議，故將引來世界各地對該地區之關注，從而增加款待業務收益。

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管理層討論及分析

In view of the above, the Group foresees large potential for growth in the number of overseas tourists and spendings in the resort areas in Niseko in the coming two years. The Directors are of the view that the Resort Towers will provide a steady income stream and generate satisfactory income to the Group.

New Energy Business

The Group is readjusting its major market focus to China and central Asia. The Group has been in negotiation with several transportation, shipping and logistics companies for long term bulk usage of EuroAd in their fleets. Product testing have been completed with some of the potential customers and the results were positive. Furthermore, the Group plans to expand its sales of EuroAd products through online channels. Sales performance is expected to be improved. The Group planned to devote more resources to expand its market shares in China and central Asia markets whilst withdraw the market development of other countries.

Apart from expanding customer portfolio and sales channels to improve the revenue, the Group will closely control the costs, hoping to make an improvement in the performance of the new energy business.

Joint venture company (the “JV Company”) with Zhongke International Capital Limited

The principal activities of the JV Company are research and development, production and distribution of new energy and renewable energy, corporate management, financial services and investment and related business. The other shareholder of the JV Company is Zhongke International Capital Limited whose holding company is 中科建設開發總公司 (Bureau of Construction and Development Company) (the “Bureau”, together with its subsidiaries, the “Zhongke Group”), which is a leading national enterprise in China. In recent years, the Bureau has expanded its scope from construction and engineering into, including but not limited to, investment and financing and new energy. Given the experience of the Zhongke Group in investment and financing together with its reputation and vast business network in China market, the Group could leverage these advantages to step into financial services and investment sectors in both Hong Kong and China. It is expected that Zhongke Group will contribute more on the operation of the JV Company which will give greater flexibility in future development of the JV Company.

鑑於以上所述，本集團預期未來兩年，二世古渡假區之海外旅客數目及消費具巨大增長潛力。董事認為，Resort Towers將為本集團帶來穩定收入來源，創造可觀收入。

新能源業務

本集團正將主要市場焦點重新調整至中國及中亞。本集團已與多家運輸、貨運及物流公司就於彼等之車隊中大量使用EuroAd進行磋商，並已與若干潛在客戶完成產品測試，測試結果理想。此外，本集團計劃利用線上渠道擴展EuroAd產品之銷售，故此銷售業績可望得以改善。本集團已計劃投放更多資源擴展其於中國及中亞之市場份額，同時退出於其他國家之市場發展。

除擴大客戶群及銷售渠道改善收益外，本集團將密切控制成本，冀能改善新能源業務之表現。

與中科國際資本有限公司成立合營公司(「合營公司」)

合營公司之主要業務為研發、生產及分銷新能源及再生能源、企業管理、金融服務及投資以及相關業務。合營公司另一名股東為中科國際資本有限公司，其控股公司為中科建設開發總公司(「中科建設」，連同其附屬公司統稱「中科集團」)，中科建設為中國龍頭國有企業。近年，中科建設將業務範疇由建設及工程拓展至(包括但不限於)投資及融資以及新能源。憑藉中科集團在投資及融資方面之經驗，以及其於中國市場具有之聲譽及龐大業務網絡等優勢，本集團可進軍香港及中國之金融服務及投資領域。預期中科集團將對合營公司之營運作出更多貢獻，從而令合營公司可更靈活地作未來發展。

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Apart from the development of hotel hospitality business, new energy business and the JV Company, the Group will continue to be cautious in its investment approach on securities and funds, closely monitor the liquor and wine business and money lending services and seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders of the Company.

FINAL DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 30 June 2018 (2017: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 30 June 2018, the Group recorded cash and bank balances (including pledged bank balances) amounting to approximately HK\$425.3 million (2017: approximately HK\$95.9 million) and the net current assets value was approximately HK\$685.7 million (2017: approximately HK\$102.2 million).

The Group's gearing ratio as at 30 June 2018 was approximately 0.13 (2017: approximately 0.35), being a ratio of total debts, including corporate bonds and borrowings of approximately HK\$145.9 million (2017: approximately HK\$263.6 million) to the total equity of approximately HK\$1,139.1 million (2017: approximately HK\$754.2 million).

As at 30 June 2018, the Group had no unlisted corporate bonds (2017: 3-year 8% and 10% coupon unlisted corporate bonds with the aggregate principal amount of approximately HK\$86.5 million and HK\$27.0 million respectively). The bonds were guaranteed by the Company. During the year ended 30 June 2018, the Group redeemed all corporate bonds of principal amount of approximately HK\$113.5 million due to maturity (2017: HK\$73.0 million).

除發展酒店款待業務、新能源業務及合營公司外，本集團將繼續於證券及基金方面採取審慎投資態度，密切監察酒類產品業務及借貸服務，並抓緊其他發展機會以提升競爭力，務求為本公司股東締造最佳回報。

末期股息

董事會議決不建議就截至二零一八年六月三十日止年度派付任何股息(二零一七年：無)。

財務資源、流動資金及負債資產比率

於二零一八年六月三十日，本集團錄得現金及銀行結餘(包括已抵押銀行結餘)約425,300,000港元(二零一七年：約95,900,000港元)，而流動資產淨值則約為685,700,000港元(二零一七年：約102,200,000港元)。

於二零一八年六月三十日，本集團之負債資產比率約為0.13(二零一七年：約0.35)，即債務總額(包括公司債券及借貸)約145,900,000港元(二零一七年：約263,600,000港元)相對總權益約1,139,100,000港元(二零一七年：約754,200,000港元)之比率。

於二零一八年六月三十日，本集團並無非上市公司債券(二零一七年：本金總額分別約86,500,000港元及27,000,000港元之三年期8厘及10厘票息非上市公司債券)。該等債券由本公司擔保。截至二零一八年六月三十日止年度，本集團於到期時贖回全部公司債券，本金額約為113,500,000港元(二零一七年：73,000,000港元)。

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USE OF PROCEEDS FROM RIGHTS ISSUE

The Company completed a rights issue on 13 June 2018, pursuant to which the Company has issued 10,463,687,800 ordinary shares of the Company of HK\$0.05 each as rights shares at HK\$0.052 per rights share on the basis of two rights shares for every one existing share held on 18 May 2018. The net proceeds from the rights issue (after deducting the expenses) were approximately HK\$523.6 million. The net subscription price per rights share after deducting the related expenses of the rights issue was approximately HK\$0.050. The Company intended to apply net proceeds of approximately HK\$523.6 million from the rights issue as to (i) approximately HK\$196.0 million for the contribution to the facility to be made available to the JV Company; (ii) approximately HK\$193.9 million for repayment of the outstanding borrowings; (iii) approximately HK\$100.0 million for expansion of the Group's money lending business; and (iv) the remaining balance for general working capital of the Group.

As at 30 June 2018, the Group utilised the net proceeds from the rights issue as to (i) approximately HK\$56.0 million for repayment of the outstanding borrowings; (ii) approximately HK\$61.35 million for expansion of the Group's money lending business by granting of loans to independent third parties and (iii) approximately HK\$4.4 million for general working capital of the Group. The unutilised net proceeds have been placed as the interest bearing deposits with licensed banks in Hong Kong. In view of the reasonable interest generated from the provision of loans receivable, the Group reallocated HK\$11.35 million from the portion intended to be used as general working capital to expanding the money lending business in August 2018. Details of the change in use of proceeds are set out in the announcement of the Company dated 10 August 2018. The Group plans to utilize the remaining proceeds from the rights issue to repay the remaining outstanding borrowings and invest into the JV Company in the coming financial year.

PLEDGE OF ASSETS

As at 30 June 2018 and 2017, no margin loan payable was secured by the Group's listed equity investments.

As at 30 June 2018, the Group pledged hotel land and building in Japan with an aggregated carrying value of approximately HK\$479.0 million (2017: approximately HK\$475.0 million), bank deposits of approximately HK\$3.7 million (2017: approximately HK\$3.0 million) and the entire equity interest of certain subsidiaries to secure banking facilities of the Group.

供股所得款項用途

本公司於二零一八年六月十三日完成供股，據此本公司已按於二零一八年五月十八日每持有一股現有股份獲發兩股供股股份之基準，以每股供股股份0.052港元之作價發行10,463,687,800股每股面值0.05港元之本公司普通股作為供股股份。供股所得款項淨額（經扣除開支後）約為523,600,000港元。經扣除相關供股開支後，每股供股股份認購價淨額約為0.050港元。本公司擬動用供股所得款項淨額約523,600,000港元，其中(i)約196,000,000港元用於為合營公司將可獲得之融資注資；(ii)約193,900,000港元用於償還尚未償還借款；(iii)約100,000,000港元用於擴充本集團之借貸業務；及(iv)餘款用作本集團之一般營運資金。

於二零一八年六月三十日，本集團已將供股所得款項淨額撥作如下用途：(i)約56,000,000港元用作償還尚未償還的借款；(ii)約61,350,000港元用作向獨立第三方授出貸款，藉以擴大本集團放債業務；及(iii)約4,400,000港元用作本集團一般營運資金。未動用所得款項淨額已作為計息存款存放於香港持牌銀行。鑑於提供應收貸款所產生之合理利息，於二零一八年八月，本集團將部份擬用作一般營運資金之金額11,350,000港元重新分配至擴展放債業務。更改所得款項用途之詳情載於本公司日期為二零一八年八月十日的公佈。本集團計劃於下一個財政年度動用供股剩餘所得款項償還餘下尚未償還借款及投資於合營公司。

資產抵押

於二零一八年及二零一七年六月三十日，概無應付保證金貸款以本集團之上市股本投資作抵押。

於二零一八年六月三十日，本集團抵押賬面值合共約479,000,000港元（二零一七年：約475,000,000港元）之日本酒店土地及樓宇、為數約3,700,000港元（二零一七年：約3,000,000港元）之銀行存款及若干全資附屬公司之全部股權，以為本集團銀行融資提供擔保。

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CAPITAL STRUCTURE

During the year ended 30 June 2018, 610,000 share options lapsed and 10,463,687,800 rights shares were allotted and issued.

As a result of the completion of the rights issue, (i) the exercise prices of the outstanding share options and the related number of shares that could be subscribed for upon exercise of the outstanding share options and (ii) the notional price of shares to be issued upon conversion of the outstanding convertible preference shares were adjusted with effect from 13 June 2018 and 19 May 2018 in accordance with the share option schemes and the terms of the convertible preference shares respectively.

With reference to the terms and conditions of the share option schemes, Rule 17.03(13) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the supplementary guidance relating to the adjustments to share options issued by the Stock Exchange on 5 September 2005, the exercise prices and the number of shares that could be subscribed for upon exercise of the outstanding share options were adjusted in the following manner:

資本結構

截至二零一八年六月三十日止年度，610,000份購股權已失效，而10,463,687,800股供股股份已配發及發行。

由於完成供股，(i) 尚未行使購股權之行使價及於尚未行使購股權獲行使時可認購之股份相關數目及(ii) 轉換尚未轉換的可換股優先股時將予發行之股份之名義價格已分別根據購股權計劃及可換股優先股條款作出調整，自二零一八年六月十三日及二零一八年五月十九日起生效。

經參考購股權計劃之條款及條件、香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第17.03(13)條以及聯交所於二零零五年九月五日所發出有關購股權調整之補充指引，尚未行使購股權之行使價及於尚未行使購股權獲行使時可認購之股份數目按以下方式予以調整：

| Date of grant | Immediately before completion of the rights issue | | Immediately after completion of the rights issue | |
|-----------------|---|--|--|--|
| | Exercise price per share | Number of shares that can be subscribed for upon exercise of the outstanding share options | Exercise price per share | Number of shares that can be subscribed for upon exercise of the outstanding share options |
| 授出日期 | 每股行使價 (HK\$) (港元) | 於尚未行使購股權獲行使時可認購之股份數目 | 每股行使價 (HK\$) (港元) | 於尚未行使購股權獲行使時可認購之股份數目 |
| 4 July 2013 | 0.435 | 202,250,000 | 0.447 | 196,997,568 |
| 19 July 2013 | 0.433 | 100,000,000 | 0.445 | 97,403,000 |
| 21 January 2015 | 0.32 | 184,400,000 | 0.329 | 179,611,132 |
| 13 October 2015 | 0.32 | 444,000,000 | 0.329 | 432,469,320 |
| 24 January 2017 | 0.235 | 54,200,000 | 0.241 | 52,792,426 |
| 24 January 2017 | 0.235 | 54,200,000 | 0.241 | 52,792,426 |
| 24 January 2017 | 0.235 | 55,150,000 | 0.241 | 53,717,754 |

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Pursuant to the terms of the convertible preference shares, the notional price of the outstanding convertible preference shares was adjusted from HK\$0.21 per convertible preference share to HK\$0.168 per convertible preference share with effect from 19 May 2018.

Following the completion of the rights issue, the board lot size for trading in shares was changed from 10,000 shares to 30,000 shares.

Save as disclosed above, the Company had no other changes in capital structure during the year ended 30 June 2018.

根據可換股優先股之條款，尚未轉換的可換股優先股之名義價格已由每股可換股優先股0.21港元調整為每股可換股優先股0.168港元，自二零一八年五月十九日起生效。

於供股完成後，股份每手買賣單位由10,000股股份更改為30,000股股份。

除上文所披露者外，截至二零一八年六月三十日止年度，本公司並無其他資本結構變動。

INVESTMENT POSITION AND PLANNING

Available-for-sale investments

As at 30 June 2018, the Group had invested in three (2017: three) unlisted private funds with aggregated carrying amount of approximately HK\$107.4 million (2017: approximately HK\$103.7 million). The purpose of the fund portfolio is to carry on the business of investing, holding, monitoring and realizing (i) the private debt investments, including but not limited to bonds, notes and debentures; (ii) the equity investments and/or debt instruments from the financial services, natural resources and/or property investment sectors; and (iii) the investment in securities and instruments issued in, or related to the markets in China, Hong Kong, Taiwan, South Korea and ASEAN member countries respectively. The value of fund portfolio was based on fair value. An increase in fair value of the fund portfolio of approximately HK\$3.6 million was recorded for the year ended 30 June 2018 (2017: decrease in fair value of approximately HK\$2.7 million).

Termination of memorandum in relation to the possible acquisition of biofuel business

On 26 May 2017, Rich Shine Development Limited, a wholly-owned subsidiary of the Company, as purchaser entered into a non-legally binding memorandum (the "Biofuel Memorandum") with China Century Bio Energy International Investment Company Limited as vendor, an independent third party of the Group, in relation to the intention of acquisition of 100% of issued share capital of a company, of which together with its subsidiaries, are engaged in developing environmental friendly energy and biofuel business in the PRC comprising the production of renewable energy source and biofuel with its self-developed biological butanol technology.

投資狀況及計劃

可供出售投資

於二零一八年六月三十日，本集團投資於三項(二零一七年：三項)非上市私人基金，賬面總值約107,400,000港元(二零一七年：約103,700,000港元)。基金組合目的為進行投資、持有、監察及變現(i)私人債務投資(包括但不限於債券、票據及債權證)；(ii)來自金融服務、天然資源及/或物業投資分部之股本投資及/或債務工具；及(iii)分別於中國、香港、台灣、南韓及東盟成員國發行或與當地市場相關之證券及工具投資業務。基金組合價值乃按公平值釐定。截至二零一八年六月三十日止年度錄得基金組合公平值增加約3,600,000港元(二零一七年：公平值減少約2,700,000港元)。

終止有關可能收購生物燃料業務之備忘錄

於二零一七年五月二十六日，本公司全資附屬公司Rich Shine Development Limited(作為買方)與本集團獨立第三方華聯世紀生物能源國際投資有限公司(作為賣方)訂立無法律約束力之備忘錄(「生物燃料備忘錄」)，內容有關有意收購一家公司之全部已發行股本，有關公司連同其附屬公司於中國從事開發環保能源及生物燃料業務，當中包括以其自主開發之生物基醇技術生產可再生能源材料及生物燃料。

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Pursuant to the Biofuel Memorandum, the parties to the Biofuel Memorandum shall negotiate in good faith towards one another in ensuring that a formal agreement be entered on or before 31 August 2017. As the parties to the Biofuel Memorandum were unable to reach an agreement on the terms of the formal agreement, the parties to the Biofuel Memorandum had agreed to end the possible acquisition. Details of the transaction are set out in the Company's announcements dated 26 May 2017 and 8 September 2017.

Disposal of Guocang Liquor & Wine Merchant Limited ("Guocang")

On 27 September 2017, a subsidiary of the Group as vendor entered into a share transfer agreement with two independent third parties as purchasers, pursuant to which the vendor agreed to sell and the purchasers agreed to acquire the entire equity interest of Guocang, which was a dormant company, at a consideration of RMB100. The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

Disposal of Jiangsu Youli Electric Vehicle Co., Ltd. ("Jiangsu Youli")

On 18 December 2017, a subsidiary of the Group as vendor entered into a share transfer agreement with two independent third parties as purchasers, pursuant to which the vendor agreed to sell and the purchasers agreed to acquire the entire equity interest of Jiangsu Youli, which was engaged in the manufacturing and trading of electric cycles business, at a consideration of RMB100. The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

Disposal of Taishan Youli New Energy Technological Ltd. ("Taishan Youli")

On 15 January 2018, a subsidiary of the Group as vendor entered into a share transfer agreement with two independent third parties as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to acquire the entire equity interest of Taishan Youli, which was engaged in the manufacturing and trading of electric cycles business, at a consideration of RMB100. The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

根據生物燃料備忘錄，生物燃料備忘錄之訂約方須真誠相互磋商，以確保在二零一七年八月三十一日或之前訂立正式協議。由於生物燃料備忘錄之訂約方未能就正式協議之條款達成協議，生物燃料備忘錄之訂約方已同意終止可能收購。交易詳情載於本公司日期為二零一七年五月二十六日及二零一七年九月八日的公佈。

出售國藏酒莊有限公司(「國藏」)

於二零一七年九月二十七日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議，據此，賣方同意出售而買方同意收購國藏(目前暫無業務)之全部股權，代價為人民幣100元。根據上市規則第14章，出售事項分類為非須予披露交易。

出售江蘇友立電動車有限公司(「江蘇友立」)

於二零一七年十二月十八日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議，據此，賣方同意出售而買方同意收購江蘇友立(該公司從事電動自行車製造及買賣業務)之全部股權，代價為人民幣100元。根據上市規則第14章，出售事項分類為非須予披露交易。

出售台山市友立新能源科技有限公司(「台山友立」)

於二零一八年一月十五日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議，據此，賣方同意出售而買方同意收購台山友立(該公司從事電動自行車製造及買賣業務)全部股權，代價為人民幣100元。根據上市規則第14章，出售事項分類為非須予披露交易。

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Disposal of Guofeng Youli (Wuxi) Vehicles Ltd. (“Guofeng Youli”)

On 6 April 2018, a subsidiary of the Group as vendor entered into a share transfer agreement with an independent third party as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to acquire the entire equity interest of Guofeng Youli, which was engaged in the manufacturing and trading of electric cycles business, at a consideration of RMB25,000. The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

Settlement deed and supplemental settlement deed in relation to the profit guarantee compensation

With reference to the Company’s announcements dated 26 April 2015 and 29 May 2015 in relation to the acquisition of the electric cycles business, Mr. Lee Man Bun (“Mr. Lee”) as the vendor irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of the electric cycles business for the year ended 30 June 2016 shall not be less than HK\$100,000,000 (the “Guaranteed Net Profit”).

In the event that the electric cycles business cannot achieve the Guaranteed Net Profit, Mr. Lee has irrevocably undertaken to the Company to pay to the Company in cash within 10 business days from the date of receipt of the certificate from the auditors of the Company an amount equal to the shortfall (the “Profit Guarantee Compensation”).

In view of the loss recorded for the year ended 30 June 2016 of the electric cycles business, Mr. Lee had been requested to settle the Profit Guarantee Compensation of HK\$100,000,000. After arm’s length negotiations, on 26 September 2016, Mr. Lee and the Company entered into a settlement deed regarding the settlement of the Profit Guarantee Compensation of HK\$100,000,000 and the additional amount of compensation of HK\$850,000, in which HK\$70,700,000 was settled by Mr. Lee on 27 September 2016 and 21 September 2017. Pursuant to the supplemental settlement deed entered into between Mr. Lee and the Company on 28 September 2018, Mr. Lee shall pay HK\$30,650,000 (being the sum of the outstanding settlement payment of HK\$30,150,000 and the additional amount of compensation of HK\$500,000) to the Company in the following manner: (a) HK\$10,000,000 shall be paid to the Company on the date of the supplemental settlement deed; and (b) HK\$20,650,000 shall be paid to the Company on or before 31 March 2019. The amount of HK\$10 million was received by the Company pursuant to the terms of the supplemental settlement deed.

出售國豐友立(無錫)車業有限公司(「國豐友立」)

於二零一八年四月六日，本集團旗下一間附屬公司(作為賣方)與一名獨立第三方(作為買方)訂立股權轉讓協議，據此，賣方同意出售而買方同意收購國豐友立(該公司從事電動自行車製造及買賣業務)全部股權，代價為人民幣25,000元。根據上市規則第14章，出售事項分類為非須予披露交易。

有關溢利保證補償之償付契約及補充償付契約

參照本公司日期為二零一五年四月二十六日及二零一五年五月二十九日有關收購電動自行車業務之公佈，李文彬先生(「李先生」，作為賣方)向本公司不可撤回地保證及擔保，電動自行車業務於截至二零一六年六月三十日止年度之除稅後經審核綜合純利不會少於100,000,000港元(「保證純利」)。

倘電動自行車業務未能達致保證純利，則李先生向本公司不可撤回地承諾於接獲本公司核數師所發出之證明書當日起計10個營業日內以現金向本公司支付相當於缺額之金額(「溢利保證補償」)。

鑑於電動自行車業務截至二零一六年六月三十日止年度錄得虧損，李先生被要求償付為數100,000,000港元之溢利保證補償。經雙方公平磋商後，於二零一六年九月二十六日，李先生與本公司就償付溢利保證補償100,000,000港元及額外補償金額850,000港元訂立償付契約，其中70,700,000港元已由李先生於二零一六年九月二十七日及二零一七年九月二十一日償付。根據李先生與本公司於二零一八年九月二十八日所訂立之補充償付契約，李先生須按如下方式向本公司支付30,650,000港元(即尚未償付款項30,150,000港元加額外補償金額500,000港元之總和)：(a)於補充償付契約日期向本公司支付10,000,000港元；及(b)於二零一九年三月三十一日或之前向本公司支付20,650,000港元。本公司根據補充償付契約之條款收訖10,000,000港元。

Management Discussion and Analysis

管理層討論及分析

Disposal of a land in the PRC

On 7 September 2017, Advanced System Group Limited, an indirectly wholly-owned subsidiary of the Company, as vendor entered into a sales and purchase agreement (the “PRC Land Disposal Agreement”) with an independent third party as purchaser. Pursuant to the PRC Land Disposal Agreement, the purchaser agreed to acquire and the vendor agreed to sell the entire issued share capital of Miracle True Investment Limited and its subsidiary in the PRC, which holds a land in Huizhou City, Guangdong Province, the PRC, and the shareholder’s loan in cash at a consideration of HK\$11 million, in which HK\$550,000 had been received on 7 September 2017 and the remaining balance of HK\$10.5 million will be payable by the purchaser within six months from the date of the PRC Land Disposal Agreement. On 7 February 2018, the vendor and the purchaser confirmed their mutual agreement to extend the long stop date to 31 January 2019 or such other date as the vendor and the purchaser may agree in writing.

The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

Disposal of 49% equity interest in Perfect Essential Holdings Limited

On 4 April 2018, the Company as vendor, Excellent Point Asia Limited as purchaser and Mr. Zhu Yongjun as guarantor entered into the SPA, pursuant to which the Company conditionally agreed to sell and the purchaser conditionally agreed to purchase the 49 issued shares of US\$1.00 each in the share capital of Perfect Essential Holdings Limited, representing 49% of the issued share capital of the Target Company, and the sale loans to be assigned by the vendor to the purchaser, subject to the terms and conditions of the SPA at a total consideration of HK\$64,484,382.2.

Pursuant to the SPA, the purchaser and the vendor shall enter into the option deed in respect of the grant of the call option upon the first completion, pursuant to which the vendor shall grant the purchaser the right to acquire all but not part of the option shares, representing 51% of the issued share capital of the Target Company, and the option loan, within six months from the first completion date.

The first completion took place on 18 July 2018 in accordance with the terms and conditions of the SPA. Immediately upon the first completion, the Company held 51% equity interest of the Target Company and the Target Group became non-wholly-owned subsidiaries of the Company.

出售一幅中國土地

於二零一七年九月七日，本公司之間接全資附屬公司Advanced System Group Limited（作為賣方）與一名獨立第三方（作為買方）訂立買賣協議（「中國土地出售協議」）。根據中國土地出售協議，買方同意收購而賣方同意出售奧勤投資有限公司及其中國附屬公司（其持有一幅位於中國廣東省惠州市之土地）之全部已發行股本連同股東貸款，現金代價為11,000,000港元，當中550,000港元已於二零一七年九月七日收訖，餘款10,500,000港元將於中國土地出售協議日期起計六個月內由買方支付。於二零一八年二月七日，賣方與買方確認雙方同意將最後截止日期延後至二零一九年一月三十一日或賣方與買方可能書面協定之其他日期。

根據上市規則第14章，出售分類為非須予披露交易。

出售 Perfect Essential Holdings Limited 49% 股權

於二零一八年四月四日，本公司（作為賣方）、Excellent Point Asia Limited（作為買方）與朱勇軍先生（作為擔保人）訂立買賣協議，據此，本公司有條件同意出售而買方有條件同意購買Perfect Essential Holdings Limited股本中每股面值1.00美元之已發行股份49股（相當於目標公司已發行股本之49%）及賣方將轉讓予買方之銷售貸款，總代價為64,484,382.2港元，惟須受買賣協議之條款及條件所規限。

根據買賣協議，買方與賣方須於首次完成後就授出認購期權訂立期權契據，據此，賣方須於首次完成日期起計六個月內授予買方權利收購全部而非部分期權股份（相當於目標公司已發行股本之51%）及期權貸款。

首次完成根據買賣協議之條款及條件於二零一八年七月十八日落實。緊隨首次完成後，本公司持有目標公司之51%股權，而目標集團已成為本公司非全資附屬公司。

Management Discussion and Analysis

管理層討論及分析

Details of the transaction are set out in the Company's announcements dated 4 April 2018, 26 April 2018, 11 May 2018, 8 June 2018, 16 July 2018 and 18 July 2018; and the Company's circular dated 25 June 2018.

Memorandum of understanding in relation to the proposed investment in the business of production of building and construction materials made by recycled materials

On 17 September 2018, the Company entered into a non-legally binding memorandum of understanding with CMAT Holdings Limited ("CMAT") in relation to the proposed investment by the Company in a business of production of building and construction materials made by recycled materials.

Details of the memorandum of understanding are set out in the Company's announcement dated 17 September 2018.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no significant contingent liabilities (2017: Nil).

CAPITAL COMMITMENTS

As at 30 June 2018, the Group had no significant capital commitments (2017: Nil).

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, Swedish Krona and Japanese Yen which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group had approximately 80 (2017: 67) employees in Hong Kong, the PRC, Japan, Canada and Sweden. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes and share option scheme.

交易詳情載於本公司日期為二零一八年四月四日、二零一八年四月二十六日、二零一八年五月十一日、二零一八年六月八日、二零一八年七月十六日及二零一八年七月十八日之公佈以及本公司日期為二零一八年六月二十五日之通函。

有關建議投資利用回收物料生產樓宇及建造物料業務之諒解備忘錄

於二零一八年九月十七日，本公司與中材建築科技控股有限公司（「中材建築科技」）訂立不具法律約束力的諒解備忘錄，內容有關建議由本公司對利用回收物料生產樓宇及建造物料業務進行投資。

有關諒解備忘錄之詳情載於本公司日期為二零一八年九月十七日之公佈。

或然負債

於二零一八年六月三十日，本集團並無重大或然負債（二零一七年：無）。

資本承擔

於二零一八年六月三十日，本集團並無重大資本承擔（二零一七年：無）。

外幣風險

本集團大部分資產及負債以集團公司各自之功能貨幣港元、人民幣、瑞典克朗及日圓列值。本集團並無就外匯風險訂立任何工具。本集團將密切注視匯率走勢，並採取適當行動以減低匯兌風險。

僱員及薪酬政策

於二零一八年六月三十日，本集團在香港、中國、日本、加拿大及瑞典共聘有約80名（二零一七年：67名）僱員。本集團之薪酬政策乃定期檢討及參考市場薪酬水平、公司業績及個別員工之資歷和表現釐定。其他員工福利包括酌情獎勵之花紅、醫療計劃及購股權計劃。

Management Discussion and Analysis

管理層討論及分析

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "2018 AGM") is scheduled to be held on 6 December 2018. For determining the entitlement to attend and vote at the 2018 AGM, the register of members of the Company will be closed from 3 December 2018 to 6 December 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to be eligible to attend and vote at 2018 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 30 November 2018.

暫停辦理股份過戶登記手續

本公司應屆股東週年大會（「二零一八年股東週年大會」）謹訂於二零一八年十二月六日舉行。為釐定出席二零一八年股東週年大會並於會上投票的權利，本公司將於二零一八年十二月三日至二零一八年十二月六日（包括首尾兩天）暫停辦理過戶登記手續，期內將不會辦理本公司股份轉讓登記。本公司股東如欲符合資格出席二零一八年股東週年大會並於會上投票，所有過戶表格連同相關股票必須於二零一八年十一月三十日下午四時三十分前送達本公司的香港股份過戶登記分處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Biographical information of the Directors and the senior management of the Group as at the date of this annual report is set out as follows:

EXECUTIVE DIRECTORS

Mr. Wong Hin Shek ("Mr. Wong"), aged 48, has been appointed as the chairman and executive director of the Company since July 2009. He is also a director of various subsidiaries of the Company. Besides having over 24 years of experience in the investment banking industry, Mr. Wong has been involved in the management, business development and strategic investment of listed companies in Hong Kong, having operations in environmental protection, hotel and manufacturing industries. Mr. Wong holds a Master of Science (Financial Management) degree from University of London in United Kingdom and a Bachelor of Commerce degree from University of Toronto in Canada. Mr. Wong is also a responsible officer of Veda Capital Limited, a licensed corporation which carries out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance. Mr. Wong is currently an executive director and the chief executive officer of Bisu Technology Group International Limited (stock code: 1372), an executive director of GET Holdings Limited (stock code: 8100) and a non-executive director of Sino Golf Holdings Limited (stock code: 361). Mr. Wong was an executive director of Dongwu Cement International Limited (stock code: 695) from November 2016 to August 2017.

Mr. Chi Chi Hung, Kenneth ("Mr. Chi"), aged 49, has been appointed as the chief executive officer and executive director of the Company since January 2010. He is also a director of various subsidiaries of the Company. Mr. Chi has over 20 years of experience in accounting and financial control area. He holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is currently an independent non-executive director of each of Perfect Shape Medical Limited (stock code: 1830), Noble Century Investment Holdings Limited (stock code: 2322) and Greentech Technology International Limited (stock code: 195). Mr. Chi was an executive director of Ceneric (Holdings) Limited (now known as "TFG International Group Limited") (stock code: 542) from October 2010 to June 2017. Mr. Chi was also an independent non-executive director of

於本年報日期，董事及本集團高級管理層履歷資料載列如下：

執行董事

王顯碩先生(「王先生」)，四十八歲，自二零零九年七月起獲委任為本公司主席兼執行董事。彼亦擔任本公司多間附屬公司董事一職。除具備超過二十四年投資銀行經驗外，王先生參與香港上市公司之管理、業務發展及策略投資工作，該等公司於環保、酒店及製造產業經營業務。王先生持有英國倫敦大學頒授之財務管理理學碩士學位及加拿大多倫多大學頒授之商業學士學位。王先生亦為智略資本有限公司之負責人員，該公司為根據證券及期貨條例可從事第6類(就機構融資提供意見)受規管活動之持牌法團。王先生現為比速科技集團國際有限公司(股份代號：1372)之執行董事兼行政總裁、智易控股有限公司(股份代號：8100)之執行董事及順龍控股有限公司(股份代號：361)之非執行董事。王先生曾於二零一六年十一月至二零一七年八月擔任東吳水泥國際有限公司(股份代號：695)之執行董事。

季志雄先生(「季先生」)，四十九歲，自二零一零年一月起獲委任為本公司行政總裁兼執行董事。彼亦擔任本公司多間附屬公司董事一職。季先生於會計及財務管理方面擁有超過20年經驗。彼持有香港理工大學之會計學學士學位，並為英國特許公認會計師公會資深會員、香港會計師公會會員、香港特許秘書公會會員及英國特許秘書及行政人員公會會員。季先生現為必瘦站醫學美容有限公司(股份代號：1830)、仁瑞投資控股有限公司(股份代號：2322)及綠科科技國際有限公司(股份代號：195)各自之獨立非執行董事。季先生曾於二零一零年十月至二零一七年六月出任新領域(集團)有限公司(現稱「富元國際集團有限公司」)(股份代號：542)之執行董事。季先生亦曾於二零一零年三月至二零一五年十月出任奧栢中國集團有限公司(股

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

each of Aurum Pacific (China) Group Limited (stock code: 8148) from March 2010 to October 2015 and Silk Road Energy Services Group Limited (stock code: 8250) from December 2011 to November 2015.

Mr. Chan Wai Ki (“Mr. Chan”), aged 34, has been appointed as an executive Director since November 2017. He is also a director of various subsidiaries of the Company. Mr. Chan obtained a Bachelor’s degree of Arts with Honours in Accounting from the University of Bedfordshire. Mr. Chan has extensive experience in accounting, audit and money lending business.

Mr. Zhou Danqing (“Mr. Zhou”), aged 31, has been appointed as an executive Director since August 2018. He is also a director of various subsidiaries of the Company. He obtained a bachelor’s degree in business administration from the Chinese University of Hong Kong. Mr. Zhou is a Chartered Financial Analyst and Financial Risk Manager charter-holder. Mr. Zhou has over 8 years of experience in corporate finance. Mr. Zhou is a non-executive director of PacRay International Holdings Limited (Stock Code: 1010).

NON-EXECUTIVE DIRECTOR

Mr. Chui Kwong Kau (“Mr. Chui”), aged 51, has been appointed as a non-executive director of the Company since December 2015. He is also a director of various subsidiaries of the Company. He is a non-executive director of each of Hsin Chong Group Holdings Limited (stock code: 404) and Boill Healthcare Holdings Limited (stock code: 1246). He is also an executive director of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085). Mr. Chui was an executive director of China Energy Development Holdings Limited (stock code: 228) from October 2005 to June 2016 and an independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148) from March 2010 to March 2016. He has over 20 years’ experiences in accounting and auditing fields.

份代號：8148)及於二零一一年十二月至二零一五年十一月出任絲路能源服務集團有限公司(股份代號：8250)各自之獨立非執行董事。

陳偉祺先生(「陳先生」)，三十四歲，自二零一七年十一月起獲委任為執行董事。彼亦擔任本公司多間附屬公司董事一職。陳先生獲得貝德福德大學會計學榮譽文學士學位。陳先生於會計、審計及放債業務方面擁有豐富經驗。

周丹青先生(「周先生」)，三十一歲，自二零一八年八月起獲委任為執行董事。彼亦擔任本公司多間附屬公司董事一職。彼於香港中文大學取得工商管理學士學位。周先生為特許金融分析師及金融風險管理師持證人。周先生於企業融資方面累積逾8年經驗。周先生為太睿國際控股有限公司(股份代號：1010)之非執行董事。

非執行董事

崔光球先生(「崔先生」)，五十一歲，自二零一五年十二月起獲委任為本公司非執行董事。彼亦擔任本公司多間附屬公司董事一職。彼現時分別於新昌集團控股有限公司(股份代號：404)及保集健康控股有限公司(股份代號：1246)出任非執行董事。彼亦為香港生命科學技術集團有限公司(股份代號：8085)之執行董事。崔先生曾於二零零五年十月至二零一六年六月出任中國能源開發控股有限公司(股份代號：228)之執行董事及於二零一零年三月至二零一六年三月出任奧栢中國集團有限公司(股份代號：8148)之獨立非執行董事。彼於會計及核數範疇積逾20年經驗。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chiu Wai On (“Mr. Chiu”), aged 48, joined the Company since June 2009. Mr. Chiu is also the chairman of each of the audit committee, remuneration committee and nomination committee of the Company. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Chiu possesses over 10 years of professional experience in accounting and auditing services. Mr. Chiu is also an independent non-executive director of New Times Energy Corporation Limited (stock code: 166).

Mr. Man Kwok Leung (“Mr. Man”), aged 71, joined the Company since May 2009. Mr. Man is also the member of each of the audit committee, remuneration committee and nomination committee of the Company. He is a solicitor of the High Court of Hong Kong and a civil celebrant of marriages. Mr. Man has extensive experience in the legal practice. He had been appointed by Xinhua News Agency as a district advisor from 1995 to 1997. He is currently appointed as a director of Apleichau Kai Fong Primary School, the deputy chairman of Apleichau Kai Fong Welfare Association, the secretary of Apleichau Promotion of Tourism Association and the honorary legal advisor of Junior Police Officers’ Association. Mr. Man is currently an independent non-executive director of Noble Century Investment Holdings Limited (stock code: 2322).

Dr. Wong Yun Kuen (“Dr. Wong”), aged 61, joined the Company since June 2009. Dr. Wong is also the member of each of the audit committee, remuneration committee and nomination committee of the Company. He received his Ph.D. degree from Harvard University, and was “Distinguished Visiting Scholar” at Wharton School of the University of Pennsylvania. Dr. Wong has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is a member of the Hong Kong Securities Institute. Dr. Wong is the chairman of the board and an executive director of each of UBA Investments Limited (stock code: 768) and Far East Holdings International Limited (stock code: 36), an executive director of Boill Healthcare Holdings Limited (stock code: 1246), a non-executive director of China Sandi Holdings Limited (stock code: 910) and an independent non-executive director of each of Kaisun Holdings Limited (stock code: 8203), GT Group Holdings Limited (stock code: 263), Kingston Financial Group Limited (stock code: 2340), Asia Coal Limited (stock code: 835) and Tech Pro Technology Development Limited (stock code: 3823). Dr. Wong was an independent non-executive director of each of Bauhaus International (Holdings) Limited (stock code: 483) from October 2004 to December 2016 and Sincere Watch (Hong Kong) Limited (stock code: 444) from September 2012 to December 2017.

獨立非執行董事

招偉安先生(「招先生」)，四十八歲，自二零零九年六月起加入本公司。招先生亦身兼本公司之審核委員會、薪酬委員會及提名委員會各會主席。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。招先生於會計及核數服務方面擁有逾10年專業經驗。招先生亦為新時代能源有限公司(股份代號：166)之獨立非執行董事。

萬國樑先生(「萬先生」)，七十一歲，自二零零九年五月起加入本公司。萬先生亦身兼本公司之審核委員會、薪酬委員會及提名委員會各會成員。彼為香港高等法院律師及婚姻監禮人。萬先生擁有豐富法律工作經驗。彼於一九九五年至一九九七年間獲新華社委任為區事顧問。彼目前獲委任為鴨脷洲街坊學校校董、鴨脷洲街坊福利會副主席、鴨脷洲旅遊促進會秘書及香港警察隊員佐級協會之名譽法律顧問。萬先生現為仁瑞投資控股有限公司(股份代號：2322)之獨立非執行董事。

黃潤權博士(「黃博士」)，六十一歲，自二零零九年六月起加入本公司。黃博士亦身兼本公司之審核委員會、薪酬委員會及提名委員會各會成員。彼持有哈佛大學博士學位，並曾任美國賓夕法尼亞州大學Wharton School「傑出客座學者」。黃博士於美國及香港金融業工作多年，擁有豐富企業融資、投資及衍生產品經驗。彼為香港證券專業學會會員。黃博士為開明投資有限公司(股份代號：768)以及遠東控股國際有限公司(股份代號：36)各自之董事會主席兼執行董事、保集健康控股有限公司(股份代號：1246)之執行董事、中國三迪控股有限公司(股份代號：910)之非執行董事以及凱順控股有限公司(股份代號：8203)、高富集團控股有限公司(股份代號：263)、金利豐金融集團有限公司(股份代號：1031)、昇捷控股有限公司(股份代號：2340)、亞洲煤業有限公司(股份代號：835)及德普科技發展有限公司(股份代號：3823)各自之獨立非執行董事。黃博士曾於二零零四年十月至二零一六年十二月出任包浩斯國際(控股)有限公司(股份代號：483)以及於二零一二年九月至二零一七年十二月出任Sincere Watch (Hong Kong) Limited(股份代號：444)各自之獨立非執行董事。

Corporate Governance Report

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CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standards of corporate governance. The Board believes that effective corporate governance practices are fundamental to enhance the shareholders' value and safeguard the interests of the shareholders. Accordingly, the Company has adopted sound corporate governance principles that emphasize an effective internal control and accountability to all shareholders.

During the year ended 30 June 2018, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules except for the deviation from the code provision A.4.1 which is explained below.

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company (the "Bye-laws"). As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

Code Provision A.6.7

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Chui Kwong Kau, a non-executive Director, was unable to attend the annual general meeting of the Company held on 30 November 2017 as he had other business engagement at the time of such meeting.

企業管治常規

本集團致力維持高水平之企業管治。董事會相信，有效的企業管治慣例乃提升股東價值及保障股東權益之基礎。因此，本公司已採納務實之企業管治原則，強調有效之內部監控並對全體股東負責。

截至二零一八年六月三十日止年度，本公司已遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）之守則條文，惟偏離守則條文第A.4.1條之情況除外，理由於下文論述。

守則條文第A.4.1條

根據企業管治守則之守則條文第A.4.1條，非執行董事須按固定任期獲委任，並須重選連任。現任獨立非執行董事並非根據守則條文第A.4.1條之規定按固定任期獲委任，惟彼等須根據本公司細則（「細則」）於股東週年大會輪值退任及重選連任。因此，本公司認為已採取足夠措施以確保本公司履行良好企業管治慣例。

守則條文第A.6.7條

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應定期出席董事會及其同時出任委員會成員的委員會的會議並積極參與會務，以其技能、專業知識及不同的背景及資格作出貢獻。彼等亦應出席股東大會，對公司股東的意見有公正的了解。非執行董事崔光球先生因本公司於二零一七年十一月三十日舉行之股東週年大會舉行時有其他事務在身而未能出席股東週年大會。

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DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors. The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all Directors, the Board confirmed that all Directors had complied with the Model Code regarding directors' securities transactions during the year and up to the date of this annual report.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises eight Directors, with four executive Directors, Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Ki and Mr. Zhou Danqing; one non-executive Director, Mr. Chui Kwong Kau; and three independent non-executive Directors, Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen. Biographical information of the Directors is set out in the section "Biographical Details of Directors and Senior Management" of this annual report.

The Board is responsible for the leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance. Directors take decisions objectively in the interests of the Company. Some functions including, inter alia, monitor and approval of material transactions, matters involving conflict of interest for a substantial shareholder or director of the Company, the approval of the interim and annual results, other disclosures to the public or regulators and the internal control system are reserved by the Board and the decisions relating to such matters shall be subject to the decision of the Board. Matters not specifically reserved to the Board and necessary for the daily operations of the Company are delegated to the management under the supervision of the respective Directors and the leadership of the chief executive officer of the Company (the "Chief Executive Officer").

The Board meets regularly throughout the financial year. All Directors are given the opportunity to put items on the agenda for regular Board meetings. All Directors have access to the Company Secretary to ensure that all Board procedures, rules and regulations are followed. Full minutes of Board meetings are kept by the Company Secretary and are available for inspection on reasonable notice. Any Director may, in furtherance of his duties, take independent professional advice where necessary at the expense of the Company.

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則(「標準守則」)作為董事進行證券交易之操守準則。標準守則就證券買賣之限制及披露規定適用於特定個別人士，包括本集團之高級管理人員及其他知悉可影響股價之本集團資料之人士。經向所有董事作出具體查詢後，董事會確認於年內及直至本年報日期，全體董事一直遵守標準守則有關董事進行證券交易之規定。

董事會

於本年報日期，董事會由八名董事組成，包括四名執行董事王顯碩先生、季志雄先生、陳偉祺先生及周丹青先生；一名非執行董事崔光球先生；及三名獨立非執行董事招偉安先生、萬國樑先生及黃潤權博士。董事履歷詳情載於本年報「董事及高級管理層履歷」一節。

董事會負責領導及控制本公司並監管本集團之業務、策略決策及表現。董事會作出符合本公司利益之客觀決定。董事會保留對某些職務的權利，包括(其中包括)監察及審批重大交易、涉及本公司主要股東或董事利益衝突之事宜、批准中期及全年業績、對公眾或監管機構披露之其他資料、以及內部監控制度，有關該等事宜必須由董事會決定。其他非指定保留之董事會職務以及有關本公司日常運作之事務，則在個別董事之監督及本公司行政總裁(「行政總裁」)領導下委派管理層處理。

於財政年度內，董事會定期舉行會議。全體董事均有機會建議項目加入議程提呈例行董事會會議。全體董事均可接觸公司秘書，確保遵從所有董事會程序、規則及規例。公司秘書保存董事會會議之完整記錄，並於發出合理通知後可供查閱。任何董事均可於有需要時就履行職務獲取獨立專業意見，費用由本公司承擔。

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Throughout the year and up to the date of this report, the Company complied with Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of a sufficient number of independent non-executive directors and at least one of the independent non-executive directors has appropriate professional qualifications or accounting or related financial management expertise. The Company has received annual confirmations from all independent non-executive Directors that they did not have any businesses or financial interests with the Group and were independent in accordance with Rule 3.13 of the Listing Rules.

Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, all being independent non-executive Directors, have served the Board for more than nine years. Notwithstanding their long term service, given their extensive business experience and not connected with any director or substantial shareholder of the Company, the Board is of the opinion that they continue to bring independent and objective perspectives to the Company's affairs.

There is no relationship, including financial, business, family or other material/relevant relationships among the Board members.

Appointment, Re-election and Removal of Directors

In accordance with bye-law 86 of the Bye-laws, any director appointed to fill a causal vacancy on the Board shall hold office only until the next following general meeting of the Company and any director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to bye-law 87 of the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years, and shall then be eligible for re-election. Any further re-appointment of an independent non-executive director, who has served the Board for more than nine years, will be subject to separate resolution to be approved by the shareholders.

In accordance with bye-law 86 of the Bye-laws, the shareholders of the Company may by an ordinary resolution remove any Director (but without prejudice to any claim for damages under any contract) before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

於年內及直至本報告日期，本公司已遵守上市規則第3.10(1)及(2)條，規則內容有關委任足夠數目之獨立非執行董事，其中最少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識。本公司已接獲全體獨立非執行董事根據上市規則第3.13條作出之年度確認，以確認彼等概無任何本集團之業務或財務權益，且屬獨立人士。

全體獨立非執行董事招偉安先生、萬國樑先生及黃潤權博士為董事會服務超過九年。儘管彼等長期擔任有關職位，但鑑於彼等具備廣泛業務經驗及與本公司任何董事或主要股東並無關連，董事會認為，彼等可繼續就本公司事務提供獨立及客觀觀點。

董事會成員之間並無任何關係，包括財務、業務、家族或其他重大／相關關係。

委任、重選及罷免董事

根據細則第86條，任何獲委任填補董事會臨時空缺之董事，僅任職至本公司下屆股東大會為止，而任何獲委任成為現有董事會新增成員之董事，亦僅任職至本公司下屆股東週年大會為止，屆時將符合資格於會上重選連任。

根據細則第87條，於本公司每屆股東週年大會上，當時三分之一之董事（或如董事人數並非三之倍數時，則最接近但不超過三分之一之董事）須輪值退任，而每名董事須至少每三年輪值退任一次，屆時將符合資格重選連任。進一步重新委任任何已服務董事會超過九年之獨立非執行董事，須由股東以獨立決議案予以批准。

根據細則第86條，本公司股東可以普通決議案罷免任何任期末屆滿之董事（但依據任何合約可提出之索賠要求不受此影響），並可以普通決議案委任他人取代。

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman of the Company (the “Chairman”) is Mr. Wong Hin Shek whereas the Chief Executive Officer is Mr. Chi Chi Hung, Kenneth. Their roles are separated, with a clear division of responsibilities. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. The Chief Executive Officer is responsible for the day-to-day management of the Group’s business.

BOARD COMMITTEES

The Board has established three committees, including the remuneration committee, the nomination committee and the audit committee for overseeing particular aspects of the Group’s affairs. Details of which are set out below. All Board committees of the Company are established with defined written terms of reference which are available on the Company’s website and the Stock Exchange’s website.

Audit Committee

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, Mr. Chiu Wai On (the chairman of the Audit Committee), Mr. Man Kwok Leung and Dr. Wong Yun Kuen. The primary duties of the Audit Committee are to (i) review the Group’s financial reporting system, the nature and scope of audit review; (ii) review the effectiveness of the system of internal control procedures and risk management and the Company’s internal audit function; and (iii) review and monitor the external auditor’s independence and objectivity. In addition, the Audit Committee discusses matters raised by the external auditor and regulatory bodies to ensure that appropriate recommendations are implemented. The Audit Committee meets as and when required to perform its responsibilities and at least twice a year.

During the year, the Audit Committee reviewed the interim and annual results with the external auditor and made recommendation to the Board on the re-appointment of the external auditor in accordance with the Audit Committee’s written terms of reference.

The Audit Committee held 2 meetings during the year ended 30 June 2018. The attendance record of each member of the Audit Committee is set out in the sub-section “Directors’ and Committees’ Meeting Attendance” below.

主席及行政總裁

本公司主席(「主席」)為王顯碩先生，而行政總裁則為李志雄先生。彼等之角色獨立，其職責亦清晰區分。主席負責領導董事會，以確保董事會於其角色及設置其議程之所有方面具效率，且已考慮到其他董事所提呈以納入議程之任何事項。行政總裁負責本集團業務之日常管理。

董事會委員會

董事會已成立三個委員會，包括薪酬委員會、提名委員會及審核委員會，以監察本集團事務之特定範疇。詳情載於下文。本公司所有董事會委員會均訂有清晰書面職權範圍，有關職權範圍可於本公司網站及聯交所網站閱覽。

審核委員會

本公司審核委員會(「審核委員會」)包括三名獨立非執行董事招偉安先生(審核委員會主席)、萬國樑先生及黃潤權博士。審核委員會之主要職責為(i)檢討本集團財務申報制度、審核之性質及範圍；(ii)檢討內部監控程序及風險管理制度之效益以及本公司內部審計職能；及(iii)檢討及監察外聘核數師之獨立身分及客觀性。此外，審核委員會亦討論外聘核數師與監管機構提出之事項，以確保採納適當建議。審核委員會於有需要時舉行會議，以履行其職責，並每年最少舉行兩次會議。

年內，審核委員會已根據審核委員會之書面職權範圍聯同外聘核數師審閱中期業績及全年業績，並就續聘外聘核數師向董事會提供推薦建議。

截至二零一八年六月三十日止年度，審核委員會曾舉行2次會議。審核委員會各成員之出席記錄載於下文「董事會及委員會會議出席記錄」分節。

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Remuneration Committee

The remuneration committee of the Company (the “Remuneration Committee”) comprises three independent non-executive Directors, Mr. Chiu Wai On (the chairman of the Remuneration Committee), Mr. Man Kwok Leung and Dr. Wong Yun Kuen. The primary duties of the Remuneration Committee are to (i) make recommendations to the Board on the policy and structure for all Directors’ and senior management’s remuneration and on the establishment of a formal and transparent procedure for remuneration policy; (ii) make recommendations to the Board on the remuneration package of individual executive Directors, non-executive Directors and senior management; and (iii) review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment. The Remuneration Committee meets at least once a year.

During the year, the Remuneration Committee reviewed the remuneration packages of the Directors and senior management and made recommendations to the Board on the remuneration of the Directors and senior management in accordance with the Remuneration Committee’s written terms of reference.

The Remuneration Committee held 2 meetings during the year ended 30 June 2018. The attendance record of each member of the Remuneration Committee is set out in the sub-section “Directors’ and Committees’ Meeting Attendance” below.

Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) comprises three independent non-executive Directors, Mr. Chiu Wai On (the chairman of the Nomination Committee), Mr. Man Kwok Leung and Dr. Wong Yun Kuen. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board; (ii) identify individuals suitably qualified to become Board members; (iii) to assess the independence of independent non-executive Directors; and (iv) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors. The Nomination Committee meets at least once a year.

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)包括三名獨立非執行董事招偉安先生(薪酬委員會主席)、萬國樑先生及黃潤權博士。薪酬委員會之主要職責為(i)就全體董事及高級管理人員之薪酬政策及架構，及就設立正規而具透明度之程序制訂此等薪酬政策，向董事會提供推薦建議；(ii)向董事會建議個別執行董事、非執行董事及高級管理人員之薪酬待遇；及(iii)審議及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付之賠償。薪酬委員會每年最少舉行會議一次。

年內，薪酬委員會已根據薪酬委員會之書面職權範圍，審閱董事及高級管理人員之薪酬待遇，並就董事及高級管理人員之薪酬向董事會提供推薦建議。

截至二零一八年六月三十日止年度，薪酬委員會曾舉行2次會議。薪酬委員會各成員之出席記錄載於下文「董事會及委員會會議出席記錄」分節。

提名委員會

本公司提名委員會(「提名委員會」)成員包括三名獨立非執行董事招偉安先生(提名委員會主席)、萬國樑先生及黃潤權博士。提名委員會之主要職責為(i)檢討董事會之架構、人數及組成，並就任何擬對董事會作出之變動提供推薦建議；(ii)物色具備合適資格可擔任董事會成員之人士；(iii)評核獨立非執行董事之獨立身分；及(iv)就董事委任或再度委任以及董事繼任計劃向董事會提供推薦建議。提名委員會每年最少舉行會議一次。

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The Board has adopted a board diversity policy (the "Policy") which sets out the approach by the Company to achieve diversity on the Board. According to the Policy, selection of candidates will be based on a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience and length of service.

During the year, the Nomination Committee reviewed the composition of the Directors and made recommendations to the Board on the re-election of the Directors in accordance with the Nomination Committee's written terms of reference.

The Nomination Committee held 2 meetings during the year ended 30 June 2018. The attendance record of each member of the Nomination Committee is set out in the sub-section "Directors' and Committees' Meeting Attendance" below.

DIRECTORS' AND COMMITTEES' MEETING ATTENDANCE

During the year ended 30 June 2018, the Board held 33 Board meetings.

The attendance record of each Director at the Board meetings, the committees' meetings and the general meetings of the Company held during the year is set out below:

| Directors | | No. of meetings attended/held | | | | | Special General Meeting |
|--|-------|-------------------------------|-------------------------|--------------------------------|------------------------------|------------------------|-------------------------|
| | | Board Meeting | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting | Annual General Meeting | |
| 董事 | | 董事會會議 | 審核委員會會議 | 薪酬委員會會議 | 提名委員會會議 | 股東週年大會 | 股東特別大會 |
| Executive Directors | | 執行董事 | | | | | |
| Mr. Wong Hin Shek | 王顯碩先生 | 30/33 | - | - | - | 1/1 | 1/1 |
| Mr. Chi Chi Hung, Kenneth | 季志雄先生 | 19/33 | - | - | - | 1/1 | 1/1 |
| Mr. Chan Wai Ki | 陳偉祺先生 | 22/25 | - | - | - | 1/1 | 1/1 |
| Mr. Shek Yat Him | 石逸謙先生 | 19/25 | - | - | - | 1/1 | 1/1 |
| Non-executive Director | | 非執行董事 | | | | | |
| Mr. Chui Kwong Kau | 崔光球先生 | 25/33 | - | - | - | 0/1 | 1/1 |
| Independent non-executive Directors | | 獨立非執行董事 | | | | | |
| Mr. Chiu Wai On | 招偉安先生 | 31/33 | 2/2 | 2/2 | 2/2 | 1/1 | 1/1 |
| Mr. Man Kwok Leung | 萬國樑先生 | 30/33 | 2/2 | 2/2 | 2/2 | 1/1 | 1/1 |
| Dr. Wong Yun Kuen | 黃潤權博士 | 29/33 | 2/2 | 2/2 | 2/2 | 1/1 | 1/1 |

董事會採納董事會成員多元化政策(「該政策」)，當中列載本公司為達致董事會成員多元化而採取之方針。根據該政策，候選人之甄選將根據一系列多元化範疇考慮，包括但不限於性別、年齡、文化及教育背景、民族、專業經驗及服務時間長短。

年內，提名委員會已根據提名委員會之書面職權範圍，檢討董事會之組成，並就重選董事向董事會提供推薦建議。

截至二零一八年六月三十日止年度，提名委員會曾舉行2次會議。提名委員會各成員之出席記錄載於下文「董事會及委員會會議出席記錄」分節。

董事會及委員會會議出席記錄

截至二零一八年六月三十日止年度，董事會曾舉行33次董事會會議。

各董事年內之董事會會議、委員會會議及本公司股東大會出席記錄載列如下：

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CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTOR

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expenses of the Company where necessary.

For the year ended 30 June 2018, the executive Directors, Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Ki and Mr. Shek Yat Him; the non-executive Director, Mr. Chui Kwong Kau; and the independent non-executive Directors, Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen confirmed their participation in continuous professional development as follows:

董事之持續專業發展

董事持續獲得法定及監管法規以及業務環境之最近發展資訊，方便彼等履行本身之責任，並會於有需要時安排持續向董事作出指示及為其提供專業發展，費用由本公司承擔。

截至二零一八年六月三十日止年度，執行董事王顯碩先生、季志雄先生、陳偉祺先生及石逸謙先生；非執行董事崔光球先生；及獨立非執行董事招偉安先生、萬國樑先生及黃潤權博士確認彼等已參與以下持續專業發展：

| Directors | Attending seminars conducted by professional parties | Reading materials relating to directors' development and duties or relevant topics | Teaching relating to finance or relevant topics | Attending training relating to directors' development and duties or relevant topics |
|-----------|--|--|---|---|
| 董事 | 出席專業機構舉行之研討會 | 閱讀有關董事發展及職務或相關主題之材料 | 有關金融或相關主題之教授 | 出席有關董事發展及職務或相關主題之培訓 |

Executive Directors

Mr. Wong Hin Shek
Mr. Chi Chi Hung, Kenneth
Mr. Chan Wai Ki
Mr. Shek Yat Him

執行董事

王顯碩先生
季志雄先生
陳偉祺先生
石逸謙先生

✓

✓

✓

✓

✓

✓

Non-executive Director

Mr. Chui Kwong Kau

非執行董事

崔光球先生

✓

✓

Independent non-executive Directors

Mr. Chiu Wai On
Mr. Man Kwok Leung
Dr. Wong Yun Kuen

獨立非執行董事

招偉安先生
萬國樑先生
黃潤權博士

✓

✓

✓

✓

✓

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board has the following responsibilities:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations from time to time;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and the employees of the Group; and
- (e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledged their responsibility for preparing the financial statements for each financial year to give a true and fair view of the state of affairs of the Company. In preparing the financial statements for the year ended 30 June 2018, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The statement of the external auditor of the Company regarding their reporting responsibilities on the financial statements of the Company is set out in the "Independent Auditor's Report" of this annual report.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

企業管治職能

董事會有以下責任：

- (a) 制定及檢討本公司之企業管治政策及常規，並不時提出建議；
- (b) 檢討及監察本集團董事及高級管理層之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢討及監察本集團董事及僱員之操守準則及合規手冊(如有)；及
- (e) 檢討本公司遵守守則之情況及在企業管治報告內之披露。

董事之財務申報責任

董事知悉彼等有責任就各財政年度編製財務報表，以真實而公平地反映本公司之事務狀況。編製截至二零一八年六月三十日止年度之財務報表時，董事已選取並貫徹應用適當之會計政策、審慎作出公平合理之判斷及估計，以及按持續經營基準編製財務報表。

本公司外聘核數師就其對本公司財務報表所承擔申報責任而發表之聲明，載於本年報「獨立核數師報告」。

董事及高級職員之責任

本公司已安排適當保險，保障已遵守企業管治守則之企業活動可能產生之董事責任。保險保障範圍會每年檢討。

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COMPANY SECRETARY

The Company Secretary, Ms. Tsang Kwai Ping, is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. The Company Secretary is also responsible for ensuring the Board is fully apprised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of directors.

During the year under review, Ms. Tsang has attended relevant professional seminars to update her skills and knowledge. She met the training requirement set out in Rule 3.29 of the Listing Rules.

AUDITOR'S REMUNERATION

The remuneration in respect of audit and non-audit services for the year ended 30 June 2018 provided by the Company's auditor, BDO Limited, are as follows:

| | | HK\$'000 千港元 |
|---------------------------|-----------|-----------------|
| Audit services | 審核服務 | 2,100 |
| Non-audit services (Note) | 非審核服務(附註) | 440 |
| Total | 總計 | 2,540 |

Note:

The non-audit services mainly included professional fees in relation to a notifiable transaction and review of the Group's interim financial information.

公司秘書

公司秘書曾桂萍女士向董事會負責，以確保遵從董事會程序及董事會之活動得以有效及實際進行。公司秘書亦負責確保董事會全面知悉與本集團有關之相關法例、監管及企業管治發展情況，同時協助董事履職及專業發展。

於回顧年度，曾女士已出席相關專業講座，獲得最新技巧及專業知識。彼已符合上市規則第3.29條之培訓規定。

核數師酬金

就本公司核數師香港立信德豪會計師事務所有限公司於截至二零一八年六月三十日止年度所提供審核及非審核服務之酬金如下：

附註：

非審核服務主要包括有關須予公佈交易及審閱本集團中期財務資料之專業費用。

SHAREHOLDERS' RIGHTS

(I) Convene a Special General Meeting

Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at the general meetings of the Company can at all times submit a signed written requisition, specifying the purpose, to the Board or the Company Secretary to require the convening of a special general meeting ("SGM"). If within 21 days of such deposit the Board fails to proceed to convene the SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, themselves may convene a SGM, but any SGM so convened shall not be held after the expiration of three months from 21 days of the deposit.

股東權利

(I) 召開股東特別大會

於發出要求當日持有附帶權利可於本公司股東大會投票之本公司已繳足股本不少於十分之一之股東，可隨時向董事會或公司秘書提交經簽署且列明目的之書面要求，要求召開股東特別大會（「股東特別大會」）。倘董事會並無於發出要求日期起計21日內召開股東特別大會，則提出要求之人士或其中任何持有佔全體提出要求之人士總投票權過半數之人士可自行召開股東特別大會，惟任何就此召開之股東特別大會不可於發出要求日期第21日起計三個月屆滿後舉行。

Corporate Governance Report

企業管治報告

(II) Send Enquiries to the Board

Enquiries of shareholders can be sent to the Company either by email at info.dt@detai-group.com or by post to the Company's Hong Kong head office at Room 2702, 27th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong. Shareholders can also make enquires with the Board directly at the general meetings.

(III) Make Proposals at General Meetings

Shareholders representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the general meeting or who are no less than 100 shareholders can submit a written requisition to the Board or the Company Secretary to propose a resolution at a general meeting. The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and contain the signatures of all the requisitionists (which may be contained in one document or in several documents in like form). Such requisition must be deposited to the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda not less than 6 weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than 1 week before the general meeting in the case of any other requisition and be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

INVESTOR RELATIONS

The Company considers effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business. The Company endeavors to maintain an on-going dialogue with shareholders and in particular, through annual general meeting and other general meetings. The website of the Company at www.detai-group.com has provided an effective communication platform to the public and the shareholders.

During the year ended 30 June 2018, there has not been any change in the Company's constitutional documents. A consolidated version of the Company's constitutional documents is available on the Company's website and the Stock Exchange's website.

(II) 向董事會作出查詢

股東查詢可透過發送電子郵件至 info.dt@detai-group.com 或郵寄至本公司之香港總辦事處，地址為香港灣仔港灣道26號華潤大廈27樓2702室。股東亦可於股東大會直接向董事會提出查詢。

(III) 於股東大會作出建議

於發出要求當日持有有權於股東大會上投票之全體股東總投票權不少於二十分之一之股東，或不少於一百名股東，可向董事會或公司秘書提呈書面要求以於股東大會提呈決議案。書面要求須列明決議案，連同一份不多於1,000字有關所提呈決議案提述之事宜或將於股東大會處理之事務及包含全體作出要求人士之簽署（可載於一份文件或數份類似格式之文件內）之陳述書。如作出須發出決議案通知之要求，有關要求須於股東大會不少於六個星期前送達本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda；如屬於任何其他要求，則須於股東大會不少於一個星期前送達，連同一筆用於支付本公司根據適用法例及規則規定而向全體股東送達決議案通知及傳閱作出要求人士提交之陳述書所產生開支的合理及足夠款項。

投資者關係

本公司認為，與股東進行有效溝通有助改善投資者關係，以及投資者對本集團業務之瞭解。本公司致力與股東經常保持對話，特別是透過股東週年大會及其他股東大會與股東溝通。本公司之網站(www.detai-group.com)為公眾及股東提供有效溝通平台。

截至二零一八年六月三十日止年度，本公司之憲章文件並無任何變動。本公司憲章文件之綜合版本可於本公司網站及聯交所網站閱覽。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board ensures the maintenance of sound and effective internal controls to safeguard the shareholders' investment and the assets of the Group. It has been an important duty of the Directors to conduct a review of the effectiveness of the system of internal control and risk management of the Group on an on-going basis. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions. The systems of risk management and internal control are designed to manage rather than eliminate the risk of failure in achieving business objectives, and can only provide reasonable and not absolute assurance against material misstatements or loss.

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee and the management would assist the Audit Committee to carry out the risk management procedures. The Audit Committee (on behalf of the Board) oversees the management in the design, implementation and monitoring of the risk management and internal control systems for the year ended 30 June 2018.

A Risk Management Policy has been established for formalizing the risk management system of the Group, so as to ensure the Group is operating in a safety and steady environment and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

The risk management process of the Group will involve, among others, (i) a periodical risk identification and analysis exercise which involves assessment of the consequence and likelihood of identified and the development of risk management plans for mitigating such risks; and (ii) an annual risk management meeting for the review of the identified risks, the implementation of the risk management plans and enhancing the implementation plan when necessary.

風險管理及內部監控

董事會確保維持穩健有效之內部監控，以保障股東投資及本集團資產。董事之要務持續檢討本集團內部監控及風險管理制度之成效。檢討之範圍涵蓋所有重大監控，包括財務、營運及守規監控以及風險管理職能。風險管理及內部監控制度旨在管理而非消除未能達成業務目標的風險，並僅能合理但非絕對保證並無重大錯誤陳述或損失。

董事會已轉授其風險管理及內部監控的責任（及有關權力）予審核委員會，而管理層則協助審核委員會履行風險管理程序。截至二零一八年六月三十日止年度，審核委員會（代表董事會）會就設計、執行及監控風險管理及內部監控制度監管管理層。

本集團已設立風險管理政策以規管本集團的風險管理制度，從而確保本集團可於安全穩定的環境中經營業務並達成其經營政策及目標。本集團會定期檢討及更新目前的常規，以遵從企業管治的最新常規。

本集團的風險管理程序包括（其中包括）(i) 定期進行風險識別及進行分析，當中涉及評估進行已識別風險的後果及可能性以及其風險管理計劃的發展以減低風險；及(ii) 每年舉行風險管理會議以審閱有關已識別風險、風險管理計劃的執行，並優化執行計劃（如有需要）。

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企業管治報告

Process Used to Identify, Evaluate and Manage Significant Risks

As a routine procedure and part of the risk management and internal control systems, Executive Directors and the senior management would meet regularly to review the financial and operating performance of each segment. The operational management of the key operating subsidiaries is also required to keep senior management and Executive Directors informed of material developments of the department's business and implementation of the strategies and policies set by the Board on a regular basis. The processes used to identify, evaluate and manage significant risks by the Group are summarized as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

用以識別、評估及管理重大風險的程序

作為常規程序及風險管理及內部監控制度的一環，執行董事及高級管理層將定期舉行會議，以檢討各分部的財務及營運表現。主要營運附屬公司的營運管理亦須就部門業務的重大發展及董事會定期制定的策略及政策的實施知會高級管理層及執行董事。本集團用於識別、評估和管理重大風險的流程概述如下：

風險識別

- 識別可能潛在影響本集團業務及營運的風險。

風險評估

- 利用管理層所訂立的評估準則評估已識別風險；及
- 考慮對業務的影響及其發生的可能性。

應對風險

- 比照風險評估的結果，將風險排列；及
- 釐定風險管理策略及內部管理程序以預防、避免或減輕風險。

風險管理及報告

- 對風險進行持續及定期監控，並確保具有妥善適當的內部控制流程；
- 在情況發生重大變化的情況下，修訂風險管理策略及內部控制程序；及
- 定期向管理層及董事會報告風險監測結果。

Corporate Governance Report

企業管治報告

During the financial year ended 30 June 2018, the Group engaged a professional advisory firm as internal control reviewer (the "Internal Control Reviewer") and to report directly to the Audit Committee to conduct the annual review for effectiveness the risk management and internal control systems of the selected subsidiaries. The Internal Control Reviewer adopted a risk-based approach and independently reviewed and tested the controls. The scope of review included revenue and receipt cycle, procurement and expenditure cycle, human resources and payroll cycle, fixed assets cycle, and cash management and treasury cycle for various selected business segments. Findings and recommendations are reported to the Audit Committee. In addition, progress on audit recommendations implementation will be followed up on a regular basis and discussed with the Audit Committee.

During annual review, the Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group, accounting and financial reporting function and their training programs and budgets. Based on the results of evaluations, the Audit Committee was satisfied that there was an ongoing process for identifying, evaluating and managing the significant risks faced by the Group that would threaten the achievement of its business objectives; and an appropriate, effective and adequate system of internal control and risk management had been in place during the financial year ended 30 June 2018.

To ensure timely, fair, accurate and complete disclosure of inside information and for compliance with the applicable laws and regulations, the Group has in place, as an internal control element, a serious of disclosure procedures of price sensitive information on reporting and dissemination of inside information and preservation of confidentiality. Under the current practice, the directors aware any potential/suspected inside information event as soon as practicable when it materializes for determining the nature of developments, and if required, making disclosure. All staff are also required to observe the code of ethical standards to keep non-public information confidential.

截至二零一八年六月三十日止財政年度，本集團聘請專業顧問公司作為內部監控審核顧問（「內部監控審核顧問」），並直接向審核委員會匯報風險管理以進行有關選定附屬公司風險管理及內部監控制度的有效性的年度檢討。內部監控審核顧問採用風險為本的方法，獨立審核和測試監控事宜。審查範圍包括各種選定業務分部的收入及收款週期、採購及支出週期、人力資源及工資週期、固定資產週期以及現金管理和資金週期。調查結果和建議將向審計委員會報告。此外，本集團將定期跟進審計建議實施的進展情況，並與審核委員會進行討論。

於年度審閱期間，審核委員會亦有計及到資源的充足程度、本集團員工的資歷及經驗、會計及財務申報職能以及其培訓計劃及預算。審核委員會基於評估結果對職別、評估及管理本集團實現業務目標時所面臨重大風險的持續流程感滿意；而本集團於截至二零一八年六月三十日止財政年度亦已設有適當、有效及充足的內部監控制度。

為確保適時、公平、準確及完整披露內幕消息及符合適用法例及規定，本集團就匯報及發放內幕消息和保密設有一系列股價敏感資料披露程序，作為內部監控之一部分。根據目前慣例，董事如發現有任何潛在／疑似內幕消息事件，須在實際可行情況下盡快釐定事態發展的性質，及在有需要時作出披露。所有員工亦須遵守員工手冊載明的道德標準，將非公開資料保密。

Directors' Report

董事會報告

The Directors present the annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 30 June 2018.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company is a limited liability company incorporated in Bermuda and its principal place of business in Hong Kong is Room 2702, 27th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 36 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 June 2018 are set out in the consolidated statement of comprehensive income on pages 78 and 79.

The Board resolved not to pay any final dividend for the year ended 30 June 2018.

BUSINESS REVIEW

The business review of the Company for the year ended 30 June 2018 is set out in the "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 4 to 5 and pages 6 to 23 respectively.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2018, the five largest customers of the Group together accounted for approximately 23% (2017: approximately 28%), with the largest customer accounted for approximately 11% (2017: approximately 8%) of the Group's total turnover. The five largest suppliers of the Group together accounted for approximately 51% (2017: approximately 22%), with the largest supplier accounted for approximately 21% (2017: approximately 7%) of the Group's total purchases during the year.

To the best of the Directors' knowledge, at no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

董事謹此提呈本公司及其附屬公司截至二零一八年六月三十日止年度之年報及經審核綜合財務報表。

香港主要營業地點

本公司在百慕達註冊成立為有限公司，其於香港的主要營業地點位於香港灣仔港灣道26號華潤大廈27樓2702室。

主要業務

本公司為投資控股公司。其主要附屬公司之業務載於綜合財務報表附註36。

業績及股息

本集團截至二零一八年六月三十日止年度之業績載於第78及79頁之綜合全面收益表。

董事會議決不就截至二零一八年六月三十日止年度派付任何末期股息。

業務回顧

本公司截至二零一八年六月三十日止年度之業務回顧分別載於第4至5頁之「主席報告」及第6至23頁之「管理層討論及分析」。

主要客戶及供應商

截至二零一八年六月三十日止年度，本集團五大客戶合共佔本集團總營業額約23%（二零一七年：約28%），而最大客戶則佔約11%（二零一七年：約8%）。本集團五大供應商合共佔本集團年內總採購額約51%（二零一七年：約22%），而最大供應商則佔約21%（二零一七年：約7%）。

據董事所深知，本公司各董事、其聯繫人或股東（據董事所知擁有本公司股本5%以上者）於年內任何時間概無於本集團五大供應商或客戶中擁有任何權益。

Directors' Report

董事會報告

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements during the year in the share capital and share options of the Company are set out in respective notes 32 and 41 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the year are set out on page 190.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 30 June 2018, the Company had no reserves available for distribution (2017: Nil).

CHARITABLE CONTRIBUTIONS

The Group had made charitable or other donation of HK\$49,800 during the year ended 30 June 2018 (2017: approximately HK\$0.2 million).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years are set out on pages 215 and 216.

EVENTS AFTER THE REPORTING PERIOD

Disposal of 49% equity interest of Perfect Essential Holdings Limited

On 4 April 2018, the Company, as vendor, entered into the SPA with Excellent Point Asia Limited, as purchaser, to dispose 49% equity interest of Perfect Essential Holdings Limited and the sales loans at a total consideration of approximately HK\$64,484,000. Pursuant to the SPA, the purchaser and the vendor shall enter into the option deed upon the first completion date, pursuant to which the vendor shall grant the purchaser the right to acquire all but not part of the option shares, representing 51% of the issued share capital of the Target Company, and the option loan, within six months from the first completion date. The transaction was completed on 18 July 2018. Details of the transaction are set out in the Company's announcements dated 4 April 2018, 26 April 2018, 11 May 2018, 8 June 2018, 16 July 2018 and 18 July 2018; and the Company's circular dated 25 June 2018.

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

股本及購股權

本公司股本及購股權於年內之變動詳情分別載於綜合財務報表附註32及41。

儲備

本公司儲備於年內之變動詳情載於第190頁。

本公司可供分派儲備

截至二零一八年六月三十日，本公司並無可供分派儲備(二零一七年：無)。

慈善捐款

截至二零一八年六月三十日止年度，本集團所作慈善或其他捐款49,800港元(二零一七年：約為200,000港元)。

財務概要

本集團過去五個財政年度之業績及資產負債概要載於第215及216頁。

報告期後事項

出售 Perfect Essential Holdings Limited 之 49% 股權

於二零一八年四月四日，本公司(「賣方」)與 Excellent Point Asia Limited(「買方」)訂立買賣協議，以出售 Perfect Essential Holdings Limited 49% 股權及銷售貸款，總代價為約 64,484,000 港元。根據買賣協議，買方及賣方將於首次完成日期訂立期權契據，據此，賣方將於首次完成日期起計六個月內授予買方收購全部但非部分期權股份(相當於目標公司 51% 已發行股本)及期權貸款之權利。該交易已於二零一八年七月十八日完成。有關交易詳情載於本公司日期為二零一八年四月四日、二零一八年四月二十六日、二零一八年五月十一日、二零一八年六月八日、二零一八年七月十六日及二零一八年七月十八日之公佈；以及本公司日期為二零一八年六月二十五日之通函。

Directors' Report

董事會報告

Memorandum of understanding for the proposed investment

On 17 September 2018, the Company entered into a non-legally binding memorandum of understanding with CMAT in relation to a proposed investment. Pursuant to the memorandum of understanding, the Company intends to conduct the proposed investment and CMAT agreed to procure the corporate reorganisation such that the target company will become an indirect wholly-owned subsidiary of CMAT. The target company is principally engaged in the business of production of building and construction materials made by recycled materials. Details of the transaction are set out in the Company's announcement dated 17 September 2018.

Supplemental settlement deed relating to 2016 Settlement Deed

On 28 September 2018, the Company entered into the supplemental settlement deed for the full and final settlement of the vendor's obligation of the outstanding settlement payment under the 2016 Settlement Deed. Details of the transactions are set out in the Company's announcements dated 26 April 2015, 26 September 2016 and 28 September 2018.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Wong Hin Shek (*Chairman*)
Mr. Chi Chi Hung, Kenneth (*Chief Executive Officer*)
Mr. Chan Wai Ki (appointed on 9 November 2017)
Mr. Zhou Danqing (appointed on 21 August 2018)

Mr. Shek Yat Him (appointed on 9 November 2017 and resigned on 21 August 2018)

Non-executive Director:

Mr. Chui Kwong Kau

Independent non-executive Directors:

Mr. Chiu Wai On
Mr. Man Kwok Leung
Dr. Wong Yun Kuen

建議投資之諒解備忘錄

於二零一八年九月十七日，本公司與中材建築科技就建議投資訂立不具法律約束力之諒解備忘錄。根據諒解備忘錄，本公司擬進行建議投資，而中材建築科技同意進行公司重組，以使目標公司成為中材建築科技之間接全資附屬公司。目標公司主要從事利用回收物料生產樓宇及建造物料之業務。交易詳情載於本公司日期為二零一八年九月十七日之公佈。

有關二零一六年償付契約之補充償付契約

於二零一八年九月二十八日，本公司就全面及最終履行二零一六年償付契約項下尚未償付款項之賣方責任訂立補充償付契約。有關交易詳情載於本公司日期為二零一五年四月二十六日、二零一六年九月二十六日及二零一八年九月二十八日之公佈。

董事及董事服務合約

本公司於年內及截至本報告日期之董事如下：

執行董事：

王顯碩先生(主席)
季志雄先生(行政總裁)
陳偉祺先生(於二零一七年十一月九日獲委任)
周丹青先生(於二零一八年八月二十一日獲委任)
石逸謙先生(於二零一七年十一月九日獲委任並於二零一八年八月二十一日辭任)

非執行董事：

崔光球先生

獨立非執行董事：

招偉安先生
萬國樑先生
黃潤權博士

Directors' Report 董事會報告

According to bye-law 86(2) of the Bye-laws, any Director appointed to fill a causal vacancy on the Board shall hold office only until the next following general meeting of the Company and any Director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. He Mingshou, who will be appointed as a new Director with effect from 26 October 2018, shall hold office until the 2018 AGM and shall then be eligible for re-election.

According to bye-law 87 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen will retire from office as Directors at the 2018 AGM and all retiring Directors are eligible and will offer themselves for re-election at the 2018 AGM.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Notwithstanding that Mr. Chiu, Mr. Man and Dr. Wong have served as independent non-executive Directors for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Chiu, Mr. Man and Dr. Wong remain independent; (ii) the Nomination Committee has assessed and is satisfied of the independence of Mr. Chiu, Mr. Man and Dr. Wong; and (iii) the Board considers that Mr. Chiu, Mr. Man and Dr. Wong remain independent of management and free of any relationship which could materially interfere with the exercise of their independent judgment. In view of the aforesaid factors and the experience and knowledge of the relevant individuals in the business sectors in which the Group operates, the Board would recommend Mr. Chiu, Mr. Man and Dr. Wong for re-election at the 2018 AGM.

The non-executive Director and the independent non-executive Directors are not appointed for a specific term and are subject to retirement by rotation in accordance with the Company's bye-laws.

根據細則第86(2)條，任何獲委任填補董事會臨時空缺之董事，僅任職至本公司下屆股東大會為止，而任何獲委任成為現有董事會新增成員之董事，亦僅任職至本公司下屆股東週年大會為止，屆時將符合資格於會上重選連任。何明壽先生將獲委任為新董事，自二零一八年十月二十六日起生效，將任職至二零一八年股東週年大會，屆時將符合資格重選連任。

根據細則第87條，於每屆股東週年大會上，當時三分之一董事（或倘董事人數並非三之倍數，則最接近但不少於三分之一之人數）須輪值退任，惟每名董事（包括有指定任期之董事）須至少每三年輪值退任一次。退任董事將符合資格重選連任。招偉安先生、萬國樑先生及黃潤權博士將於二零一八年股東週年大會退任董事，而所有退任董事均符合資格並願意於二零一八年股東週年大會重選連任。

根據上市規則附錄十四第A.4.3段所載守則條文，進一步委任任何任職超過九年之獨立非執行董事，須由股東以獨立決議案批准後方可作實。儘管招先生、萬先生及黃博士已擔任獨立非執行董事超過九年，(i)董事會已根據上市規則第3.13條所載條件評估及審閱其年度獨立性確認，並確認招先生、萬先生及黃博士仍具獨立性；(ii)提名委員會已評估及信納招先生、萬先生及黃博士之獨立性；及(iii)董事會認為招先生、萬先生及黃博士仍然獨立於管理層，且不存在任何可嚴重影響其進行獨立判斷之關係。基於上述因素以及相關人士於本集團經營所在行業之經驗及知識，董事會建議於二零一八年股東週年大會重選招先生、萬先生及黃博士。

非執行董事及獨立非執行董事並無按固定任期獲委任，惟須根據本公司細則輪值退任。

Directors' Report

董事會報告

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2018, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules were as follows:

Long positions in the shares and underlying shares of the Company

概無擬於應屆股東週年大會重選連任之董事與本公司或其附屬公司訂有本集團不付賠償(法定賠償除外)則不得於一年內終止之服務合約。

董事及行政總裁於本公司證券之權益

於二零一八年六月三十日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有記入根據證券及期貨條例第352條存置之登記冊，或根據上市規則所載標準守則另行知會本公司及聯交所之權益及短倉如下：

本公司股份及相關股份長倉

| Name of Director 董事姓名 | Capacity 身分 | Number of shares held 所持股份數目 | Number of underlying shares held 所持相關股份數目 | Total number of shares and underlying shares held 所持股份及相關股份總數 | Approximate percentage of the issued share capital 佔已發行股本概約百分比 |
|------------------------------------|---------------------------|---------------------------------|--|--|---|
| Mr. Wong Hin Shek 王顯碩先生 | Beneficial owner 實益擁有人 | — | 38,961,200 | 38,961,200 | 0.25% |
| Mr. Chi Chi Hung, Kenneth 李志雄先生 | Beneficial owner 實益擁有人 | 23,000,000 | — | 23,000,000 | 0.15% |
| Mr. Chui Kwong Kau 崔光球先生 | Beneficial owner 實益擁有人 | 1,980,000 | — | 1,980,000 | 0.01% |
| Mr. Chiu Wai On 招偉安先生 | Beneficial owner 實益擁有人 | — | 974,030 | 974,030 | 0.01% |
| Mr. Man Kwok Leung 萬國樑先生 | Beneficial owner 實益擁有人 | — | 974,030 | 974,030 | 0.01% |
| Dr. Wong Yun Kuen 黃潤權博士 | Beneficial owner 實益擁有人 | — | 974,030 | 974,030 | 0.01% |

Directors' Report

董事會報告

Save as disclosed above as at 30 June 2018, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be 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 and short positions which they would be taken or deemed to have under such provisions of the SFO); to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2018, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than the Directors or chief executive of the Company) had an interest or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

Long positions in the shares and underlying shares of the Company

| Name of substantial shareholder | Capacity | Number of shares held | Number of underlying shares held | Total number of shares and underlying shares held | Approximate percentage of the issued share capital |
|---------------------------------|---------------------------|-----------------------|----------------------------------|---|--|
| 主要股東姓名／名稱 | 身分 | 所持股份數目 | 所持相關股份數目 | 所持股份及相關股份總數 | 佔已發行股本概約百分比 |
| Mr. Tong Liang 佟亮先生 | Beneficial owner 實益擁有人 | 4,404,651,375 | – | 4,404,651,375 | 28.06% |

Note: The percentage is calculated on the basis of 15,695,531,700 shares in issue as at 30 June 2018.

除上文所披露者外，於二零一八年六月三十日，董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中，擁有任何根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或短倉（包括根據證券及期貨條例有關條文被當作或視作擁有之權益及短倉）；本公司須根據證券及期貨條例第352條記錄於登記冊之權益或短倉；或根據標準守則之規定須知會本公司及聯交所之權益或短倉。

主要股東及其他人士於本公司證券之權益

於二零一八年六月三十日，據董事或本公司主要行政人員所知，按照本公司根據證券及期貨條例第XV部存置之登記冊所記錄，下列人士（董事或本公司主要行政人員除外）於股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司及聯交所披露之任何權益或短倉；或記錄於本公司根據證券及期貨條例第336條規定須存置之登記冊之權益或短倉，並直接或間接擁有附有權利在任何情況下於本集團任何其他成員公司股東大會中投票之任何類別股本面值5%或以上之權益：

本公司股份及相關股份長倉

附註：百分比乃根據於二零一八年六月三十日之15,695,531,700股已發行股份計算得出。

Directors' Report

董事會報告

Save as disclosed above, as at 30 June 2018, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares would fall 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 to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

Details of the share option scheme of the Company and the movements during the year are set out in note 41 to the consolidated financial statements.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme of the Company, at no time during the year was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which any of the Company's subsidiaries and fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company, no equity-linked agreements were entered into by the Company, or existed during the year.

除上文所披露者外，於二零一八年六月三十日，據董事或本公司主要行政人員所知，按照本公司根據證券及期貨條例第XV部存置之登記冊所記錄，概無人士（董事或本公司主要行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司及聯交所披露之任何權益或短倉；或根據證券及期貨條例第336條記錄於本公司須存置之登記冊之權益或短倉。

購股權計劃

有關本公司購股權計劃及年內變動之詳情載於綜合財務報表附註41。

董事購買股份或債券的權利

除本公司購股權計劃外，本公司或其任何控股公司、附屬公司或同系附屬公司於年內任何時間概無訂立任何安排促使董事及本公司主要行政人員（包括彼等的配偶及未滿18歲之子女）可於本公司或其聯營法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債權證持有任何權益或淡倉。

董事於競爭業務之權益

年內，概無董事或彼等各自之聯繫人（定義見上市規則）於與本集團業務構成競爭或可能構成競爭之業務中擁有任何直接或間接權益。

董事於交易、安排或合約之權益

除本年報所披露者外，概無本公司任何附屬公司及同系附屬公司有份訂約並與本集團業務有關，而董事或與董事有關連之實體直接或間接擁有重大利益之重大交易、安排或合約，於年內任何時間或年終仍然存續。

股權掛鈎協議

除本公司購股權計劃外，年內本公司並無訂立任何股權掛鈎協議，亦無現存之該類協議。

Directors' Report

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to Code Provision A.1.8 of the Corporate Governance Code set out under Appendix 14 to the Listing Rules and subject to the provisions of the Companies Ordinance, the Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of any losses or liabilities incurred, or any legal actions brought against the directors and senior management of the Group which may arise out of corporate activities. The permitted indemnity provision is in force for the benefit of the directors as required by section 470 of the Companies Ordinance.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme, at no time during the year was the Company or its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole and any substantial part of the business of the Company was entered into or in existence during the year.

CONNECTED TRANSACTIONS

Save as disclosed, the Company did not have any other connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules for the year ended 30 June 2018.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

EMOLUMENT POLICY AND RETIREMENT BENEFITS

The emolument policy of the senior employees of the Company is set and recommended by the Remuneration Committee to the Board on the basis of the employees' merit, qualifications and competence.

The emoluments of the Directors are formulated and recommended by the Remuneration Committee to the Board, having regards to the Company's operating results, individual performance of the Directors and comparable market statistics.

經准許彌償準備金

根據上市規則附錄十四所載企業管治守則第A.1.8條及遵照公司條例之條文，本公司已就本集團董事及高級管理人員可能面對因企業活動產生之任何損失或債務或任何法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益之獲准許彌償準備金根據公司條例第470條之規定生效。

購買股份或債券之安排

除購股權計劃外，於年內任何時間，本公司或其附屬公司概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

管理合約

年內概無訂立或存在任何與本公司全部及任何主要部分業務之管理及行政有關之合約。

關連交易

除所披露者外，截至二零一八年六月三十日止年度，本公司並無進行任何其他須遵守上市規則第14A章項下申報規定之關連交易。

遵守相關法律及法規

年內，就本公司所知，本集團並無重大違反或不遵守對本集團業務及營運造成重大影響之適用法律及法規。

薪酬政策及退休福利

本公司高級僱員之薪酬政策由薪酬委員會按僱員價值、資質及能力釐定，並向董事會作出建議。

董事的薪酬乃由薪酬委員會按本公司經營業績、董事個人表現及可資比較市場數據制定，並向董事會作出建議。

Directors' Report

董事會報告

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees of the Company, details of which are set out in the note 41 to the consolidated financial statements.

ENVIRONMENTAL POLICY

The Company encourages environmental protection and promotes awareness towards environmental protection. The Company has adhered to the concepts of recycling and reducing by implementing green office practices such as double-sided printing and copying, using recycle papers and reducing energy by switching off those idle lighting. The Board will review the Company's environmental saving practices and identify other energy efficiency opportunities from time to time.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with business partners to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

KEY RISKS AND UNCERTAINTIES

The Group has reviewed the possible risks and uncertainties which may affect its businesses, financial condition, operations and prospects. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks pertaining to hotel operation

The Group's hotel hospitality business may be significantly affected by outside factors such as government regulation, changes in market conditions, competition in the industry, excess hotel supply or reduced international or local demand for hotel rooms and associated services, foreign exchange fluctuations, and other natural and social factors which may affect the level of global travel and business activities.

本公司已採納購股權計劃，作為對本公司董事及合資格僱員之獎勵，詳情載綜合財務報表附註41。

環境政策

本公司提倡環境保護並推廣保護環境意識。本公司堅守循環再造和節約減廢之理念，實施綠色辦公室常規實務，例如實行雙面列印和影印及使用再造紙，關掉無人使用之照明以減少耗用能源。董事會將檢討本公司之環保節約常規實務並不時發掘其他有利能源效益之機會。

與利益相關人士之關係

本公司認同，僱員乃其寶貴資產。因此，本集團提供具競爭力之薪酬待遇，以吸引並激勵僱員。本集團定期檢討僱員之薪酬待遇，並會因應市場標準而作出必要調整。

本集團亦明白，與商業夥伴保持良好商業關係對達成其長遠目標而言屬至關重要。因此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享最新業務資料。年內，本集團與其商業夥伴並無重大而明顯之糾紛。

主要風險及不確定因素

本集團已審核可能影響其業務、財務狀況、營運及前景之潛在風險及不確定性。以下為本集團已識別主要風險及不確定因素。除下文所述者外，亦可能存在其他本集團並未知悉之風險及不確定因素或現時並不重大但可能於未來變為重大之風險及不確定因素。

有關酒店營運之風險

本集團之酒店款待業務可能受到外在因素，如政府監管、市況變動、行業競爭、酒店供過於求或酒店房間及相關服務之國際或本地需求減少、外匯波動以及其他自然及社會因素(可能影響全球旅遊及商業活動水平)之重大影響。

Directors' Report

董事會報告

As the Group's hotel is located in Japan Hokkaido, the revenue from this business is sensitive to changes in the tourism industry in Japan, which is greatly influenced by the attractiveness of Japan as a destination for tourists, particularly welcomed by family groups and long-stay guests for its spacious condominium rooms, which is the major source of business for our hotels.

Risks pertaining to the commercial recognition of EuroAd

New energy business depends on the success of EuroAd, a totally biodegradable vegetable additive which catalyses the combustion process in both fossil and bio fuels to achieve fuller fuel efficiency.

If EuroAd is unable to pass the product testing which is a prerequisite for entering into the energy markets in the target countries with potential customers, or to commercialise EuroAd, or experience significant delays in product testing, it would have a material adverse effect on its business.

Risks pertaining to acquisitions and joint ventures

The Group may enter into acquisitions, joint ventures or strategic alliances in the future. There can be no guarantee that future cash flows will be sufficient to fund future acquisitions, joint ventures or strategic alliances which have not yet been identified by the Group.

The allocation of the price paid to acquire a business usually leads to the revaluation of its existing assets, as well as the identification and recognition of new intangible assets which result in additional amortisation expenses or, in subsequent years, in charges related to the impairment of redundant or overvalued assets. Furthermore, acquisitions and joint-ventures may also result in costly and disruptive restructurings. These events have had, and similar events in the future may have, a material effect on the operating performance and financial situation of the Group and/or the price of the Company's shares.

由於本集團之酒店位於日本北海道，其業務收益對日本旅遊業變動較為敏感，很大程度受到日本作為遊客目的地吸引力之影響，寬敞公寓式客房尤其受到家庭旅客及長期住客歡迎，為本集團酒店之主要業務來源。

有關EuroAd商業認受性之風險

新能源業務取決於EuroAd之成功，EuroAd為可完全生物降解之植物添加劑，可催化化石及生物燃料之燃燒過程，全面提升燃料效率。

倘EuroAd未能通過產品測試(打入目標國家潛在客戶能源市場之先決條件)或將EuroAd商品化，或於產品測試時遭遇重大延誤，將對其業務重大不利影響。

有關收購及合營企業之風險

本集團未來可能參與收購、合營企業或策略聯盟。概無保證未來現金流量將足夠支持本集團尚未識別之未來收購、合營企業或策略聯盟。

收購業務已付款項之分配通常導致重估其現有資產，以及識別及確認新無形資產，會導致額外攤銷開支或於其後年度導致與冗餘或定價過高資產減值有關之用。此外，收購及合營企業亦或會導致花費巨大及擾亂經營之重組。該等事件曾及日後類似事件或會對本集團營運表現及財務狀況及/或本公司股份價格造成重大影響。

Directors' Report

董事會報告

Acquisitions involve numerous other risks relating to integration, including the failure to achieve the expected benefits and synergies, the diversion of management's attention from other business concerns and the loss of key employees. Joint ventures present the risk of conflicts of interest or strategy. Joint venture partners may also be unable to fulfill their obligations under the joint venture agreement or experience financial or other difficulties. If the Group is unable to manage all of these risks efficiently, it may be forced to incur extraordinary expenses or charges which may have an adverse effect on its financial condition, results, operations and prospects.

Risks pertaining to financing requirements and access to capital

The amount and timing of the expenditures required to carry out the product development/testing activities and potential investments of the Group are uncertain and will depend on numerous factors, some of which are outside the Group's control. Factors that could increase the Group's funding requirements including but not limited to higher costs and slower progress than expected to develop products and slower progress than expected in securing development of the Group's products/potential investments. Greater than expected expenditure requirements may materially and adversely affect the Group's financial results and their ability to introduce new products/investments profitably.

Risks pertaining to exchange rate fluctuations

As a consequence of the international nature of the Group, it will be exposed to risks associated with changes in foreign currency exchange rates. The Group's future sales operations will be affected by fluctuations in exchange rates to the extent that its sales and purchases are denominated in currencies other than its reporting currency. Movements in exchange rates to translate foreign currencies may have a significant impact on the Group's results of operations, financial position and cash flows from year to year.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders of the Company by reason of their holding of the Company's securities.

PRE-EMPTIVE RIGHTS

There is no provision for the exercise of any pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

收購涉及與整合有關的多項其他風險，包括未能取得預期效益及協同效應、分散管理層對其他業務之注意力及失去關鍵僱員。合營企業存在利益或策略衝突之風險。合營企業合夥人亦或會無法履行其合營協議責任或遭遇財務或其他困難。倘本集團無法有效控制所有該等風險，或不得不產生額外開支或費用，或會對其財務狀況、業績、營運及前景造成不利影響。

有關融資需求及資本來源之風險

本集團進行產品開發／測試活動及潛在投資所需之開支金額及時間不確定及將取決於多項因素，其中部分並非本集團所能控制。可能增加本集團資金需求之該等因素包括但不限於開發產品之成本及進度較預期高及慢以及為本集團之產品／潛在投資取得發展之進度較預期慢。高於預期需求之開支或會對本集團之財務業績及推出新盈利產品／投資之能力造成重大不利影響。

有關匯率波動之風險

由於本集團之國際性質之故，其將承受與外幣匯率變動有關的風險。倘本集團之買賣以呈報貨幣以外之貨幣計值，其未來銷售業務將會受到匯率波動的影響。換算外幣的匯率變動或會對本集團不同年度之經營業績、財務狀況及現金流量產生重大影響。

稅務寬免及豁免

本公司並不知悉本公司股東因持有本公司證券可獲任何稅務寬免及豁免。

優先購買權

本公司細則或百慕達法例並無有關行使任何優先購買權之條文，規定本公司須按比例向現有股東優先提呈發售新股。

Directors' Report

董事會報告

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 30 June 2018.

CORPORATE GOVERNANCE

Full details on the Company's corporate governance practices are set out on pages 27 to 39.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference which are in line with the CG Code and comprises three independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company and the external auditor the Group's annual results for the year ended 30 June 2018, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report as required under the Listing Rules.

AUDITOR

The financial statements for the year have been audited by BDO Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Wong Hin Shek
Chairman and Executive Director

Hong Kong, 28 September 2018

購買、出售或贖回本公司上市證券

截至二零一八年六月三十日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

本公司企業管治常規之全面詳情載於第27至39頁。

審核委員會

本公司已成立審核委員會，並制定符合企業管治守則之書面職權範圍，成員包括三名獨立非執行董事。

審核委員會已聯同本公司管理層及外聘核數師審閱本集團截至二零一八年六月三十日止年度之全年業績，並認為該業績之編製符合相關會計準則、規則及規例，且已作出充分披露。

足夠公眾持股量

根據可供本公司公開查閱之資料及就董事所深知，本公司於本報告日期已按上市規則規定由公眾人士持有最少25%已發行股本。

核數師

本年度財務報表已由香港立信德豪會計師事務所有限公司審核，而香港立信德豪會計師事務所有限公司將退任，並符合資格願意續聘連任。

代表董事會

主席兼執行董事
王顯碩

香港，二零一八年九月二十八日

Environmental, Social and Governance Report

環境、社會及管治報告

REPORTING SCOPE AND STANDARD

Pursuant to Appendix 27 Environmental, Social and Governance Reporting Guide (the "ESG Guide") of the Listing Rules, the Group reviewed, identified and discloses herein the material environmental and social issues and aspects, which are considered to have significant impacts and are relevant to the Group's business and stakeholders for the year ended 30 June 2018.

The Group is principally engaged in the business of (i) hotel hospitality; (ii) new energy; (iii) money lending services; (iv) trading and distribution of liquor and wine; (v) investments in securities and funds and (vi) manufacturing and trading of electric cycles (Disposed on 6 April 2018). The Group has a responsibility to maximize shareholder returns, and this is aligned with the objective to provide customers with the best service and products. This is achieved not only through the Group having financial strength but also through investing in employees and wider social practices.

This ESG Report aims to share our key sustainability performances and outline our milestones on our sustainability journey during the reporting period from 1 July 2017 to 30 June 2018. The reporting timeframe is consistent with the Company's financial year ended 30 June 2018. Our reporting boundary is limited to Hong Kong and Japan unless otherwise specified. The Group provides an overview of the environment, community, employment and labour practices and operation convention for the year ended 30 June 2018, with coverage of the Company's operations in Hong Kong headquarter office and its hotel hospitality business in Niseko, Hokkaido (the "Selected Business Segments").

STAKEHOLDER ENGAGEMENT

As part of the business strategy, the Group communicates with the stakeholders in an open, honest and proactive way. We maintain various channels on relevant issues including the performances and challenges of sustainability with our stakeholders. We identify and prioritize key stakeholders from time to time, and formulate the engagement approaches through regular engagement sessions. The outcomes of these stakeholder engagement processes have been consistently applying to our continuous improvement activities.

報告範圍及標準

根據上市規則附錄二十七環境、社會及管治報告指引(「環境、社會及管治報告指引」)，本集團於本報告審核、識別及披露截至二零一八年六月三十日止年度被視為對本集團之業務及持份者構成重大影響及與其有關之重大環境及社會議題及範疇。

本集團主要從事：(i)酒店款待業務；(ii)新能源業務；(iii)借貸服務；(iv)買賣及分銷酒類產品；(v)證券及基金投資及(vi)製造及買賣電動自行車(於二零一八年四月六日出售)。本集團有責任盡量提高股東回報，而此亦與我們為客戶提供最佳服務及產品之目標不謀而合。本集團不僅借助其財務優勢，亦透過培訓僱員及廣泛參與社會事務以達成此目標。

本環境、社會及管治報告旨在分享我們於二零一七年七月一日至二零一八年六月三十日期間在可持續發展方面之關鍵績效，並概述在可持續發展道路上奠下之里程碑。報告涵蓋時間與本公司截至二零一八年六月三十日止財政年度一致。除另有指明外，報告範圍僅限於香港和日本。本集團提供截至二零一八年六月三十日止年度涵蓋本公司香港總部及其北海道二世古酒店款待業務(「經選定業務分類」)營運之環境、社區、僱傭及勞工慣例及營運常規之概覽如下。

持份者參與

作為業務策略之一部分，本集團公開、誠實及積極地與持份者溝通。我們設有多種渠道與持份者溝通包括可持續發展績效及挑戰在內之相關議題。我們不時識別關鍵持份者及對其進行優先排序，並通過定期接觸會面制定參與方式。該等持份者參與過程所得成果已貫徹應用於持續改進活動。

Environmental, Social and Governance Report

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

持份者參與

| Stakeholders 持份者 | Participation Channels 參與渠道 | Topics concerned 關注議題 |
|--------------------------------------|--|--|
| Shareholders/ Investors 股東／投資者 | <ul style="list-style-type: none"> General meetings Annual and interim reports Circulars/announcements/notices/publications Investor relations enquiry Direct communications Corporate website Financial results 股東大會 年度及中期報告 通函／公佈／通告／刊物 投資者關係查詢 直接通訊 公司網頁 財務業績 | <ul style="list-style-type: none"> Sustainability business development Environmental responsibility Company transparency 可持續業務發展 環境責任 公司透明度 |
| Customers 客戶 | <ul style="list-style-type: none"> Official websites Customer service Daily communication 官方網頁 客戶服務 日常通訊 | <ul style="list-style-type: none"> Product quality Protection and management on customer information Environmental responsibility Integrity and business behaviors 產品質量 保障及管理客戶資料 環境責任 誠信及商業行為 |
| Employees 僱員 | <ul style="list-style-type: none"> Regular performance appraisals Frequent meetings Training programs 定期績效評核 頻繁會議 培訓計劃 | <ul style="list-style-type: none"> Career development Health and safety Remuneration and benefits Sustainability development 職業發展 健康及安全 薪酬及福利 可持續發展 |
| Suppliers 供應商 | <ul style="list-style-type: none"> Close communication Order/contract execution 密切溝通 履行指令／合約 | <ul style="list-style-type: none"> Corporate contribution Product quality Environmental responsibility 企業貢獻 產品質量 環境責任 |
| Communities 社區 | <ul style="list-style-type: none"> Donation and support to the community 捐款及向社區賦予支持 | <ul style="list-style-type: none"> Social contribution 社會貢獻 |

Environmental, Social and Governance Report

環境、社會及管治報告

1. CARING OUR EMPLOYEES

1.1 Employment

As a responsible employer, the Group values employees as the most precious asset and expects employees to treat one another with respect and dignity. The Group is committed to providing all employees with a safe, healthy, equal-opportunity and non-discriminatory working environment in relation to all human resources matters including recruitment, training, promotion, transfer, remuneration etc. regardless of gender, disability, family status, marital status, pregnancy, race, religion, age, national origin and sexual orientation is unacceptable, and will therefore not be tolerated in the workplace.

The Group values employees and provides them with the best possible support to address their needs and concern. The Group has been protecting employees' rights by establishing a series of employment policies, which strive to provide them with a fair and safe working environment. A comprehensive framework together with detailed human resources management policies are embedded in the staff handbook, which also provides information and guidelines to staff in Hong Kong office and Niseko Hotel in the areas of working conditions, equal employee recruitment and promotion, reasonable remuneration and employee benefits, dismissal and retirement and labour contract, training and development as well as health and safety, and undergoes regular review in light of new legal and regulatory requirements, and the best employment practices. Through the policy, the Group standardizes and monitors employees' labour rights and obligations, promotion and welfare so that employees are entitled to legitimate rights and interests. During the process of recruitment of both professional and general staff, the Group considers the applicants of expatriates and ethnic minorities to consistence the employee diversity.

1. 關懷僱員

1.1 僱傭

本集團作為僱主克盡己任，視僱員為最寶貴資產，並期望僱員彼此抱著尊重及莊重態度相待。本集團致力為全體員工提供安全、健康、提供平等機會及不存在歧視之工作環境，涵蓋一切人力資源事宜，包括招聘、培訓、晉升、調動、薪酬等，不接受不論性別、殘疾、家庭狀況、婚姻狀況、懷孕、種族、宗教、年齡、國籍及性取向的偏見，因此工作場所不容歧視情況發生。

本集團重視僱員，盡可能為彼等提供支援，以滿足彼等之需要並解除其疑慮。本集團一直透過制定一系列僱傭政策保障僱員權利，致力為彼等提供一個既公平又安全之工作環境。員工手冊包含一套框架完善且內容詳盡之人力資源管理政策，同時為香港辦公室及Niseko Hotel之員工提供工作環境、公平僱員招聘及晉升、合理薪酬及僱員福利、解僱及退休以及勞工合約、培訓與發展以及健康及安全等方面之資訊及指引，並定期審視新法例及監管規定以及最佳僱傭常規。透過有關政策，本集團標準化及監察僱員之勞工權利與義務、晉升及福利，使僱員得以享有合法權利及權益。於專業人士及一般員工之招募過程中，本集團會一同考慮外籍人士及少數族裔人士，貫徹實行僱員多元化之目標。

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環境、社會及管治報告

Employee statistics in the Selected Business

經選定業務僱員統計資料

| | | No. of employees | | No. of employees turnover | |
|----------------------------------|---------|------------------|-------|---------------------------|-------|
| | | 僱員數目 | | 離職僱員數目 | |
| | | 2018 | 2017 | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 | 二零一八年 | 二零一七年 |
| Total | 總數 | 47 | 42 | 39 | 19 |
| By gender | 按性別劃分 | | | | |
| Female | 女性 | 19 | 16 | 16 | 8 |
| Male | 男性 | 28 | 26 | 23 | 11 |
| By age group | 按年齡組別劃分 | | | | |
| Under 30 years old | 30歲以下 | 10 | 2 | 14 | 1 |
| 31–40 years old | 31至40歲 | 12 | 14 | 12 | 6 |
| 41–50 years old | 41至50歲 | 17 | 20 | 7 | 2 |
| Over 50 years old | 超過50歲 | 8 | 6 | 6 | 1 |
| By location | 按地點劃分 | | | | |
| Hong Kong | 香港 | 18 | 21 | 12 | 9 |
| Japan | 日本 | 29 | 21 | 27 | 10 |
| By employment category | 按職位劃分 | | | | |
| Executive level/ Senior level | 行政／高級 | 8 | 18 | 3 | 0 |
| Middle level | 中級 | 31 | 22 | 14 | 12 |
| Entry level | 初級 | 8 | 2 | 22 | 7 |

1.2 Health and Safety

The Group committed to maintaining a healthy and safe work environment and minimizing any adverse health and safety impacts arising from our operations care. The Group adopted an integrated approach to health and safety, where prevention of illness and injury forms part of the management practice. Employees are expected to exercise reasonable care and attention and avoid their subjection to risks that might lead to any accident or injury. There are evacuation procedures in case of fire in the offices and hotel. Corresponding administration and operation areas are also in place to assist employees in taking sensible immediate actions. All employees are expected to show their unconditional support to maintain a healthy and smoke-free working environment. Smoking is strictly prohibited in the hotel areas, office, toilets and stairwell areas.

1.2 健康與安全

本集團致力維持既健康又安全之工作環境，並盡量減低業務營運所產生任何不利健康及安全影響。本集團採納一套綜合健康及安全方針，當中預防疾病及受傷乃管理常規之一部分。本集團預期僱員合理地加以小心及注意，避免面臨可能導致任何意外或受傷之風險。本集團已設立辦公室及酒店火災疏散程序，並制訂相應行政及運作範疇，協助僱員即時採取明智行動。本集團期望全體員工均對維持健康及無煙工作環境付出無條件支持，酒店區域、辦公室、衛生間及樓梯間均嚴禁吸煙。

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At the operational level, employees are trained in safe working practices and to understand emergency response preparedness and procedures. Employees are kept informed of the social security policies and related treatment in terms of the social security fund that they have contributed. In case of work-related injuries and incidents occurred, employees will receive timely treatment and protection. In respect of safety protection equipment, the Group provides employees with a workplace which complies with the national safety and health standards, labour protection products and first aid boxes, etc., so that they can work in a safe environment. The Group also provides employees with occupational safety training programs to mitigate work-related risks.

During the reporting period, we had no violation record on relevant laws and regulations about employment, health and safety and labour standards that have a significant impact on the Group.

1.3 Development and Training

The Group committed to ensure our recruitment and promotion policies promote fairness and diversity. In this context, recruitment and promotion adopt various considerations, such as educational qualifications, relevant experience, skill competencies, desirable personal traits and potential for further development.

The Group values the mutual growth and development with employees. Therefore, the Group pushes forward career and staff development. All staff are being encouraged to take advantage of the staff development programs, which included provision of in-house and external training on management/supervisory skills, technical skills, customer services skills etc, to consolidate and enhance employees' knowledge and competitiveness.

在運作層面，僱員接受有關安全工作慣例之培訓，並清楚應急準備及程序。僱員可隨時了解社會保障政策以及在彼等作出供款之社會保障基金方面之相關待遇。倘發生工傷及事故，僱員可及時獲得治療及保障。在安全保障設備方面，本集團為僱員提供符合國家安全衛生標準之工作場所、勞保用品及急救箱等，使彼等得以於安全環境下工作。本集團亦為僱員提供職業安全培訓計劃，減輕工作相關風險。

於報告期間，我們並無有關僱傭、健康與安全以及勞工標準相關法律及法規之違規記錄，以致對本集團產生重大影響。

1.3 發展及培訓

本集團致力確保我們的招聘及晉升政策可促進公平及多元化發展。就此而言，招聘及晉升過程中會納入不同考量，例如學歷、相關經驗、技能、理想個人特質及進一步發展之潛力。

本集團重視與僱員共同成長及發展。因此，本集團大力推動事業及員工發展，鼓勵所有員工善用員工發展計劃，包括提供內部及外部管理／監管技能、技術、客戶服務技巧等培訓，以鞏固及增進僱員之知識及競爭力。

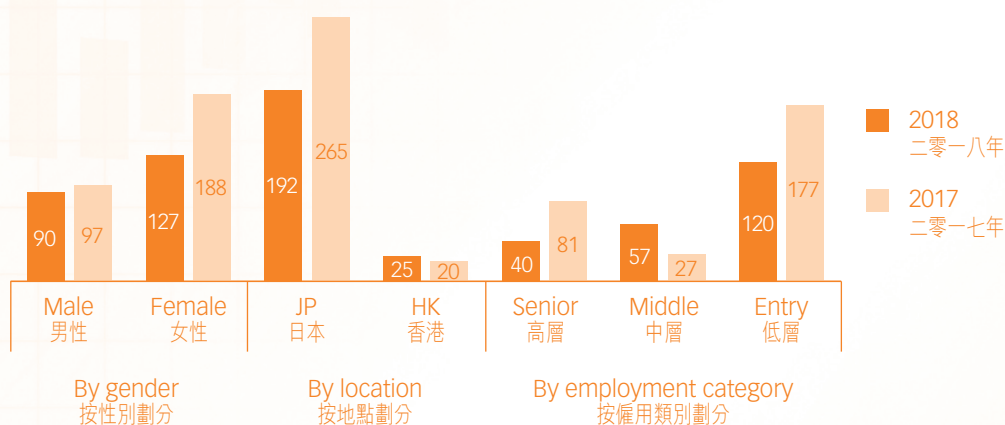
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During the financial year ended 30 June 2018, a total of about 217 training hours covered a variety of training courses have been attended (30 June 2017: 285 hours) details are shown as below:

截至二零一八年六月三十日止財政年度，僱員合共出席約217小時培訓，涵蓋各類培訓課程(二零一七年六月三十日：285個小時)，詳情如下：

Employee training hours statistics
僱員培訓時數統計數據



1.4 Labour Standards

The Company prohibits the use of child labour and forced or compulsory labour at all its units and suppliers. Labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. For the year ended 30 June 2018, no employees of the Group aged under 16 and there is no dispute between the Group and its staffs. The Group have delegated the human resources and administration department to conduct monitoring so as to ensure that there is no child labour and forced labour. As a result, the number of case violating the labour standards was zero in 2018.

1.4 勞工標準

本公司禁止全體單位及供應商使用童工及強迫或強制勞工，並嚴禁以體罰、虐待、非自願奴役、勞役償債或販賣之方式強迫勞工工作。截至二零一八年六月三十日止年度，本集團並無年齡未滿16歲之僱員，且本集團與員工之間不存在任何糾紛。本集團已委派人力資源及行政部門進行監察，確保不存在童工及強迫勞工。因此，二零一八年違反勞工標準之案件數目為零。

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環境、社會及管治報告

2. CARE OUR ENVIRONMENT

As a responsible enterprise, the Group acknowledges the importance of raising the awareness of employees to understand the environmental impact and stress the determination by taking various reduction initiatives for reducing the carbon footprint. It is embedded in group culture, communities and values. We recognize and accept our responsibility to the community and environment both now and in the future. We are committed to maintaining and improving upon our environmental performance, and ensuring that environmental considerations are an integral part of our decision-making, management and culture. We will continue to support our employees, communities and other stakeholders in reducing environmental impact in their personal and business activities in the global context.

Environmental management was developed based on respective local requirements and environmental standards. In response to the community's power-saving and waste-reduction demand, the Group has also adopted the procedures in relation to waste reduction, water conservation, energy conservation and solid waste recycling.

2.1 EMISSIONS

The Group focused on the environmental impact in the operation and management of the hot spring resort and hotel facilities of One Niseko Resort Towers in Niseko, Hokkaido, and energy conservation and emissions reduction measures are required to be taken to reduce the environmental impact in the process of operation. The major emissions of the Group are the greenhouse gases emissions and solid non-hazardous wastes generated from the hotel operations and the Group believes these emissions do not have a significant adverse impact on the environment.

a. Greenhouse Gases Emissions

Greenhouse gas (GHG) emission which include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). The major sources of air and greenhouse gas (GHG) emissions are energy consumptions, including the fuel consumed by the corporate vehicles in respect of tour buses of the hotel and private cars and purchased electricity used in offices and the heat of hot spring as well as the hotel daily operations.

2. 愛護環境

本集團作為一家負責任之企業，深明提高僱員意識以了解對環境影響之重要性，透過採取各項減少碳足印之緩解措施展現決心，並將此精神融入集團文化、社區及價值觀中。我們現在以至將來定必認清及承擔對社區及環境之責任。我們致力於保持及提升我們在環境方面之績效，確保環境考量為決策、管理及文化必不可少之部分。我們將繼續支持我們的員工、社區及其他持份者減低個人及商業活動對全球環境之影響。

本集團乃根據相關當地規定及環境標準實行環境管理。為響應社區節能及減廢需求，本集團亦已採納有關減廢、節約用水、節能及固體廢物回收之程序。

2.1 排放

本集團著眼於位於北海道二世古之One Niseko Resort Towers溫泉度假村及酒店設施之營運及管理對環境之影響，並需要採取節能及減排措施以減低營運過程中對環境之影響。本集團之主要排放物為酒店營運所產生溫室氣體排放及固體無害廢物，惟本集團認為有關排放情況不會對環境構成重大不利影響。

a. 溫室氣體排放

溫室氣體排放包括二氧化碳、甲烷及一氧化二氮。空氣及溫室氣體排放之主要來源為能源消耗，包括酒店旅遊巴士等公司車輛及私家車所消耗燃料，以及辦公室、溫泉製熱以及酒店日常營運使用所購買電力。

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b. Waste Management

The Group up holds the principles of waste management and is committed to the proper handling and disposal of all wastes from hotel business activities. The domestic waste include paper, household wastes, food wastes from the Group's hot spring resort and hotel operation business and other incidental wastes. Domestic wastes discharged by hotel and hot spring operation in ordinary means are in compliance with applicable regulations in Japan. The Group's waste management strategy focuses on legal disposal, reduction and reuse of wastes. All the waste disposal and processing must be carried out by government-certified service providers according to Japan laws and regulations. Recyclable wastes are sorted and collected according to classifications and are delivered to a recycling vendor in. The Group promoted the concept of a green office and hotel by encouraging employees to save paper and recycle used cartridges and to use recycle bag for packaging.

During the reporting period, the Group did not generate a significant amount of hazardous waste, while the details of major non-hazardous waste generated were shown as below:

| Waste 廢物 | Unit 單位 | 2018 二零一八年 | 2017 二零一七年 |
|---------------|------------|---------------|---------------|
| Dry Waste 乾廢物 | Kg 千克 | 124 | 61 |
| Wet Waste 濕廢物 | Kg 千克 | 22,689 | 23,626 |

b. 廢物管理

本集團秉持廢物管理原則，致力於妥善處理及處置源自酒店業務活動之所有廢物。生活垃圾包括本集團溫泉度假村及酒店營運業務產生之紙張、家居垃圾、廚餘及其他附帶廢物。酒店及溫泉業務以普通方式排放之生活垃圾符合日本適用法規。本集團之廢物管理策略著眼於合法棄置、減少及再利用廢物。所有廢物必須由政府認可服務供應商根據日本法律及法規棄置及處理。可回收廢物根據類型進行分類及收集，並交付予回收商。本集團鼓勵僱員節省紙張、回收已使用墨盒及使用環保袋進行包裝，藉此推廣綠色辦公室及酒店概念。

於報告期間，本集團並無產生大量有害廢物，而所產生主要無害廢物之詳情於下文詳述：

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The wet waste are using in bathing and cleaning, the utilisation data during the Period in hotel is as follows:

濕廢物為淋浴用品及清潔用品。酒店期內耗用率如下：



2.2 USE OF RESOURCES

The Group is committed to conserve resources for the purposes of environmental and operating efficiency. To pursue our environmental commitment, we implement multiple measures in enhancing energy efficiency, minimizing the use of papers, reducing water consumption, encouraging video conferencing instead of business trips and driving behavioural changes of employees. Through active monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprints. The use of packaging materials is not relevant to our businesses, while details of energy and water consumptions will be discussed in the following sessions.

a. Energy

Energy consumption is one of the major sources of environmental impacts. The Group seeks to promote pollution prevention, reduce the creation of waste and minimize the environmental impact from merchandise, services and processes and actively works to redirect wastes to be recycled or used in other sustainable initiatives. In order to reduce energy consumption, the adopted environmental policies with a focus on the following:

- Reduce, reuse, recycle bottles, plastic containers and paper

2.2 資源使用

本集團努力節省資源，務求提升環境及營運效率。為實踐我們的環保承諾，我們實施多項措施以提高能源效率、盡量減少用紙、節約用水、鼓勵以視像會議取代公幹，並推動僱員在行為上有所改變。透過積極監察及管理資源使用情況，我們的目標是降低營運成本及減少碳足跡。我們的業務不涉及使用包裝材料，而使用能源及用水之詳情將於以下章節論述。

a. 能源

能源消耗為環境影響之主要源頭之一。本集團致力於推廣防污、減少製造廢物及盡量減低商品、服務及流程對環境之影響，並積極著手將廢物重新引導至可於其他可持續發展計劃中回收或使用。為減少能源消耗，本集團已採納環保政策，重點如下：

- 減少、循環再用、回收水樽、塑料容器及紙張

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- Avoid products with lot of packaging
- Go online, create electronic copies instead of printing the documents
- Drive less or Carpool
- Provide facilities for collection, sorting, recycling and proper disposal of waste and recovered materials both in the office and hotel
- 避免使用大量包裝之產品
- 利用互聯網、創建電子副本而非打印文檔
- 減少駕駛或共乘汽車
- 於辦公室及酒店提供設施收集、分類、回收及妥善處置廢物及回收材料

To conserve energy in daily operations, the Group adopted the thermal control products in hotel areas such as hot water pipes and room's double glass windows, which resist heat and reduce the heat island effect. The Group maintained the temperature of the office at 24°C to 26°C. To use energy effectively and efficiently, the Group has also installed the latest version's "chillers" in 2014 which is managed automatically. In the coming years, the Group strive to the implement of changing energy saving lamps in guestrooms to reduce the electric consumption.

為於日常營運中節省能源，本集團於酒店範圍採用溫度控制產品（如熱水管及房間內之雙層玻璃窗），可隔熱及減輕熱島效應。本集團之辦公室溫度維持於攝氏24至26度。為有效使用能源及提升效益，本集團亦於二零一四年安裝最新型號可自動管理之「冷水機組」。未來數年，本集團將致力為客房更換慳電膽以減低耗電量。

During the reporting period, the energy we consumed directly for our operations are as follows:

於報告期間，我們的業務直接消耗能源情況如下：

| Energy 能源 | Unit 單位 | Consumption Quantity 消耗量 | |
|----------------|------------|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Electricity 電力 | kWh 千瓦時 | 1,078,886 | 1,060,393 |
| Diesel Fuel 汽油 | L 升 | 25,504 | 13,693 |
| Petrol 柴油 | L 升 | 5,372 | 7,940 |

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During the Period, the Group's electricity utilisation data during the Period in hotel operation is as follows:

期內本集團酒店營運於本期間之用電量數據如下：

| Electricity Consumption 用電量 | Total consumption (MWH) 總消耗量(兆瓦時) | | Average electricity usage per Occupied Room night (Approximate MWH/room night) 每晚已出租房間平均用電量(約兆瓦時/房間出租晚數) | |
|--------------------------------|--------------------------------------|---------------|--|---------------|
| | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 |

| | | | | |
|----------------------|---------|---------|------|------|
| Hotel Operation 酒店營運 | 961,644 | 970,440 | 46.2 | 53.2 |
|----------------------|---------|---------|------|------|

Note: Average electricity usage per Occupied Room Night is for illustrative purpose only and is calculated by dividing total consumption by Total Occupied Room Nights during the Period.

附註：每晚已出租房間平均用電量僅供參考，有關數字按期內總消耗量除以房間出租總晚數計算。

b. Water

The sustainable and responsible use of water resources is a key issue globally. The Group is aware that water shortages, excessive demand and usage could pose a serious problem. In order to raise the awareness of water conservation, the Group promotes water saving practices in the workplace. The key water saving measures include:

- Inviting hotel guests to support the linen and towel reuse programme to reduce the water usage
- Educating and ensuring that housekeeping and kitchen staff pay close attention to water usage through training
- Inspecting our hotels' water facilities regularly to ensure no water leakage
- Signage regarding water-saving and reducing wastage of potable water are placed in hotel

b. 水

可持續及負責地運用水資源為全球關鍵議題。本集團意識到水資源短缺、需求過盛及過量使用或會造成嚴重問題。為提高節約用水意識，本集團於工作場所推廣節約用水措施。關鍵節約用水措施包括：

- 邀請酒店賓客支持床單及毛巾再用計劃以減少耗水
- 透過培訓教育及確保房務及廚房員工密切留意用水情況
- 定期檢查酒店水務設施，確保並無漏水
- 於酒店張貼節約用水及減少浪費食水標記

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Water Conservation and Management

Furthermore the Group actively pursues for effective water management in order to minimize the water consumption by installing water saving devices and adopting water reduction practices throughout the hotel operations. The “water saving devices” for taps and shower are used, which provide enough water pressure at minimum water consumption.

The Group also has implemented some initiatives in Niseko Moiwa-Mountain Natural Hot Springs, adopting the circulation formula system of Spa natural water to bring about environmental benefits:

- Using a natural water resource from hotel own land to operate Spa facility
- Adding a clear water Filter Machine to manage water-circulation to provide clean natural water to customers
- Following the regulation of Niseko Hygiene Management Office, adding a certain amount of chlorine on a regular basis for the process of sterilization
- Checking the procedures and operations on daily basis to keep Spa quality standard and so to reduce the energy cost

節約用水及管理

此外，本集團積極尋求有效節水措施，於整個酒店營運過程中安裝節省用水設施及採用減少用水對策，盡可能降低耗水量。我們使用「節省用水設施」作為水龍頭及淋浴設施，以最低耗水量提供充足水壓。

本集團亦已於二世古藻岩山天然溫泉(Niseko Moiwa-Mountain Natural Hot Springs)採取若干措施，採用天然泉水的循環系統為環境帶來好處：

- 利用酒店自有土地的天然水資源營運水療設施
- 加入清水過濾器以管理水循環，為客戶提供清潔天然水
- 遵從二世古衛生管理局(Niseko Hygiene Management Office)規例，定期加入若干氯氣進行消毒
- 每日檢查流程及運作，維持水療設施品質以減低能源成本

| Water Consumption 用水量 | Total consumption (m ³) 總消耗量(立方米) | | Average water usage per Occupied Room night (Approximate m ³ /room night) 每晚已出租房間平均 用水量(約立方米/房間出租晚數) | |
|--------------------------|--|---------------|--|---------------|
| | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 |

Hotel Operation 酒店營運

28,729

26,547

1.4

1.5

Note: The average water usage per Occupied Room Night is for illustration purpose only and is calculated by dividing total consumption by Total Occupied Room Night during the Period.

附註：每晚已出租房間平均用水量僅供說明用途，按期內總耗量除以房間出租總晚數計算。

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2.3 Regulatory Compliance

The Group complies with applicable environmental laws and regulations. For the year ended 30 June 2018, the Group did not identify any non-compliance incidents in relation to environmental protection that has a significant impact on the Group. The Group compliance with the "Niseko Eco-Model City Action Plan" program and Sewage from operation as previous year, the Group attends regular monthly meeting with Niseko Town & Hotel Association and has discussions frequently with Niseko Environment Division to address any environmental issues. The Group adopted a sludge circulation filtration system and the sludge collection is scheduled once a year in April.

2.4 Our Footprint

| ENVIRONMENT DATA 環境數據 | | | |
|---------------------------------------|-----------------------|---|---------------|
| GHG emissions | 溫室氣體排放 | CO ₂ equivalent (kg) 二氧化碳當量(千克) | |
| | | 2018 二零一八年 | 2017 二零一七年 |
| Direct GHG Emissions (Scope 1) | 直接溫室氣體排放 (範圍1) | 81,862 | 57,641 |
| Indirect GHG Emissions (Scope 2) | 間接溫室氣體排放 (範圍2) | 646,098 | 616,716 |
| Other indirect emissions (Scope 3) | 其他間接排放 (範圍3) | 105,535 | 104,603 |
| Energy consumption | Unit | 2018 | 2017 |
| 能源消耗 | 單位 | 二零一八年 | 二零一七年 |
| Total Electricity Consumption 總耗電量 | MWh 兆瓦時 | 1,078,886 | 1,060,393 |
| Total Water Consumption 總耗水量 | m ³ 立方米 | 32,783 | 26,547 |
| Total Fuel Consumption 總燃料消耗量 | liters 公升 | 296,876 | 254,594 |

2.3 監管合規

本集團遵守適用環境法例及法規。截至二零一八年六月三十日止年度，本集團並無發現任何與環保有關且對本集團有重大影響之不合規事件。一如往年，配合「二世古生態模式城市發展計劃(Niseko Eco-Model City Action Plan)」及營運所產生污水，本集團每月出席二世古城鎮及酒店組織(Niseko Town & Hotel Association)之會議並經常與二世古環境部(Niseko Environment Division)討論任何環境問題。本集團採用污泥循環過濾系統，並於每年四月進行一次污泥收集。

2.4 我們的足跡

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3. CARING OUR COMMUNITY

The Group recognizes the importance of local communities to the continued success and growth of our business. Apart from the donation to charity organization by the Group from time to time, employees are all delighted to devote their time and efforts to give a helping hand to the community. They participate and contribute to the community in any form voluntarily including donation, volunteer work in charity organizations. During the financial year ended 30 June 2018, the Group supported and participated in different community activities covering poverty alleviation and community caring.

3.1 Poverty Alleviation

The Group has been devoting much effort to poverty alleviation. We sponsored in different charity, such as the Ten Percent Donation Scheme Foundation, aiming to raise charity funding for those children who are lack of assistance on studies and family care.

3.2 Community Caring

The Group has also sponsored in various charity activities, including the "FIT charity run 2017", a raising charity run organized by the Financial Industry in Tokyo (FIT) for local community organizations which under-recognized needs and causes; the donations of complimentary room/restaurant tickets of the "Niseko Treasure Hunt 2017" and "Niseko Halloween 2017" for Niseko Resort Tourist Association.

3. 關愛社區

本集團深明本地社區對業務持續成功及增長舉足輕重。本集團不時向慈善機構捐款，旗下員工亦樂於投放時間及精力回饋社區，自願透過不同渠道為社區作出貢獻，包括捐贈及慈善機構義工服務。截至二零一八年六月三十日止財政年度，本集團支持各項社區活動，積極參與扶貧及社區關顧等工作。

3.1 扶貧

本集團積極投身扶貧工作，透過贊助十分關愛基金會等慈善機構，致力為學習資源及家庭支援不足的兒童籌款。

3.2 社區關顧

本集團亦贊助多項慈善活動，包括 Financial Industry in Tokyo (FIT) 為協助當地社區組織應付未受重視之需要及原由而籌辦之籌款跑步活動「FIT charity run 2017」，以及為二世古度假村旅遊組織 (Niseko Resort Tourist Association) 舉辦之「Niseko Treasure Hunt 2017」及「Niseko Halloween 2017」捐贈免費客房及餐券。

| DONATIONS | | 2018 | 2017 |
|------------------------|------|-------------------------|-------------------------|
| 捐獻 | | 二零一八年 | 二零一七年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| CASH CONTRIBUTIONS | 現金捐款 | 49.8 | 199.6 |
| HOSPITALITY REWARDS | 款待禮遇 | 7 Organizations 7間組織 | 6 Organizations 6間組織 |
| DONATION CONTRIBUTIONS | 捐贈 | 1 Organization 1間組織 | 3 Organizations 3間組織 |

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4. OUR PROCUREMENT

The supply chains mainly cover two general categories: (i) office supply chains; and (ii) hotel supply chains. At the office level, supply chains cover procurement for headquarter office and are mainly focused on routine office items such as stationery, toner and paper. At the hotel segment, most items are procured for running a hotel and that cover a wide variety items including food, linens and cleaning supplies.

The Group is committed to operating in an ethical and safe environment and employ sound supply chain practices to ensure that the performance remains sustainable. Its procurement process encourages a high level of objectivity and impartiality in supplier selection. Its suppliers are required to provide quality goods and services that meet our expectations. The Group also ensures that suppliers will provide efficient after-sales services prior to purchasing any products from them. Additionally, all suppliers are required to comply with relevant legislation when supplying goods and services to the Group. The Group conducts annual evaluations of its suppliers to ensure that quality is maintained, goods and services have actually been provided and that prices paid for such goods and services remain competitive. The Group also strongly encourages the purchase unit to take note of the local Government's policy on recommended green product specifications in their product offerings and design.

To enhance the sustainability of the supply chains, the Group tried to source goods locally whenever possible. In both 2018 and 2017, all suppliers of our hotel were located in Japan and over 64% suppliers are located in the Hokkaido Island where the hotel is located.

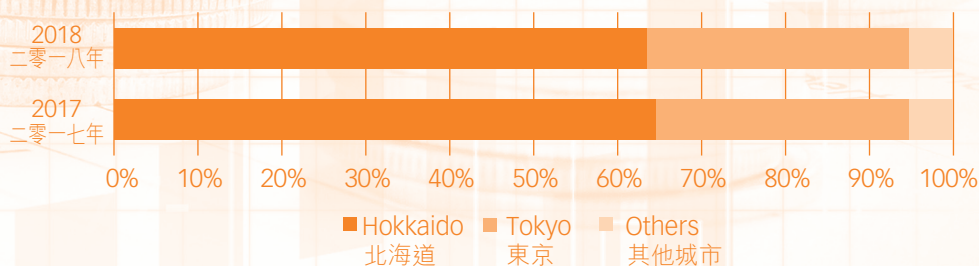
4. 採購

供應鏈主要涵蓋兩大範疇：(i) 辦公室供應鏈；及(ii) 酒店供應鏈。就辦公室而言，供應鏈涵蓋總部辦公室之採購工作，主要集中於日常辦公用品，如文具、碳粉及紙張。就酒店而言，大部分用品皆為經營酒店而採購，當中涵蓋各式各樣物品，包括食品、床單及清潔用品。

本集團致力於合乎道德及安全之環境中運營，並採用完善之供應鏈慣例，以確保可持續發展表現得以維持。其採購流程鼓勵高度客觀及不偏不倚之供應商選擇。供應商須提供符合我們期望之優質產品及服務。本集團向供應商採購任何產品前亦會確保彼等將提供高效售後服務。此外，所有供應商為本集團供應產品及服務時須遵守相關法例。本集團每年評估供應商，以確保質量得以維持、產品及服務確切提供，且購買有關產品及服務所付價格維持競爭力。本集團亦強烈鼓勵採購單位於產品供應及設計方面留意當地政府所推薦綠色產品規格之政策。

為提升供應鏈之可持續性，本集團嘗試盡可能於本地採購貨品。於二零一八年及二零一七年兩個年度，我們旗下酒店之供應商均位於日本，且超過64%供應商位於酒店所在之北海道本島。

Number of Suppliers in Japan
位於日本之供應商數目



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5. CUSTOMER PRIVACY AND DATA

The Group protects customer data privacy and complies with all relevant laws and regulations to safeguard the data security of our customers, such as storing the commercial documents by following government law in Japan. The Group pays extra attention to customer data management and no substantiated complaint regarding leakage of customer privacy or loss of customer data were reported in the reporting year. A set of clear customer data privacy policies has been formulated to instruct our employees on managing the data which they have access to. Data privacy training is available for employees in the orientation and refresher programme. For instance, all customers' information, business document and passport copies are held and stocked in strictly secure place. The historical records are packed in boxes and stored properly.

6. MANAGING ANTI-CORRUPTION RISK

The Group maintains the highest standards of openness, uprightness and accountability and all our employees are expected to observe the highest standards of ethical, personal and professional conduct. We do not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of our business operations. Throughout the financial year ended 30 June 2018, the Group has not received any non-compliance matters in this aspect.

7. OUTLOOK

In the uncertain global economic and political environment, the Group keeps on generating revenue in a conservative and pragmatic way. The Group expects the hotel business continues to contribute a stable revenue to the Group in the coming year. In order to allocate the resources effectively, we will continue to proactively explore investment opportunities to create long-term value to our shareholders and stakeholders. The Directors would like to take this opportunity to extend our sincere gratitude to our employees, suppliers, shareholders and other stakeholders for their long-term support and trust to the Group. The feedbacks from these parties are of great value to us in forming our business strategy to focus on their needs. The Directors believe that the Group's performance has granted positive recognition in the financial year ended 30 June 2018, but there is still more to be done. The Group will continue to strive to implement the best practices in corporate social responsibility to advance the global sustainability agenda at large.

5. 客戶私隱及數據

本集團保護客戶數據私隱並遵守所有相關法律及法規，以保障我們客戶之數據安全，如遵照日本政府法律儲存商業文件。本集團特別關注客戶數據管理，於報告年度並無有關客戶私隱洩露或客戶數據遺失查明屬實之投訴。我們已制定明確客戶數據私隱政策，為員工管理所得數據提供指引，彼等亦會於入職及進修課程期間接受數據私隱培訓。舉例而言，所有客戶信息、商業文件及護照複印本均存放於嚴密地點。歷史記錄妥善裝箱保存。

6. 管理反貪污風險

本集團維持開放、正直及問責之最高標準，並要求全體員工遵守最高道德、個人及專業操守標準。我們絕不姑息任何涉及業務營運之貪污、賄賂、勒索、洗黑錢及其他欺詐行為。截至二零一八年六月三十日止財政年度，本集團未有得悉此方面有任何不合規事項。

7. 前景

在全球經濟及政治環境不明朗下，本集團以保守及務實方式不斷創造收入。本集團預期酒店業務將於來年繼續為本集團貢獻穩定收入。為有效分配資源，我們將繼續積極探索投資機遇，為股東及利益相關人士創造長期價值。董事謹藉此機會衷心感謝各員工、供應商、股東及其他利益相關人士一直支持及信任本集團。各方之反饋對本集團因應其需要而制定業務策略極為寶貴。董事相信，本集團於截至二零一八年六月三十日止財政年度之業績表現得到正面肯定，惟仍需進一步努力。本集團將繼續致力實踐企業社會責任之最佳對策，全面推進全球可持續發展進程。

Independent Auditor's Report

獨立核數師報告



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港
干諾道中111號
永安中心25樓

TO THE MEMBERS OF DETAI NEW ENERGY GROUP LIMITED
(Incorporated in Bermuda with limited liability)

致德泰新能源集團有限公司全體股東
(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of DeTai New Energy Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 78 to 214, which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

(i) Fair value change of financial liabilities at fair value through profit or loss for the year ended 30 June 2018

As at 30 June 2017, the Group's financial liabilities at fair value through profit or loss amounting to approximately HK\$127,431,000 represent contingent consideration payable arising from the acquisition of Emission Particle Solution Sweden AB ("EPS"). The amount of financial liabilities at fair value through profit or loss is calculated with reference to the forecast net profit after tax of EPS for the period from 1 January 2017 to 31 December 2017 and the profit target agreed in the acquisition of EPS. SEK137,800,000 (equivalent to approximately HK\$127,431,000 at 30 June 2017) represent the maximum amount payable (i.e. the profit target would be met).

保留意見

本核數師(以下簡稱「我們」)已審計載於第78至214頁之德泰新能源集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此等綜合財務報表包括於二零一八年六月三十日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們認為,除我們作出之報告「保留意見之基礎」一節所述之事宜之可能影響外,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則真實公允地反映了貴集團於二零一八年六月三十日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量,且已根據香港公司條例之披露規定妥為編製。

保留意見之基礎

(i) 截至二零一八年六月三十日止年度按公平值計入損益之金融負債之公平值變動

於二零一七年六月三十日,貴集團按公平值計入損益之金融負債約為127,431,000港元,乃收購Emission Particle Solution Sweden AB(「EPS」)之應付或然代價。按公平值計入損益之金融負債乃參考對EPS於二零一七年一月一日至二零一七年十二月三十一日期間之預測除稅後純利及收購EPS時所協定溢利目標而計算。137,800,000克朗(於二零一七年六月三十日相當於約127,431,000港元)指應付最高金額(即達到溢利目標)。

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The fair value of financial liabilities at fair value through profit or loss was determined by the directors of the Company by reference to a valuation report prepared by an independent professional qualified valuer. The valuation report was based on the forecast of EPS performance for the period from 1 January 2017 to 31 December 2017 prepared by the directors of the Company (the "Profit Forecast"). During the course of our audit of the Group's consolidated financial statements for the year ended 30 June 2017 ("2017 consolidated financial statements"), we had performed audit procedures set out in Hong Kong Standard on Auditing ("HKSA") 540 "Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures" including to understand how the Profit Forecast was prepared, and test/consider the data based on which the Profit Forecast was prepared and the fair value of the financial liabilities was estimated. However, we were not provided with sufficient appropriate evidence relating to the accuracy and relevance of the data used in estimating the fair value of the financial liabilities. Due to the limitations on our scope of work, we were unable to determine whether the fair value of the financial liabilities at fair value through profit or loss as at 30 June 2017 was appropriately stated. Our audit opinion dated 29 September 2017 on the Group's 2017 consolidated financial statements was modified accordingly.

In the current financial year, the financial liabilities at fair value through profit or loss has been derecognised as the performance of EPS for the period from 1 January 2017 to 31 December 2017 failed to meet the profit target. As a result, fair value gain of HK\$131,221,000 on the derecognition of the financial liabilities at fair value through profit or loss has been credited to the consolidated statement of comprehensive income for the year ended 30 June 2018.

The abovementioned limitations encountered in the course of our audit of the Group's 2017 consolidated financial statements remained unsolved during the course of our audit of the Group's consolidated financial statements for the year ended 30 June 2018. Any adjustment found to be necessary would have a consequential effect on the opening balance of the financial liabilities at 1 July 2017 and the amount of fair value gain on derecognition of the financial liabilities credited to the consolidated statement of comprehensive income for the year ended 30 June 2018.

按公平值計入損益之金融負債之公平值乃由 貴公司董事參考獨立專業合資格估值師所編製估值報告後釐定。該估值報告乃根據 貴公司董事所編製EPS由二零一七年一月一日至二零一七年十二月三十一日止期間之預測表現(「溢利預測」)而編製。我們審計 貴集團截至二零一七年六月三十日止年度之綜合財務報表(「二零一七年綜合財務報表」)時，已進行香港審計準則(「香港審計準則」)第540號「審計會計估計(包括公平值會計估計)及相關披露」所載審計程序，包括了解如何編製溢利預測，並測試／考慮編製溢利預測及估計金融負債之公平值所依據之數據。然而，我們未獲提供有關估計金融負債公平值所用數據之準確性及相關性之充分恰當憑證。由於我們之工作範圍受到限制，我們無法確定按公平值計入損益之金融負債於二零一七年六月三十日之公平值是否恰當呈列。我們就 貴集團二零一七年綜合財務報表所發出日期為二零一七年九月二十九日之審計意見已作出相應修訂。

於本財政年度，按公平值計入損益之金融負債已終止確認，原因為EPS於二零一七年一月一日至二零一七年十二月三十一日期間之表現未能達到溢利目標。因此，終止確認按公平值計入損益之金融負債之公平值收益131,221,000港元已計入截至二零一八年六月三十日止年度之綜合全面收益表。

審計 貴集團之二零一七綜合財務報表過程中所面對上述限制於我們審計 貴集團截至二零一八年六月三十日止年度之綜合財務報表時仍未解決。如需作出任何調整，將會對金融負債於二零一七年七月一日之年初結餘及計入截至二零一八年六月三十日止年度綜合全面收益表之終止確認金融負債之公平值收益金額產生影響。

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(ii) Carrying amounts of intangible assets and goodwill

Included in the Group's consolidated statement of financial position at 30 June 2018 are intangible assets and goodwill of HK\$159,033,000 and HK\$60,345,000 respectively (2017: HK\$192,164,000 and HK\$58,602,000) arising from the acquisition of EPS. The intangible assets and the goodwill were included in the Group's New Energy Business cash generating unit ("New Energy Business CGU"). In the preparation of the consolidated financial statements for the year ended 30 June 2018 ("2018 consolidated financial statements"), the directors of the Company have performed an impairment assessment on the New Energy Business CGU. In accordance with the Group's accounting policies, the impairment assessment is by comparing the New Energy Business CGU's carrying amount to the New Energy Business CGU's recoverable amount. The recoverable amount of the New Energy Business CGU as at 30 June 2018 was determined by the directors of the Company by reference to a valuation report prepared by an independent professional qualified valuer based on a cash flows forecast developed by the Company's directors ("the Forecast"). With reference to the result of the impairment assessment, the Group has recognised impairment loss on goodwill of HK\$60,345,000 and intangible assets of HK\$151,933,000 for the year ended 30 June 2018 (2017: HK\$ nil and HK\$ nil). Amortisation charge on the intangible assets for the current year amounted to HK\$24,224,000 (2017: HK\$11,592,000). Deferred tax liability relating to the intangible assets was (i) reversed by HK\$5,329,000 (2017: HK\$2,550,000) as a result of amortisation of the intangible assets and (ii) reversed by HK\$33,425,000 (2017: Nil) as a result of recognition of the impairment loss.

In our audit of the Group's 2017 consolidated financial statements, we were not provided with sufficient appropriate evidence relating to the completeness and accuracy of the data used in estimating the fair value of the intangible assets at the date of acquisition of EPS. The fair value of the intangible assets at the date of acquisition of EPS amounted to HK\$186,863,000. The fair value became the cost of the intangible assets to the Group. Any adjustments to the intangible assets (and the corresponding deferred tax liability) and the contingent consideration payable (see (i) above) at the date of acquisition of EPS would have consequential effect on the amount of goodwill, if any, arising from the acquisition of EPS.

(ii) 無形資產及商譽之賬面值

計入 貴集團於二零一八年六月三十日之綜合財務狀況表之收購EPS所產生無形資產及商譽分別為159,033,000港元及60,345,000港元(二零一七年:192,164,000港元及58,602,000港元)。無形資產及商譽乃計入 貴集團之新能源業務現金產生單位(「新能源業務現金產生單位」)。編製截至二零一八年六月三十日止年度之綜合財務報表(「二零一八年綜合財務報表」)時, 貴公司董事已對新能源業務現金產生單位進行減值評估。根據 貴集團之會計政策, 減值評估乃將新能源業務現金產生單位之賬面值與新能源業務現金產生單位之可收回金額作比較。新能源業務現金產生單位於二零一八年六月三十日之可收回金額由 貴公司董事參考一名獨立專業合資格估值師根據 貴公司董事編製之現金流量預測(「預測」)所編製估值報告後釐定。參照減值評估結果, 貴集團於截至二零一八年六月三十日止年度確認商譽及無形資產減值虧損60,345,000港元及151,933,000港元(二零一七年:零港元及零港元)。本年度無形資產之攤銷開支為24,224,000港元(二零一七年:11,592,000港元)。與無形資產有關之遞延稅項負債已(i)因攤銷無形資產而獲撥回5,329,000港元(二零一七年:2,550,000港元)及(ii)因確認減值虧損而獲撥回33,425,000港元(二零一七年:無)。

我們審計 貴集團二零一七年綜合財務報表時, 我們未獲提供有關估計無形資產於收購EPS日期之公平值所用數據之完整性及準確性之充分恰當憑證。無形資產於收購EPS日期之公平值為186,863,000港元。公平值成為 貴集團之無形資產成本。對無形資產(及相應遞延稅項負債)及於收購EPS日期之應付或然代價(見上文(ii))作出任何調整將對收購EPS所產生商譽(如有)金額產生影響。

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In the preparation of the 2017 consolidated financial statements, the directors of the Company have performed an impairment assessment on the New Energy Business CGU and concluded that there was no impairment loss on the New Energy Business CGU as at 30 June 2017. However, during the course of our audit of the Group's 2017 consolidated financial statements, we were not provided with sufficient appropriate evidence relating to the accuracy and relevance of the data used by the directors of the Company in estimating the recoverable amount of the New Energy Business CGU.

Due to the abovementioned limitations and other limitations on our scope of work, our audit opinion on the Group's 2017 consolidated financial statements was modified. The abovementioned limitations are not resolved in our audit of the Group's 2018 consolidated financial statements.

During the course of our audit of the Group's 2018 consolidated financial statements, we have performed audit procedures set out in HKSA 540 "Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures" including to understand how the Forecast was prepared, and test/consider the data based on which the Forecast was prepared and the New Energy Business CGU's recoverable was estimated. However, we were not provided with sufficient appropriate evidence relating to the accuracy and relevance of the data used in estimating the recoverable amount of the CGU. Due to the limitations on our scope of work, we were unable to determine whether the recoverable amount of the New Energy Business CGU was appropriately estimated and as a result, whether the amount of impairment losses recognised on the intangible assets and the goodwill were appropriately determined. Also due to the limitations on our audit work on the fair value of the intangible assets at the date of acquisition of EPS and the impairment assessment on the New Energy Business CGU in our audit of the Group's 2017 consolidated financial statements, any adjustment to the carrying amounts of the intangible assets and the goodwill at 1 July 2017 would have consequential impacts on the amount of impairment losses recognised on intangible assets and goodwill, the amount of amortisation charge on the intangible assets and the amount of deferred tax liability relating to the intangible assets being reversed in the current year.

編製二零一七年綜合財務報表時，貴公司董事已對新能源業務現金產生單位進行減值評估，結論為於二零一七年六月三十日，新能源業務現金產生單位並無減值虧損。然而，於我們審計貴集團之二零一七年綜合財務報表過程中，我們未獲提供有關貴公司董事估計新能源業務現金產生單位之可收回金額時所用數據之準確性及相關性之充分恰當憑證。

基於上述限制及我們之工作範圍之其他限制，我們已修改對貴集團之二零一七年綜合財務報表之審計意見。上述限制於我們審計貴集團之二零一八年綜合財務報表時並未解決。

我們審計貴集團之二零一八年綜合財務報表時，已進行香港審計準則第540號「審計會計估計(包括公平值會計估計)及相關披露」所載審計程序，包括了解如何編製預測，並測試／考慮編製預測及估計新能源業務現金產生單位之可收回金額所依據之數據。然而，我們未獲提供有關估計現金產生單位之可收回金額所用數據之準確性及相關性之充分恰當憑證。由於我們之工作範圍受到限制，我們無法確定新能源業務現金產生單位之可收回金額是否恰當估計，因而無法確定就無形資產及商譽確認之減值虧損金額是否恰當釐定。另由於審計貴集團之二零一七年綜合財務報表時對收購EPS日期之無形資產公平值及新能源業務現金產生單位減值評估之審計工作受限制，對於二零一七年七月一日之無形資產及商譽賬面值作出任何調整將對就無形資產及商譽確認之減值虧損金額、無形資產之攤銷開支金額及本年度所撥回無形資產相關之遞延稅項負債金額產生影響。

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We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the “Basis for Qualified Opinion” section above, we were not able to obtain sufficient appropriate evidence about the fair value change of financial liabilities at fair value through profit or loss for the year ended 30 June 2018 and carrying amounts of intangible assets and goodwill. Accordingly we are unable to conclude whether or not the other information is materially misstated with respect to these matters. Except for these matters, we have nothing to report in this regard.

我們根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審計。我們於該等準則項下之責任於我們的報告「核數師就審計綜合財務報表須承擔之責任」一節詳述。我們根據香港會計師公會之「專業會計師道德守則」（「守則」）獨立於貴集團，並已遵照守則履行其他道德責任。我們相信我們所獲得的審計憑證乃充足和適當地為我們的保留意見提供基礎。

年報之其他資料

董事須對其他資料承擔責任。其他資料包括貴公司年報所載之資料，惟不包括綜合財務報表及我們之核數師報告。

我們對綜合財務報表作出之意見並不涵蓋其他資料，我們亦不就此發表任何形式之核證結論。

就我們對綜合財務報表之審計而言，我們之責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。誠如上述「保留意見基準」一節所述，我們無法就截至二零一八年六月三十日止年度之按公平值計入損益之金融負債公平值變動及無形資產及商譽之賬面值取得充足和適當證據。因此我們無法就此等事項對其他資料是否具重大錯誤陳述作出結論。除此等事項外，我們就此並無須報告事項。

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Basis for Qualified Opinion" section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Impairment assessment for goodwill on hotel hospitality business

Refer to note 18 to the consolidated financial statements and the accounting policies in notes 3.11 and 3.12 to the consolidated financial statements.

As at 30 June 2018, the Group had goodwill with carrying amount of HK\$55,997,000 as the result of the acquisition of hotel hospitality business in the previous year.

The Group is required to test the amount of goodwill for impairment at least annually. For the purpose of assessing impairment, the directors of the Company assessed the recoverable amount of the asset based on higher of its fair value less costs of disposal and value-in-use. The goodwill was allocated to hotel hospitality business cash generating unit ("Hotel CGU"), and the recoverable amount of the Hotel CGU was determined by the directors based on fair value less costs of disposal.

The impairment assessment involves significant judgements and assumptions by the directors of the Company underlying the determination of the fair value less costs of disposal.

The directors of the Company has engaged an independent professionally qualified valuer to determine the fair value less costs of disposal of the Hotel CGU. The determination of the fair value less costs of disposal is based on the recent sales of similar transactions in the market. Directors of the Company concluded that, based on the assessment result, no impairment loss on goodwill has been recognised for the year.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。此等事項在我們審計整體綜合財務報表及出具意見時加以處理，我們不會對此等事項提供單獨意見。除「保留意見基準」一節中所述事項外，我們釐定下述事項為需於本報告中載列之關鍵審計事項。

酒店款待業務商譽減值評估

請參閱綜合財務報表附註18以及綜合財務報表附註3.11及3.12之會計政策。

於二零一八年六月三十日，由於在上一年度收購酒店款待業務，貴集團擁有賬面值為55,997,000港元之商譽。

貴集團須至少每年進行商譽減值測試。為達評估減值之目的，貴公司董事按其較高公平值減出售成本及使用價值評估資產之可收回金額。商譽乃分配至酒店款待業務現金產生單位（「酒店現金產生單位」），而酒店現金產生單位之可收回金額由董事根據公平值減出售成本而釐定。

減值評估涉及貴公司董事有關釐定公平值減出售成本所作重大判斷及假設。

貴公司董事已聘請獨立專業合資格評估師以釐定酒店現金產生單位之公平值減出售成本。釐定公平值減出售成本乃基於市場類似交易之近期銷售。貴公司董事總結，基於評估結果，本年度並無確認商譽減值虧損。

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How the matter was addressed in our audit

Our procedures on the impairment assessment by the directors of the Company for goodwill on hotel hospitality business included:

- (i) obtaining and reviewing the valuation reports prepared by the independent professional qualified valuer engaged by the Group;
- (ii) discussing with the independent professional qualified valuer and challenging the key estimates and assumptions adopted in the valuations, including comparable market transactions, and to assess the independence, objectivity, qualifications and expertise of the independent professional qualified valuer;
- (iii) assessing the valuation methodology adopted by the independent professional qualified valuer and comparing the key estimates and assumptions adopted in the valuation; and
- (iv) checking input data to supporting evidences, such as the market comparables used and assessing the reasonableness of these comparables.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

在審計中處理事項之方法

我們就 貴公司董事之酒店款待業務商譽減值評估之程序包括：

- (i) 獲得及審核 貴集團聘請之獨立專業合資格評估師所編製之估值報告；
- (ii) 與獨立專業合資格評估師討論及質詢於估值中採用之關鍵估計及假設(包括比較市場交易)以及評估獨立專業合資格評估師之獨立性、客觀性、資格及專業知識；
- (iii) 評估獨立專業合資格評估師所採用之估值方法及比較估值中採用之關鍵估計及假設；及
- (iv) 檢查證明文件之輸入數據，例如所使用的市場可比較數據及評估此等可比較數據之合理性。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實而公平地反映情況的綜合財務報表，並推行董事認為必要的有關內部監控，以使綜合財務報表之編製不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事亦須負責監督 貴集團的財務報告流程。審核委員會協助董事履行此方面的職責。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表須承擔之責任

我們的目標是合理確定綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具包括我們意見的核數師報告。根據百慕達一九八一年公司法第90條，本報告僅向閣下(作為整體)作出，除此之外別無其他用途。我們概不就本報告之內容向任何其他人士負責或承擔責任。

合理確定屬高層次的保證，惟根據香港審計準則進行之審計工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計過程中，我們運用專業判斷，並保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的成效發表意見。

Independent Auditor's Report

獨立核數師報告

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所取得的審計憑證，確定是否存在與事件或情況有關的重大不確定因素，從而可能導致對貴集團持續經營能力構成重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露。倘有關的披露不足，則修改我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公平反映有關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充分恰當審計憑證，以對綜合財務報表發表意見。我們負責集團審計之指導、監督及執行。我們僅對我們之審計意見承擔責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們與審核委員會溝通(其中包括)審計工作的計劃範圍及時間安排以及重大審計發現，包括我們在審計期間識別出內部監控的任何重大缺失。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有可能被合理地認為會影響我們獨立性的關係及其他事項，以及相關防範措施(倘適用)。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Lui Chi Kin

Practising Certificate Number P06162
Hong Kong, 28 September 2018

從與董事溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要之事項，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司
執業會計師

呂智健

執業證書編號 P06162
香港，二零一八年九月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Continuing operations | | | |
| Turnover | | | |
| Cost of sales | 6 | 59,896 (45,742) | 43,483 (28,098) |
| Gross profit | | 14,154 | 15,385 |
| Interest income | 7 | 105 | 4,786 |
| Other income and gains | | 2,298 | 3,117 |
| Selling and distribution expenses | | (4,897) | (4,976) |
| General and administrative expenses | | (158,354) | (126,889) |
| Finance costs | 11 | (8,170) | (17,122) |
| Share of loss of an associate | 19 | (5) | - |
| Impairment loss on intangible assets | 16 | (151,933) | - |
| Impairment loss on goodwill | 18 | (60,345) | - |
| Impairment loss of loans receivable | 23 | (2,441) | (5,199) |
| Impairment loss on deposits and prepayments | | - | (46,885) |
| Gain on disposal of a subsidiary | 38(a) | 36,177 | - |
| Change in fair value of derivative financial instrument | | - | (10,315) |
| Change in fair value of listed equity investments | | - | (869) |
| Gain on derecognition of available-for-sale investments | | - | 42,504 |
| Change in fair value of financial liabilities at fair value through profit or loss | 29 | 131,221 | - |
| Loss before income tax | 8 | (202,190) | (146,463) |
| Income tax credit | 12 | 39,777 | 3,872 |
| Loss for the year from continuing operations | | (162,413) | (142,591) |
| Discontinued operations | | | |
| Profit/(loss) for the year from discontinued operations | 9 | 4,929 | (3,675) |
| Loss for the year | | (157,484) | (146,266) |
| Other comprehensive income | | | |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | |
| Exchange differences arising on translation of foreign operations | | (882) | (17,826) |
| Changes in fair value of available-for-sale investments | 20 | 6,333 | 7,186 |
| Release of available-for-sale investments revaluation reserve upon derecognition of the convertible bonds | | - | (42,504) |
| Release of exchange reserve upon disposal of subsidiaries | 38 | 2,518 | - |
| Other comprehensive income for the year | | 7,969 | (53,144) |
| Total comprehensive income for the year | | (149,515) | (199,410) |

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | Note 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-----------------------------|----------------------------------|----------------------------------|
| Loss for the year attributable to: | | | |
| Owners of the Company | 下列人士應佔年內虧損： | | |
| Non-controlling interests | 本公司擁有人 | (156,754) | (144,426) |
| | 非控股權益 | (730) | (1,840) |
| | | (157,484) | (146,266) |
| Total comprehensive income for the year attributable to: | 下列人士應佔年內全面收入總額： | | |
| Owners of the Company | 本公司擁有人 | (148,858) | (196,324) |
| Non-controlling interests | 非控股權益 | (657) | (3,086) |
| | | (149,515) | (199,410) |
| (Loss)/earnings per share to owners of the Company from continuing and discontinued operations: | 本公司擁有人應佔每股(虧損)/盈利持續及已終止經營業務 | | |
| — Basic | — 基本 | 14 | |
| | | HK(2.72) cents 港仙 | HK(2.97) cents 港仙 |
| — Diluted | — 攤薄 | | |
| | | HK(2.72) cents 港仙 | HK(2.97) cents 港仙 |
| From continuing operations | 持續經營業務 | | |
| — Basic | — 基本 | | |
| | | HK(2.81) cents 港仙 | HK(2.90) cents 港仙 |
| — Diluted | — 攤薄 | | |
| | | HK(2.81) cents 港仙 | HK(2.90) cents 港仙 |
| From discontinued operations | 已終止經營業務 | | |
| — Basic | — 基本 | | |
| | | HK0.09 cent 港仙 | HK(0.07) cent 港仙 |
| — Diluted | — 攤薄 | | |
| | | HK0.09 cent 港仙 | HK(0.07) cent 港仙 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

| | | Notes | 2018 | 2017 |
|--|-----------------------|-------|--------------------------|--------------------------|
| | | 附註 | 二零一八年 HK\$'000 千港元 | 二零一七年 HK\$'000 千港元 |
| ASSETS AND LIABILITIES | 資產及負債 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 492,477 | 489,426 |
| Intangible assets | 無形資產 | 16 | 7,100 | 192,164 |
| Prepaid lease payments for land | 預付土地租金 | 17 | – | 9,890 |
| Goodwill | 商譽 | 18 | 55,997 | 113,462 |
| Interests in an associate | 於聯營公司之權益 | 19 | – | – |
| Available-for-sale investments | 可供出售投資 | 20 | 107,356 | 103,728 |
| Total non-current assets | 非流動資產總值 | | 662,930 | 908,670 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 56,625 | 79,766 |
| Trade receivables, other receivables, deposits and prepayments | 貿易應收賬項、其他應收款項、按金及預付款項 | 22 | 57,194 | 32,930 |
| Prepaid lease payments for land | 預付土地租金 | 17 | – | 257 |
| Loans receivable | 應收貸款 | 23 | 167,282 | 107,323 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產 | 24 | 30,000 | 80,000 |
| Pledged bank balances | 已抵押銀行結餘 | 33 | 3,655 | 3,003 |
| Bank balances and cash | 銀行結餘及現金 | 25 | 421,680 | 92,919 |
| Assets of a disposal group held for sale | 持作出售之出售集團之資產 | | 736,436 | 396,198 |
| | | 30 | 10,341 | – |
| Total current assets | 流動資產總值 | | 746,777 | 396,198 |
| Current liabilities | 流動負債 | | | |
| Trade payables, other advances and accruals | 貿易應付賬項、其他墊款及應計費用 | 26 | 47,416 | 35,114 |
| Borrowings | 借貸 | 27 | 10,706 | 9,140 |
| Corporate bonds | 公司債券 | 28 | – | 112,749 |
| Financial liabilities at fair value through profit or loss | 按公平值計入損益之金融負債 | 29 | – | 127,431 |
| Tax payable | 應付稅項 | | 2,717 | 9,572 |
| Liabilities of a disposal group held for sale | 持作出售之出售集團之負債 | | 60,839 | 294,006 |
| | | 30 | 284 | – |
| Total current liabilities | 流動負債總額 | | 61,123 | 294,006 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

| | | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------|-------------|----------------------------------|----------------------------------|
| Net current assets | 流動資產淨值 | | 685,654 | 102,192 |
| Total assets less current liabilities | 總資產減流動負債 | | 1,348,584 | 1,010,862 |
| Non-current liabilities | 非流動負債 | | | |
| Borrowings | 借貸 | 27 | 135,222 | 141,729 |
| Deferred tax liabilities | 遞延稅項負債 | 31 | 74,258 | 114,909 |
| Total non-current liabilities | 非流動負債總額 | | 209,480 | 256,638 |
| Net assets | 資產淨值 | | 1,139,104 | 754,224 |
| EQUITY | 權益 | | | |
| Share capital | 股本 | 32 | 784,776 | 261,592 |
| Reserves | 儲備 | | 353,658 | 494,039 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 1,138,434 | 755,631 |
| Non-controlling interests | 非控股權益 | | 670 | (1,407) |
| Total equity | 總權益 | | 1,139,104 | 754,224 |

These consolidated financial statements on pages 78 to 214 were approved and authorised for issue by the board of directors on 28 September 2018 and are signed on its behalf by:

第78至214頁之綜合財務報表已於二零一八年九月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

Wong Hin Shek
王顯碩

Chi Chi Hung, Kenneth
季志雄

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | | Equity attributable to owners of the Company 本公司擁有人應佔權益 | | | | | | | | | | | | | |
|---|---------------------|--|----------------|----------------------|---|---------------------------------------|-------------------|-------------------------|------------------|-----------------------|----------------|---------------------|-----------|---------------------------|--------------|
| | | Share capital | Share premium* | Contributed surplus* | Available-for-sale investments revaluation reserve* | Convertible preference share reserve* | Exchange reserve* | Statutory reserve fund* | Special reserve* | Share option reserve* | Other reserve* | Accumulated losses* | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價* | 繳入盈餘* | 儲備* | 儲備* | 外匯儲備* | 儲備基金* | 特殊儲備* | 儲備* | 其他儲備* | 累計虧損* | 總計 | 非控股權益 | 總權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | 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 | 千港元 | 千港元 | 千港元 |
| | | | | (note (a)) | (note (b)) | (note (g)) | (note (c)) | (note (d)) | (note (e)) | (note (f)) | (note (h)) | | | | |
| | | | | (附註(a)) | (附註(b)) | (附註(g)) | (附註(c)) | (附註(d)) | (附註(e)) | (附註(f)) | (附註(h)) | | | | |
| At 1 July 2016 | 於二零一六年七月一日 | 224,156 | 1,093,146 | 340,932 | 33,816 | - | (44,170) | 2,895 | (43,246) | 98,073 | - | (902,340) | 803,262 | (620) | 802,642 |
| Share issued upon exercise of share options | 購股權獲行使時發行股份 | 115 | 842 | - | - | - | - | - | - | (221) | - | - | 736 | - | 736 |
| Recognition of equity-settled share-based payment expenses | 確認以股本結算之股份付款開支 | - | - | - | - | - | - | - | - | 3,478 | - | - | 3,478 | - | 3,478 |
| Lapse of share options | 購股權失效 | - | - | - | - | - | - | - | - | (154) | - | 154 | - | - | - |
| Issuance of convertible preference shares | 發行可換股優先股 | - | - | - | - | 160,775 | - | - | - | - | - | - | 160,775 | - | 160,775 |
| Share issued upon conversion of convertible preference shares | 可換股優先股獲兌換時發行股份 | 37,321 | 123,454 | - | - | (160,775) | - | - | - | - | - | - | - | - | - |
| Change in ownership of subsidiaries (note 39(c)) | 附屬公司擁有權變動(附註39(c)) | - | - | - | - | - | - | - | - | - | (16,296) | - | (16,296) | (19,373) | (35,669) |
| Arising from acquisition of subsidiaries (note 37) | 收購附屬公司所產生(附註37) | - | - | - | - | - | - | - | - | - | - | - | - | 21,672 | 21,672 |
| Transactions with owners | 與擁有人之交易 | 37,436 | 124,296 | - | - | - | - | - | - | 3,103 | (16,296) | 154 | 148,693 | 2,299 | 150,992 |
| Comprehensive income | 全面收入 | | | | | | | | | | | | | | |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | - | - | (144,426) | (144,426) | (1,840) | (146,266) |
| Other comprehensive income | 其他全面收入 | | | | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生匯兌差額 | - | - | - | - | - | (16,580) | - | - | - | - | - | (16,580) | (1,246) | (17,826) |
| Change in fair value of available-for-sale investments | 可供出售投資公平價值變動 | - | - | - | 7,186 | - | - | - | - | - | - | - | 7,186 | - | 7,186 |
| Release of available-for-sale investments upon derecognition of convertible bonds | 於終止確認可換股債券時轉出可供出售投資 | - | - | - | (42,504) | - | - | - | - | - | - | - | (42,504) | - | (42,504) |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | (35,318) | - | (16,580) | - | - | - | - | (144,426) | (196,324) | (3,086) | (199,410) |
| At 30 June 2017 | 於二零一七年六月三十日 | 261,592 | 1,217,442 | 340,932 | (1,502) | - | (60,750) | 2,895 | (43,246) | 101,176 | (16,296) | (1,046,612) | 755,631 | (1,407) | 754,224 |

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | | Equity attributable to owners of the Company 本公司擁有人應佔權益 | | | | | | | | | | | | |
|---|------------------------|--|------------------|----------------------|---|-------------------|-------------------------|------------------|-----------------------|-----------------|---------------------|------------------|---------------------------|------------------|
| | | Share capital | Share premium* | Contributed surplus* | Available-for-sale investments revaluation reserve* | Exchange reserve* | Statutory reserve fund* | Special reserve* | Share option reserve* | Other reserve* | Accumulated losses* | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價* | 繳入盈餘* | 可供出售投資重估儲備* | 外匯儲備* | 法定儲備基金* | 特殊儲備* | 購股權儲備* | 其他儲備* | 累計虧損* | 總計 | 非控股權益 | 總權益 |
| | | HK\$'000 | HK\$'000 | 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 | 千港元 | 千港元 |
| | | | | (note (a)) | (note (b)) | (note (c)) | (note (d)) | (note (e)) | (note (f)) | (note (h)) | | | | |
| | | | | (附註(a)) | (附註(b)) | (附註(c)) | (附註(d)) | (附註(e)) | (附註(f)) | (附註(h)) | | | | |
| At 1 July 2017 | 於二零一七年七月一日 | 261,592 | 1,217,442 | 340,932 | (1,502) | (60,750) | 2,895 | (43,246) | 101,176 | (16,296) | (1,046,612) | 755,631 | (1,407) | 754,224 |
| Capital injection of non-controlling interests | 非控股權益注資 | - | - | - | - | - | - | - | - | - | - | - | 2,848 | 2,848 |
| Disposal of subsidiaries | 出售附屬公司 | - | - | - | - | - | - | - | - | - | - | - | (114) | (114) |
| Issuance of shares (note 32) | 發行股份(附註32) | 523,184 | 20,927 | - | - | - | - | - | - | - | - | 544,111 | - | 544,111 |
| Transaction cost for rights issue (note 32) | 供股交易成本(附註32) | - | (20,482) | - | - | - | - | - | - | - | - | (20,482) | - | (20,482) |
| Lapse of share options | 購股權失效 | - | - | - | - | - | - | - | (58) | - | 58 | - | - | - |
| Recognition of equity-settled share-based payments expense | 確認股權結算股份付款開支 | - | - | - | - | - | - | - | 8,032 | - | - | 8,032 | - | 8,032 |
| Release of statutory reserve fund to profit or loss upon disposal of subsidiaries | 出售附屬公司時轉出法定儲備基金至損益 | - | - | - | - | - | (2,895) | - | - | - | 2,895 | - | - | - |
| Release of other reserve to profit or loss upon disposal of subsidiaries | 出售附屬公司時轉出其他儲備至損益 | - | - | - | - | - | - | - | - | 306 | (306) | - | - | - |
| Transactions with owners | 與擁有人之交易 | 523,184 | 445 | - | - | - | (2,895) | - | 7,974 | 306 | 2,647 | 531,661 | 2,734 | 534,395 |
| Comprehensive income | 全面收入 | - | - | - | - | - | - | - | - | - | (156,754) | (156,754) | (730) | (157,484) |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | - | (156,754) | (156,754) | (730) | (157,484) |
| Other comprehensive income | 其他全面收入 | - | - | - | - | (955) | - | - | - | - | - | (955) | 73 | (882) |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生匯兌差額 | - | - | - | - | (955) | - | - | - | - | - | (955) | 73 | (882) |
| Change in fair value of available-for-sale investments | 可供出售投資公平值變動 | - | - | - | 6,333 | - | - | - | - | - | - | 6,333 | - | 6,333 |
| Release of exchange reserve to profit or loss upon disposal of subsidiaries (note 38) | 出售附屬公司時轉出外匯儲備至損益(附註38) | - | - | - | - | 2,518 | - | - | - | - | - | 2,518 | - | 2,518 |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | 6,333 | 1,563 | - | - | - | - | (156,754) | (148,858) | (657) | (149,515) |
| At 30 June 2018 | 於二零一八年六月三十日 | 784,776 | 1,217,887 | 340,932 | 4,831 | (59,187) | - | (43,246) | 109,150 | (15,990) | (1,200,719) | 1,138,434 | 670 | 1,139,104 |

* These reserve accounts comprise of the consolidated reserves of HK\$353,658,000 (2017: HK\$494,039,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內之綜合儲備 353,658,000 港元(二零一七年: 494,039,000 港元)。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

Notes:

- (a) In prior years, the Group undertook capital reorganisations resulting in the elimination of: (i) the share premium account of the Company with a balance of HK\$260,881,000 as at 30 September 2005 against accumulated losses of HK\$88,157,000 as at that date with the remaining balance of HK\$172,724,000 credited to contributed surplus of the Company; and (ii) share capital of the Company of HK\$168,208,000 which was credited to contributed surplus of the Company.
- (b) Available-for-sale investments revaluation reserve represents gain/losses arising on recognising financial assets classified as available-for-sale at fair value.
- (c) Exchange reserve comprises all foreign exchange differences arising on the translation of financial statements of foreign operations.
- (d) According to articles of association of the Group's subsidiaries operating in the People's Republic of China (the "PRC"), the subsidiaries are required to transfer 10% of their net profit as determined in accordance with the PRC Accounting Rules and Regulations to their statutory reserve fund until the statutory reserve fund reaches 50% of the respective registered capital. The transfer to this reserve must be made before distribution of dividend to equity holders of the PRC subsidiaries.
- (e) Special reserve arose from the business combination carried out by the Company in 2004, which was accounted for as a reverse acquisition. Details of the transaction were set out in the circular of the Company dated 14 June 2004.
- (f) Share option reserve represents the fair value of the share options granted to the eligible parties at the grant date.
- (g) Convertible preference share reserve represents the aggregate consideration of HK\$160,775,000 for the issuance of 746,430,000 convertible preference shares at the price of HK\$0.21 or HK\$0.233 each to third parties. In December 2016, all convertible preference shares have been converted into ordinary shares. Nominal value of HK\$37,321,000 was credited to share capital and the remaining balance of HK\$123,454,000 was credited to share premium accordingly.
- (h) Other reserve also arose from the acquisition of additional equity interest in subsidiaries from non-controlling interest set out in note 39.

附註：

- (a) 本集團於過往年度曾進行多次股本重組，導致(i)本公司於二零零五年九月三十日之股份溢價賬結餘260,881,000港元對銷該日之累計虧損88,157,000港元，餘額172,724,000港元則計入本公司繳入盈餘；及(ii)對銷計入本公司繳入盈餘之本公司股本168,208,000港元。
- (b) 可供出售投資重估儲備指於確認按公平值分類為可供出售之金融資產時產生之收益／虧損。
- (c) 外匯儲備包括換算海外業務財務報表所產生所有匯兌差額。
- (d) 根據本集團於中華人民共和國(「中國」)經營之附屬公司之組織章程細則，附屬公司須按中國會計規則及規例所釐定將純利之10%轉撥至法定儲備基金，直至法定儲備基金達至其註冊資本之50%。轉撥至此儲備必須於向中國附屬公司權益持有人分派股息之前進行。
- (e) 特殊儲備乃由於本公司在二零零四年進行業務合併而產生，該項業務合併已列作一項逆向收購。交易詳情載於本公司日期為二零零四年六月十四日之通函。
- (f) 購股權儲備指於授出日期向合資格人士所授出購股權之公平值。
- (g) 可換股優先股儲備指有關向第三方按價格每股0.21港元或0.233港元發行746,430,000股可換股優先股之總代價160,775,000港元。於二零一六年十二月，所有可換股優先股已轉換為普通股。因此面值37,321,000港元已計入股本，而餘額123,454,000港元則計入股份溢價。
- (h) 其他儲備亦由附註39所載向非控股權益額外收購附屬公司股權產生。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Cash flows from operating activities | | | |
| (Loss)/profit before income tax | | | |
| Continuing operations | | (202,190) | (146,463) |
| Discontinued operations | | 4,929 | (3,675) |
| | | (197,261) | (150,138) |
| Adjustments for: | 就下列項目作出調整： | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 11,759 | 9,940 |
| Amortisation of intangible assets | 無形資產攤銷 | 24,224 | 11,592 |
| Amortisation of issuance cost of corporate bonds | 公司債券發行成本攤銷 | 751 | 2,928 |
| Write-down of inventories | 撇減存貨 | 10,726 | 5,265 |
| Gain on derecognition of available-for-sale investments | 終止確認可供出售投資收益 | – | (42,504) |
| Gain on disposals of subsidiaries | 出售附屬公司所得收益 | (43,874) | – |
| Amortisation of prepaid lease payments for land | 預付土地租金攤銷 | 264 | 148 |
| Impairment loss on trade receivables | 貿易應收賬項減值虧損 | 628 | 122 |
| Reversal of impairment loss on trade receivables | 貿易應收賬項減值虧損撥回 | – | (1,908) |
| Impairment loss on deposits and prepayments | 按金及預付款項減值虧損 | – | 46,885 |
| Impairment of loans receivable | 應收貸款減值 | 2,441 | 5,199 |
| Impairment loss on intangible assets | 無形資產減值虧損 | 151,933 | – |
| Impairment loss on goodwill | 商譽減值虧損 | 60,345 | – |
| Impairment loss on available-for-sale investments | 可供出售投資減值虧損 | 2,705 | 1,215 |
| Change in fair value of derivative financial instruments | 衍生金融工具公平值變動 | – | 10,315 |
| Share-based payment expenses | 股份付款開支 | 8,032 | 3,478 |
| Change in fair value of financial assets at fair value through profit or loss | 按公平值計入損益之金融資產公平值變動 | – | 869 |
| Change in fair value of financial liabilities at fair value through profit or loss | 按公平值計入損益之金融負債公平值變動 | (131,221) | – |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 430 | 546 |
| Bank interest income | 銀行利息收入 | (105) | (15) |
| Finance costs | 融資成本 | 8,453 | 17,670 |
| Share of loss of an associate | 分佔聯營公司虧損 | 5 | – |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------------|----------------------------------|----------------------------------|
| Operating loss before working capital changes | 營運資金變動前之經營虧損 | (89,765) | (78,393) |
| Decrease in inventories | 存貨減少 | 10,037 | 9,441 |
| (Increase)/decrease in trade receivables, other receivables, deposits and prepayments | 貿易應收賬項、其他應收款項、按金及預付款項(增加)/減少 | (25,658) | 28,309 |
| Increase in loans receivable | 應收貸款增加 | (62,400) | (42,389) |
| Change in fair value of financial assets at fair value through profit or loss | 按公平值計入損益之金融資產公平值變動 | - | 123,657 |
| Increase/(decrease) in trade payables, other advances and accruals | 貿易應付賬項、其他墊款及應計費用增加/(減少) | 49,900 | (600) |
| Cash (used in)/generated from operations | 經營業務(所用)/所得現金 | (117,886) | 40,025 |
| Tax paid | 已付稅項 | (10) | (10) |
| Net cash (used in)/generated from operating activities | 經營業務(所用)/所得現金淨額 | (117,896) | 40,015 |
| Investing activities | 投資活動 | | |
| Net cash outflows from acquisition of subsidiaries | 收購附屬公司所得現金流出淨額 | - | (83,719) |
| Net cash outflows from acquisition of an associate | 收購聯營公司所得現金流出淨額 | (5) | - |
| Net cash inflows from disposals of subsidiaries | 出售附屬公司所得現金流入淨額 | 18 | - |
| Purchase of prepaid lease payments for land | 購入預付土地租金 | - | (10,073) |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | (6,303) | (634) |
| Sales proceeds of property, plant and equipment | 物業、廠房及設備之銷售所得款項 | 975 | 1,853 |
| Compensation from profit guarantee received | 已收溢利保證之補償 | 50,000 | - |
| Purchase of available-for-sale investments | 購買可供出售投資 | - | (100,000) |
| Bank interest income received | 已收銀行利息收入 | 105 | 15 |
| Increase in pledged deposits | 已抵押存款增加 | (713) | (2,173) |
| Net cash generated from/(used in) investing activities | 投資活動所得/(所用)現金淨額 | 44,077 | (194,731) |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

| | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Financing activities | | | |
| Acquisition of non-controlling interest | 收購非控股權益 | - | (35,669) |
| Repayment of corporate bonds | 償還公司債券 | (113,500) | (73,000) |
| Net proceeds from issue of convertible preference shares | 發行可換股優先股所得款項淨額 | - | 160,775 |
| Net proceeds from issue of shares upon exercise of share options | 購股權獲行使時發行股份之所得款項淨額 | - | 736 |
| Proceed from issue of ordinary shares upon the rights issue | 供股時發行普通股所得款項 | 544,111 | - |
| Expenses on the rights issue | 供股開支 | (20,482) | - |
| Repayment of borrowings | 償還借貸 | (72,541) | (1,558) |
| Proceeds from borrowings | 借貸所得款項 | 70,000 | 148,944 |
| Capital injection from non-controlling interests | 非控股權益注資 | 2,848 | - |
| Interest paid on borrowings and corporate bonds | 已繳借貸及公司債券利息 | (8,453) | (17,670) |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 401,983 | 182,558 |
| Net increase in cash and cash equivalents | 現金及現金等值項目增加淨額 | 328,164 | 27,842 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 629 | 1,231 |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等值項目 | 92,919 | 63,846 |
| Cash and cash equivalents at end of the year | 年終現金及現金等值項目 | 421,712 | 92,919 |
| Analysis of the balances of cash and cash equivalents | 現金及現金等值項目結餘分析 | | |
| Cash and cash equivalents included in cash and bank balances | 計入現金及銀行結餘的現金及現金等值項目 | 25 | 92,919 |
| Cash and bank balances included in assets of a disposal group held for sale | 計入持作出售之出售集團之資產的現金及銀行結餘 | 30 | - |
| Cash and cash equivalents as at year ended | 年終現金及現金等值項目 | 421,712 | 92,919 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

1. GENERAL INFORMATION

DeTai New Energy Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Room 2702, 27th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of the Company’s subsidiaries are (i) hotel hospitality business; (ii) new energy business; (iii) provision of money lending services; (iv) trading and distribution of liquor and wine; and (v) investments in securities and funds.

On 27 September 2017, a subsidiary of the Group as vendor entered into a share transfer agreement (the “Share Transfer Agreement”) with two independent third parties to dispose the entire equity interest of 國藏酒莊有限公司 (Guocang Liquor & Wine Merchant Limited) (“Guocang”) at a consideration of RMB100.

On 18 December 2017, a subsidiary of the Group as vendor entered into a share transfer agreement (the “Jiangsu Youli Share Transfer Agreement”) with two independent third parties to dispose the entire equity interest of 江蘇友立電動車有限公司 (Jiangsu Youli Electric Vehicle Co., Ltd.) (“Jiangsu Youli”) at a consideration of RMB100.

On 15 January 2018, a subsidiary of the Group as vendor entered into a share transfer agreement (the “Taishan Youli Share Transfer Agreement”) with two independent third parties to dispose the entire equity interest of 台山市友立新能源科技有限公司 (Taishan Youli New Energy Technological Ltd.*) (“Taishan Youli”) at a consideration of RMB100.

On 6 April 2018, a subsidiary of the Group as vendor entered into a sales and purchase agreement with an independent third party to dispose entire equity interest of 國豐友立(無錫)車業有限公司 (Guofeng Youli (Wuxi) Vehicles Ltd.) (“Guofeng Youli”) at a consideration of RMB25,000.

1. 一般資料

德泰新能源集團有限公司(「本公司」)在百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而其主要營業地點為香港灣仔港灣道26號華潤大廈27樓2702室。

本公司為一家投資控股公司。本公司附屬公司之主要業務為：(i)酒店款待業務；(ii)新能源業務；(iii)提供借貸服務；(iv)買賣及分銷酒類產品；及(v)證券及基金投資。

於二零一七年九月二十七日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議，以出售國藏酒莊有限公司全部股權，代價為人民幣100元。

於二零一七年十二月十八日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議(「江蘇友立股權轉讓協議」)，以出售江蘇友立電動車有限公司(「江蘇友立」)全部股權，代價為人民幣100元。

於二零一八年一月十五日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方(作為買方)訂立股權轉讓協議(「台山友立股權轉讓協議」)，以出售台山市友立新能源科技有限公司(「台山友立」)全部股權，代價為人民幣100元。

於二零一八年四月六日，本集團旗下一間附屬公司(作為賣方)與一名獨立第三方(作為買方)訂立股權轉讓協議，以出售國豐友立(無錫)車業有限公司(「國豐友立」)全部股權，代價為人民幣25,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

1. GENERAL INFORMATION (Continued)

Details of the abovementioned disposals are set out in note 38 to the consolidated financial statements.

Other than the aforementioned transactions, there was no other significant change in the Group's operations during the year.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

(a) Adoption of new/revised HKFRSS

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 July 2017:

| | |
|---|---|
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Asset for Unrealised Losses |
| Annual improvements to HKFRSS 2014-2016 Cycle | Amendments to HKFRS 12, Disclosure of Interests In Other Entities |

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in note 42 to the consolidated financial statements.

1. 一般資料(續)

有關上述出售事項之詳情載於綜合財務報表附註38。

除上述交易外，年內本集團業務並無其他重大變動。

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納新訂／經修訂香港財務報告準則

於本年度，本公司及其附屬公司(統稱「本集團」)首次應用以下由香港會計師公會頒佈之新訂準則、修訂及詮釋，有關新訂準則、修訂及詮釋與本集團於二零一七年七月一日開始之年度期間之綜合財務報表相關，並適用於該等綜合財務報表：

| | |
|----------------------------|-----------------------------|
| 香港會計準則第7號之修訂 | 披露計劃 |
| 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 |
| 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 | 香港財務報告準則第12號之修訂，披露於其他實體所持權益 |

香港會計準則第7號之修訂 — 披露計劃

該等修訂引入一項補充披露，將使財務報表使用者能夠評估融資活動產生之負債變動。

採納該等修訂導致綜合財務報表附註42呈列額外披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

(a) Adoption of new/revised HKFRSS (Continued)

Amendments to HKAS 12 — Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these consolidated financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

Annual Improvements to HKFRSs 2014–2016 Cycle — Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these consolidated financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則(續)

香港會計準則第12號之修訂一就未變現虧損確認遞延稅項資產。該等修訂與遞延稅項資產之確認有關，並澄清若干必要考量，包括就與按公平值計量之債務工具有關之遞延稅項資產之會計處理方法。

採納該等修訂對此等綜合財務報表並無影響，原因是澄清後之處理方式與本集團先前確認遞延稅項資產之方式一致。

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 — 香港財務報告準則第12號之修訂，披露於其他實體所持權益

根據年度改進過程頒佈之該等修訂對現時並不明確之多項準則作出微細及不急切之修改。其中包括對香港財務報告準則第12號「披露於其他實體所持權益」之修訂，以釐清香港財務報告準則第12號之披露規定(披露財務資料概要除外)亦適用於實體根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售或已終止經營業務之其他實體之權益。

採納香港財務報告準則第12號之修訂對此等綜合財務報表並無影響，因為後者之處理方式與本集團先前處理有關披露根據香港財務報告準則第5號分類為持作出售或已終止經營業務之其他實體之權益之方式一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

| | |
|--|--|
| Annual Improvements to HKFRSs 2014–2016 Cycle | Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹ |
| Annual Improvements to HKFRSs 2014–2016 Cycle | Amendments to HKAS 28, Investments in Associates and Joint Ventures ¹ |
| Amendments to HKFRS 2 HKFRS 9 HKFRS 15 Amendments to HKFRS 15 | Classification and Measurement of Share-Based Payment Transactions ¹ Financial Instruments ¹ Revenue from Contracts with Customers ¹ Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹ |
| Amendments to HKAS 40 | Transfers of Investment Property ¹ |
| HK(IFRIC)-Int 22 | Foreign Currency Transactions and Advance Consideration ¹ |
| Amendments to HKFRS 9 HKFRS 16 HK(IFRIC)-Int 23 | Prepayment Features with Negative Compensation ² Leases ² Uncertainty over Income Tax Treatments ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |

- ¹ Effective for annual periods beginning on or after 1 January, 2018
- ² Effective for annual periods beginning on or after 1 January, 2019
- ³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提早採納下列可能與本集團綜合財務報表有關之已頒佈但尚未生效之新訂／經修訂香港財務報告準則：

| | |
|----------------------------|--|
| 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 | 香港財務報告準則第1號之修訂，首次採納香港財務報告準則 ¹ |
| 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 | 香港會計準則第28號之修訂，於聯營公司及合營企業之投資 ¹ |
| 香港財務報告準則第2號之修訂 | 股份付款交易之分類及計量 ¹ |
| 香港財務報告準則第9號 | 金融工具 ¹ |
| 香港財務報告準則第15號 | 客戶合約收益 ¹ |
| 香港財務報告準則第15號之修訂 | 客戶合約收益(香港財務報告準則第15號之澄清) ¹ |
| 香港會計準則第40號之修訂 | 轉撥投資物業 ¹ |
| 香港(國際財務報告詮釋委員會)－詮釋第22號 | 外幣交易及預付代價 ¹ |
| 香港財務報告準則第9號之修訂 | 具有負補償之提早還款特性 ² |
| 香港財務報告準則第16號 | 租賃 ² |
| 香港(國際財務報告詮釋委員會)－詮釋第23號 | 所得稅處理之不確定性 ² |
| 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間之資產出售或注資 ³ |

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 該等修訂原訂於二零一六年一月一日或之後開始之期間生效。有關生效日期現已押後／刪除。繼續允許提前應用有關修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

(b) New/revised HKFRSSs that have been issued but are not yet effective

(Continued)

Annual Improvements to HKFRSs 2014–2016 Cycle — Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Annual Improvements to HKFRSs 2014–2016 Cycle — Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

Amendments to HKFRS 2 — Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

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 — 香港財務報告準則第1號之修訂，首次採納香港財務報告準則

根據年度改進過程頒佈之該等修訂對現時並不明確之多項準則作出微細及不急切之修改。其中包括對香港財務報告準則第1號「首次採納香港財務報告準則」之修訂，刪去與已過去因而不適用之會計期間有關之過渡條文豁免。

二零一四年至二零一六年週期香港財務報告準則之年度改進 — 香港會計準則第28號之修訂，於聯營公司及合營企業之投資

根據年度改進過程頒佈之該等修訂對現時並不明確之多項準則作出微細及不急切之修改。其中包括對香港會計準則第28號「於聯營公司及合營企業之投資」之修訂，澄清風險資本機構可選擇按公平值計量聯營公司或合營企業時，可對每間聯營公司或合營企業分別作出有關選擇。

香港財務報告準則第2號之修訂 — 股份付款交易之分類及計量

該等修訂規定歸屬及非歸屬條件對以現金結算股份付款交易計量之會計處理；預扣稅責任具有淨額結算特徵之股份付款交易；以及交易類別由現金結算變更為權益結算之股份付款交易條款及條件之修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

(Continued)

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號 — 金融工具

香港財務報告準則第9號引入金融資產分類及計量之新規定。按業務模式持有而目的為持有資產以收取合約現金流之債務工具(業務模式測試)以及具產生現金流之合約條款且僅為支付本金及未償還本金利息之債務工具(合約現金流特徵測試)，一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售金融資產，則符合合約現金流特徵測試之債務工具乃按公平值計入其他全面收入(「按公平值計入其他全面收入」)計量。實體可於初步確認時作出不可撤回之選擇，按公平值計入其他全面收入計量並非持作買賣之股本工具。所有其他債務及股本工具乃按公平值計入損益(「按公平值計入損益」)計量。

香港財務報告準則第9號就並非按公平值計入損益之所有金融資產納入新預期虧損減值模式(取代香港會計準則第39號之已產生虧損模式)以及新一般對沖會計處理規定，讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債之確認、分類及計量規定，惟指定按公平值計入損益之金融負債除外，該負債信貸風險變動應佔之公平值變動金額於其他全面收入確認，除非其會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號終止確認金融資產及金融負債之規定。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

(Continued)

HKFRS 9 — Financial Instruments (Continued)

Based on an analysis of the Group's financial assets and financial liabilities as at 30 June 2018 and the facts and circumstances that exist at that date, the Group have performed a preliminary assessment of the impact of HKFRS 9 to the Group's consolidated financial statements. Application of HKFRS 9 in the future would have impact on the classification and measurement of the Group's financial assets. In addition, the expected credit loss model would result in early provision of credit losses, which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the completion of the detailed review.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號 — 金融工具(續)

根據對本集團於二零一八年六月三十日之金融資產及金融負債以及當日已存在事實及情況之分析，本集團已對香港財務報告準則第9號對本集團綜合財務報表之影響進行初步評估。日後應用香港財務報告準則第9號將對本集團金融資產之分類及計量產生影響。此外，預期信貸虧損模式導致提早就有關本集團以攤銷成本計量之金融資產尚未產生之信貸虧損作出撥備。然而，於完成詳細審閱前提供對香港財務報告準則第9號影響之合理估計並不可行。

香港財務報告準則第15號 — 客戶合約收益

新訂準則制定確認收益之單一框架。該框架之核心原則為實體應確認金額足以反映實體預期就交換貨品及服務有權獲得之代價之收益，以顯示向客戶轉讓所承諾貨品或服務。香港財務報告準則第15號取代現時之收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

(b) New/revised HKFRSSs that have been issued but are not yet effective

(Continued)

HKFRS 15 — Revenue from Contracts with Customers (Continued)

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
第一步：識別與客戶訂立之合約
- Step 2: Identify the performance obligations in the contract
第二步：識別合約中之履約責任
- Step 3: Determine the transaction price
第三步：釐定交易價
- Step 4: Allocate the transaction price to each performance obligation
第四步：按履約責任分配交易價
- Step 5: Recognise revenue when each performance obligation is satisfied
第五步：完成履約責任時確認收益

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The directors anticipate that the initial application of the HKFRS 15 will result in changes to the accounting policies relating to revenue recognition. Additional disclosures will also be made in respect of trade receivables and revenue recognition, including any significant judgement and estimation made. The directors have performed a preliminary analysis of the requirements of the initial application of the HKFRS 15 and have anticipated that the adoption of HKFRS 15 will not have a material impact on the consolidated financial statements of the Group.

Amendments to HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第15號 — 客戶合約收益(續)

香港財務報告準則第15號規定按五個步驟確認收益：

香港財務報告準則第15號包含與特定收益相關課題之特定指引，該等指引或會更改根據香港財務報告準則現時應用之方法。該準則亦顯著提升與收益相關之質化與量化披露。

董事預計，首次應用香港財務報告準則第15號將導致有關收益確認之會計政策有所變動，亦須就貿易應收賬項及收益確認作出額外披露，包括所作出之任何重大判斷及估計。董事已對首次應用香港財務報告準則第15號之規定進行初步分析，並預計採納香港財務報告準則第15號將不會對本集團綜合財務報表構成任何重大影響。

香港財務報告準則第15號之修訂 — 客戶合約收益(香港財務報告準則第15號之澄清)

香港財務報告準則第15號之修訂包括澄清對履行責任之識別方式；應用主事人或代理人；知識產權許可；及過渡規定。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

(b) New/revised HKFRSSs that have been issued but are not yet effective

(Continued)

Amendments to HKAS 40 — Transfers of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred.

The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

HK(IFRIC)-Int 22 — Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to HKFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第40號之修訂 — 轉撥投資物業

該等修訂澄清投資物業之轉入及轉出均須涉及用途改變，並就作出有關釐定提供指引。該澄清列明，倘物業符合或不再符合投資物業之定義及有證據證明用途改變，即等同用途改變。

該等修訂亦將準則中憑證清單重新定性為非詳盡清單，因此，其他形式之憑證亦可證明轉撥。

香港(國際財務報告詮釋委員會) — 詮釋第22號 — 外幣交易及預付代價

該詮釋就為釐定用於涉及以外幣支付或收取預付代價之交易之匯率而釐定交易日期，以及確認非貨幣資產或非貨幣負債提供指引。該詮釋訂明，釐定首次確認相關資產、開支或收益(或當中部分)所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日期。

香港財務報告準則第9號之修訂 — 具有負補償之提早還款特性

該等修訂澄清在符合特別條件下，附帶負補償之可預付金融資產可按攤銷成本或按公平值計入其他全面收入，而非按公平值計入損益計量。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

(Continued)

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

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.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號 — 租賃

香港財務報告準則第16號將於生效日期取代香港會計準則第17號「租賃」及相關詮釋，引入單一承租人會計處理模式並規定承租人就所有為期超過12個月的租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括承租人合理肯定會行使選擇權延續租賃或不行使中止租賃選擇權之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據前訂準則香港會計準則第17號分類為經營租賃之租賃。

就出租人會計法而言，香港財務報告準則第16號大致沿用香港會計準則第17號之出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且對兩類租賃進行不同會計處理。

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綜合財務報表附註

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

(Continued)

HKFRS 16 — Leases (Continued)

Total operating lease commitment of the Group in respect of office premises and vehicles as at 30 June 2018 amounted to HK\$7,149,000. The directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the form of an assets (for the right-of-use) and a financial liability (for the payment obligation) in the consolidated statement of financial position.

HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號 — 租賃(續)

於二零一八年六月三十日，本集團有關辦公室物業及汽車之經營租賃承擔總額為7,149,000港元。董事預期，與現行會計政策相較，採納香港財務報告準則第16號不會對本集團業績構成重大影響，惟預計該等租賃承擔當中若干部分將須於綜合財務狀況表中以資產(就使用權而言)及金融負債(就付款責任而言)方式確認。

香港(國際財務報告詮釋委員會)詮釋第23號 — 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及之不確定性影響提供指引，為香港會計準則第12號「所得稅」之規定提供支持。根據該詮釋，實體須視乎何種取向能更佳預測不確定性因素之解決方法決定分開抑或集中考慮各項不確定稅項處理。實體亦須假設稅務機關將會查驗其有權檢討之金額，並在作出上述查驗時全面知悉所有相關資料。倘實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同之方式計量即期及遞延稅項。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性因素解決方式之方法來反映釐定稅項涉及之不確定性因素。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (Continued)

(b) New/revised HKFRSSs that have been issued but are not yet effective

(Continued)

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

The Group is in the process of making an assessment of the potential impact of these new pronouncements upon application.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSS, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

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間之資產出售或注資

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團現正評估該等新頒佈準則一經採用後帶來之潛在影響。

3. 編製基準及主要會計政策

3.1 守章聲明

綜合財務報表乃遵照所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(統稱「香港財務報告準則」)以及香港公司條例之披露規定而編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)規定之適用披露事項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below.

3.3 Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

3.4 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3. 編製基準及主要會計政策 (續)

3.2 計量基準

綜合財務報表根據歷史成本基準編製，惟若干金融工具除外，如下文所載之會計政策所解釋，若干金融工具乃按公平值計量。

3.3 功能及呈列貨幣

財務報表以本公司之功能貨幣港元(「港元」)呈列，除非另有指明，所有價值均湊整至最接近千位(「千港元」)。

3.4 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團內公司間之交易及結餘連同未變現溢利，乃於編製綜合財務報表時全數對銷。除非交易證明所轉讓資產出現減值，並於損益確認虧損，否則未變現虧損亦予以對銷。

年內購入或出售之附屬公司之業績分別自其收購日期起或截至其出售日期止(視適用情況而定)計入綜合損益及其他全面收益表。於有需要時對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者貫徹一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.4 Business combination and basis of consolidation (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

3. 編製基準及主要會計政策 (續)

3.4 業務合併及綜合基準 (續)

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股本權益於收購當日之公平值總額計量。所收購可識別資產及所承擔負債主要按收購當日之公平值計量。本集團先前所持收購對象之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益確認。本集團可按每宗交易選擇以公平值或應佔收購對象之可識別資產淨值比例計算非控股權益(即現時於附屬公司之擁有權權益)。除非香港財務報告準則規定使用其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本均予支銷，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃自權益中扣除。

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計十二個月)內所取得有關於收購日期之公平值之新資料時，方以商譽確認。所有其他分類為資產或負債之或然代價之其後調整均於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.4 Business combination and basis of consolidation (Continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest 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 is 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, the profit or loss on disposal 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

3. 編製基準及主要會計政策 (續)

3.4 業務合併及綜合基準 (續)

本集團於附屬公司之權益變動如並無導致喪失控制權，則列作權益交易入賬。本集團之權益與非控股權益之賬面值均予以調整，以反映其於附屬公司相對權益之變動。非控股權益之調整數額與已付或已取代價公平值之間之任何差額，均直接於權益確認，並歸屬於本公司擁有人。

當本集團喪失附屬公司控制權，出售損益為以下兩者之差額：(i) 已收代價公平值與任何保留權益公平值之總額；及(ii) 資產(包括商譽)過往賬面值與附屬公司及任何非控股權益負債之總額。以往於其他全面收入確認與附屬公司有關之金額乃以相同方式入賬，猶如相關資產或負債已經出售。

收購後，非控股權益(即現時之附屬公司擁有權權益)之賬面值為該等權益於初步確認時之款額加上非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘，全面收入總額仍歸屬於非控股權益。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.5 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

3.6 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

3. 編製基準及主要會計政策 (續)

3.5 附屬公司

附屬公司指本公司能對其行使控制權之投資對象。倘具備以下全部三項元素，本公司即對投資對象擁有控制權：對投資對象擁有權力、來自投資對象可變回報之風險或權利，及對其行使權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司財務狀況表內，於附屬公司之權益乃以成本減任何減值虧損計入本公司財務狀況表內。本公司按已收及應收股息基準將附屬公司之業績入賬。

3.6 聯營公司

聯營公司為本集團對其有重大影響力之實體，且既非附屬公司，亦非共同安排。重大影響力指有權參與被投資方之財務及經營政策決策，但對該等政策並無控制或共同控制權。

聯營公司以權益法入賬，初步按成本確認，其後賬面值按本集團應佔聯營公司資產淨值於收購後之變動作出調整，惟超逾本集團於聯營公司權益之虧損將不予確認，除非本集團有責任彌補該等虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.6 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. Accounting policies on impairment of interests in associates are described in note 3.12 below.

3.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services provided in the normal course of business and the use by others of the Group's assets yielding interest and dividends, net of returns, discounts and other similar allowances and excludes value-added tax or other sales related taxes.

- (i) Sales of goods are recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.
- (ii) Hotel revenue from room rental, food and beverage sales and other ancillary services is recognised when the services are rendered.

3. 編製基準及主要會計政策 (續)

3.6 聯營公司 (續)

本集團與其聯營公司間進行交易所產生之溢利及虧損僅以無關連投資者於聯營公司之權益為限予以確認。投資者應佔該等交易所產生之聯營公司溢利及虧損與聯營公司之賬面值對銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益確認。

就聯營公司已付高出本集團應佔所收購可識別資產、負債及或然負債公平值之任何溢價會撥充資本，並計入該聯營公司之賬面值。倘有客觀證據顯示於聯營公司之投資出現減值，則投資賬面值以與其他非金融資產一致之方式進行減值測試。有關於聯營公司之權益減值之會計政策載於下文附註3.12。

3.7 收益確認

收益乃指於一般業務過程中就已售出貨品及所提供服務之已收或應收代價公平值，以及其他人士使用本集團資產產生之利息及股息，並已扣除退貨、折扣以及其他類似撥備，且不包括增值稅或其他銷售相關稅項。

- (i) 銷售貨品乃於風險及回報之擁有權轉移，即貨品付運時及所有權移交予客戶時確認。
- (ii) 來自房租、餐飲銷售及其他配套服務之酒店收益於提供服務時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.7 Revenue recognition (Continued)

- (iii) Interest income from a financial asset is accrued on a time-apportioned basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset's net carrying amount.
- (iv) Dividend income is recognised when the right to receive the dividend is established.

3.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Freehold land is stated at cost and not depreciated.

Buildings are depreciated over the shorter of the term of the lease or fifty years using the straight-line method.

Leasehold improvements are depreciated over the shorter of the remaining term of the lease or at 5% per annum using the straight-line method.

3. 編製基準及主要會計政策 (續)

3.7 收益確認 (續)

- (iii) 金融資產之利息收入乃按時間基準，經參考尚餘本金及適用之實際利率計算，該利率為確實地貼現金融資產於預計可使用年期內之賬面淨值之估計未來現金收入之貼現率。
- (iv) 股息收入於收取股息之權利確立時確認。

3.8 物業、廠房及設備

物業、廠房及設備均以成本值減累計折舊及任何減值虧損入賬。物業、廠房及設備成本包括購買價及收購該等項目直接產生之開支。

僅於與該項目有關之未來經濟利益可能流向本集團，而項目成本能可靠計量時，後續成本方會計入資產賬面值或確認為一項獨立資產(如適用)。本集團會終止確認重置部分之賬面值。所有其他維修及保養乃於其產生之財政期間內在損益內確認為開支。

永久業權土地按成本列賬，且不予折舊。

樓宇按租期或五十年兩者之較短期間以直線法折舊。

租賃物業裝修於餘下租期或按每年5%(以較短者為準)以直線法折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.8 Property, plant and equipment

(Continued)

Depreciation is provided to write off the cost of other property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

| | |
|-----------------------------------|---|
| Freehold land | Not depreciated |
| Building | 2% |
| Leasehold improvements | Depreciated over the shorter of the remaining terms of lease or at 5% |
| Equipment, furniture and fixtures | 16.60%–33.33% |
| Plant, moulds and machinery | 20.00%–33.33% |
| Motor vehicles | 12.50%–33.33% |

The assets' estimated useful lives, estimated residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 item) is included in the profit or loss in the year in which the item is derecognised.

3.9 Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

3. 編製基準及主要會計政策 (續)

3.8 物業、廠房及設備 (續)

折舊乃使用直線法按以下年率於估計可使用年期撇銷其他物業、廠房及設備之成本計算撥備：

| | |
|------------|----------------|
| 永久業權土地 | 無折舊 |
| 樓宇 | 2% |
| 租賃物業裝修 | 按餘下租期或5%之較短者折舊 |
| 設備、傢俬及固定裝置 | 16.60%–33.33% |
| 廠房、模具及機器 | 20.00%–33.33% |
| 汽車 | 12.50%–33.33% |

本公司於各報告期末檢討資產之估計可使用年期、估計剩餘價值及折舊方法，並作出調整（視適用情況而定）。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生日後經濟利益時剔除確認。於剔除確認該資產時產生之任何盈虧（以出售所得款項淨額與該項目之賬面值間之差額計算）乃計入於該項目剔除確認年度之損益內。

3.9 根據經營租賃持作自用之租賃土地付款

根據經營租賃持作自用之租賃土地付款指用以收購承租人佔用物業長期權益之預付款項。該等預付款項乃按成本列賬，並按租期以直線法攤銷為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.10 Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with indefinite useful lives are carried at cost less any impairment losses and intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any change in estimate being accounted for on a prospective basis. Amortisation is charged on a straight-line basis over their estimated useful lives as follows.

| | |
|----------------------------|----------|
| Production formula | 10 years |
| Non-competition agreements | 7 years |
| Sales backlog agreements | 5 years |

The amortisation expense is recognised in profit or loss and included in general and administrative expenses.

Intangible assets are tested for impairment as described in note 3.12.

3. 編製基準及主要會計政策 (續)

3.10 無形資產 (商譽除外)

獨立收購之無形資產初步按成本確認。於業務合併時購入之無形資產，其成本為收購日期之公平值。具無限可使用年期之無形資產其後按成本減任何減值虧損入賬，而具有有限可使用年期之無形資產則按成本減累計攤銷及累計減值虧損入賬。估計可使用年期及攤銷方式於各年度報告期末檢討，任何估計變動之影響按前瞻基準入賬。攤銷按直線基準於其估計可使用年期扣除如下。

| | |
|-------|-----|
| 生產配方 | 10年 |
| 非競爭協議 | 7年 |
| 銷量協議 | 5年 |

攤銷開支於損益確認，並計入一般及行政開支。

無形資產按附註3.12所述進行減值測試。

Notes to the Consolidated Financial Statements

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.11 Goodwill

Goodwill represents the excess of the consideration transferred of a business combination, the amount recognised for non-controlling interests and the fair value of the Group's previously held equity interest over the Group's interest in the net fair value of the recognised identifiable assets, liabilities and contingent liabilities measure as at acquisition date. The consideration transferred of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (note 3.12).

Any excess of the Group's interest in the net fair value of the recognised identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

On subsequent disposal of a subsidiary, the attributable amount of goodwill recognised is included in the determination of the amount of gain or loss on disposal.

3. 編製基準及主要會計政策 (續)

3.11 商譽

商譽指業務合併轉讓之代價、就非控股權益確認之金額及本集團先前持有之股本權益之公平值超出本集團於已確認可識別資產、負債及或然負債於收購當日所計量公平淨值之權益部分。業務合併轉讓之代價根據交易日期所給予資產、所產生或承擔負債及本集團所發行股本工具之公平值總和計量。

商譽按成本減累計減值虧損列賬。商譽分配至現金產生單位並每年進行減值測試(附註3.12)。

本集團於已確認可識別資產、負債及或然負債之公平淨值之權益超出業務合併成本之任何部分乃即時於損益確認。

其後出售附屬公司時，釐定出售所產生收益或虧損之款額乃包括已確認商譽應佔款額。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.12 Impairment of non-financial assets

Goodwill arising on acquisition of subsidiaries, property, plant and equipment, prepaid lease payments for land, intangible assets and interests in subsidiaries an associate are subject to impairment testing.

Goodwill and intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

3. 編製基準及主要會計政策 (續)

3.12 非金融資產減值

因收購附屬公司而產生之商譽、物業、廠房及設備、預付土地租金、無形資產以及於附屬公司及聯營公司之權益均須進行減值測試。

具無限可使用年期或尚未可供使用之商譽及無形資產須至少每年進行減值測試一次，而不論有否跡象顯示出現減值。所有其他資產在有跡象顯示未必能收回資產賬面值時進行減值測試。

減值虧損乃按資產之賬面值超出其可收回金額之差額即時確認為支出。可收回金額為反映市況之公平值減出售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前貼現率貼現至其現值，以反映現時市場對金錢時間價值及有關資產特有風險之評估。

為評估減值，倘資產產生之現金流入大致上並非獨立於其他資產，可收回金額則按可獨立產生現金流入之最小資產組別(即現金產生單位)釐定。因此，部分資產乃個別進行減值測試，另有部分按現金產生單位進行測試。特別是商譽乃分配至該等預期可受惠於相關業務合併所帶來協同效應之現金產生單位，即本集團內就內部管理目的而監控商譽之最低水平。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.12 Impairment of non-financial assets

(Continued)

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other non-financial assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, including an appropriate portion of fixed and variable overhead expenses, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less any applicable selling expense and the estimated costs necessary to make the sale.

3. 編製基準及主要會計政策 (續)

3.12 非金融資產減值 (續)

已分配商譽之現金產生單位已確認之減值虧損，均初步計入商譽之賬面值。任何剩餘減值虧損按比例於現金產生單位之其他資產扣除，惟資產之賬面值將不會調減至低於其個別公平值減出售成本或使用價值(如可釐定)則除外。

商譽減值虧損不會於其後期間撥回。就其他非金融資產而言，倘用於釐定資產可收回金額之估計出現有利變動，則撥回減值虧損，惟資產之賬面值不得超出在並未確認減值虧損之情況下原應釐定之賬面值(扣除折舊或攤銷)。

於中期期間就商譽確認之減值虧損不會於其後期間撥回。即使在僅於與中期期間有關之財政年度年終進行減值評估而不會確認虧損或確認較少虧損之情況下，亦會如此處理。

3.13 存貨

存貨以成本值與可變現淨值兩者中之較低者列賬。成本值(包括固定及浮動經常性開支之相關部分)乃以加權平均成本法計算。可變現淨值指日常業務過程中之估計售價減任何適用銷售開支及銷售所需估計成本。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.14 Borrowing costs

Borrowing costs attributable directly 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 capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.15 Income taxes

Income taxes for the year comprise of current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

3. 編製基準及主要會計政策 (續)

3.14 借貸成本

收購、建造或生產合資格資產(即須長時間方可作擬定用途或銷售之資產)直接應佔借貸成本乃撥充該等資產之成本內,直至資產大致可作擬定用途或銷售時為止。特定借貸在用作資產之支銷前暫時用作投資所賺取收入,自己資本化借貸成本中扣除。所有其他借貸成本於產生期間在損益確認。

3.15 所得稅

本年度所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之損益,對就所得稅而言毋須課稅或不可扣稅之項目作出調整,並按報告期末已制定或大致上制定之稅率計算。

遞延稅項乃就資產與負債就財務報告目的而言之賬面值與就稅務目的所用之相應數額之暫時差異而確認。除不影響會計或應課稅溢利之商譽及已確認資產與負債之外,所有應課稅暫時差異之遞延稅項負債均會確認。在有可能出現可運用可扣稅之暫時差異抵銷應課稅溢利時,遞延稅項資產方會確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於報告期末已制定或大致上制定之稅率計量。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.15 Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

3.16 Leases

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

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

3.17 Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 編製基準及主要會計政策 (續)

3.15 所得稅 (續)

遞延稅項負債乃於投資附屬公司、聯營公司及共同控制實體產生應課稅暫時差額時確認，惟倘本集團能夠控制暫時差額之撥回且該暫時差額在可預見將來將不可能撥回者則除外。

所得稅乃於損益內確認，除非該等稅項與其他全面收入確認之項目有關，在該情況下，該等稅項亦於其他全面收入內確認。

3.16 租賃

凡租賃之條款將擁有權之絕大部分風險及回報轉由承租人承擔，即歸類為融資租賃。所有其他租賃歸類為經營租賃。

本集團作為承租人

根據經營租賃應付之租金總額將以直線法於租期內在損益確認。已收取之租賃獎勵於租期內確認為租金開支總額之一部分。

3.17 外幣

集團實體以其／彼等經營所在主要經濟環境貨幣（「功能貨幣」）以外之貨幣進行之交易，按進行交易時之適用匯率入賬。外幣貨幣資產及負債則以報告期間結束時之適用匯率換算。以外幣表示公平值之非貨幣項目按公平值釐定日期之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.17 Foreign currencies (Continued)

Exchange differences arising from the settlement of monetary items, and on the translation of monetary items, are recognised as profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

3. 編製基準及主要會計政策 (續)

3.17 外幣 (續)

因結算貨幣項目及換算貨幣項目而產生之匯兌差額於彼等產生期間在損益中確認。因重新換算以公平值表示之非貨幣項目而產生之匯兌差額包含於當期損益內，惟重新換算匯兌盈虧於其他全面收益內確認之非貨幣項目而產生之差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈列貨幣(即港元)，除非期內匯率大幅波動，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結束時之適用匯率換算。所產生之匯兌差額(如有)於其他全面收益確認，並於權益內累計入賬為外匯儲備(少數股東權益應佔外匯儲備(如適用))。於換算構成本集團於所涉海外業務之部份投資淨額之長期貨幣項目時，在集團實體獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並於權益內累計入賬為外匯儲備。

於二零零五年一月一日或之後收購海外業務時產生之已收購可識別資產之商譽及公平值調整乃視為該海外業務之資產及負債處理，並按報告期末之現行匯率換算。產生之匯兌差額確認為外匯儲備。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments

(a) Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, that is, the date that the Group commits to purchase or sell the asset. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

3. 編製基準及主要會計政策 (續)

3.18 金融工具

(a) 金融資產

本集團金融資產分類為按公平值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各報告日期重新評估其分類。

所有金融資產僅在本集團訂立文據合約條文時方始確認，而日常買賣之金融資產乃於交易日期確認，即本集團承諾買賣資產之日期。金融資產初步確認時按公平值計量，而並非按公平值計入損益之投資，則加上直接應佔交易成本計量。

當收取投資現金流量之權利屆滿或擁有權及其絕大部分風險與回報已轉讓，金融資產予以剔除確認。

於各報告日期均須審閱金融資產，以評估有否出現減值客觀證據。倘存有任何該等證據，則按金融資產之分類釐定及確認減值虧損。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

3. 編製基準及主要會計政策(續)

3.18 金融工具(續)

(a) 金融資產(續)

(i) 按公平值計入損益之金融資產

該等資產包括持作買賣金融資產。倘購買金融資產之目的旨在於近期出售，則有關金融資產分類為持作買賣。衍生工具(包括單獨嵌入式衍生工具)亦分類為持作買賣，除非獲指定為有效對沖工具或金融擔保合約。

倘一份合約含有一份或以上嵌入式衍生工具，則整份混合合約可指定為按公平值計入損益之金融資產，惟嵌入式衍生工具並無導致現金流出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

倘符合以下條件，則可於初步確認時將金融資產指定為按公平值計入損益：(i)該分類消除或大幅減少按不同基準計量資產或確認其盈虧所導致之不一致處理情況；(ii)該等資產為根據明文規定之管理策略按公平值基準管理及評估表現之金融資產組別一部分；或(iii)金融資產包括須獨立列賬之嵌入式衍生工具。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(i) Financial assets at fair value through profit or loss (Continued)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

(ii) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(a) 金融資產 (續)

(i) 按公平值計入損益之金融資產 (續)

於初步確認後，按公平值計入損益之金融資產將按公平值計量，其公平值變動於產生期間在損益確認。

(ii) 貸款及應收款項

該等資產為並無於活躍市場上報價但具有固定或可釐定付款之非衍生金融資產。該等資產主要透過向客戶(應收款項債務人)提供貨品及服務時產生，亦包括其他種類之合約貨幣資產。於初步確認後，貸款及應收款項乃採用實際利息法按攤銷成本減任何已識別減值虧損列賬。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(iii) Available-for-sale financial assets

These include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the available-for-sales investment revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recycled to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to profit or loss.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(a) 金融資產 (續)

(iii) 可供出售金融資產

不符合計入任何其他金融資產類別之非衍生金融資產，歸類為可供出售金融資產。

此類別內所有金融資產於其後按公平值計量。不包括任何股息及利息收入之來自公平值變動之盈虧，於其他全面收入確認，並單獨於權益之可供出售投資重估儲備累計，惟減值虧損(見下文載列之政策)及貨幣資產匯兌盈虧除外，直至金融資產剔除確認，屆時先前於權益確認之累計盈虧會撥往損益。以實際利息法計算之利息於損益確認。出售後，先前於權益確認之累計盈虧轉撥至損益。

在活躍市場上並無市場報價而公平值不能可靠計量之可供出售股本證券投資，以及與該等無報價股本工具掛鈎並須以交付該等無報價股本工具之方式結算之衍生工具，於初次確認後各報告期末乃以成本減任何可識別減值虧損計算。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(iv) Impairment of financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial assets are impaired where 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 investment have been impacted. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(a) 金融資產 (續)

(iv) 金融資產減值

本集團於各報告期末評估財務資產有否出現減值之客觀跡象。倘有客觀證據顯示金融資產因一項或多項於初步確認金融資產後發生之事件而減值，則投資之估計未來現金流量會受到影響。客觀減值證據包括：

- 發行人或交易方面臨嚴重財政困難；
- 違反合約，例如未能支付或拖欠利息或本金；
- 因債務人財務困難而向債務人發出特別許可；或
- 借貸人極有可能破產或進行財務重組。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(iv) Impairment of financial assets (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

For loans and other receivables carried at amortised cost, the impairment loss is recognised in profit or loss when there is objective evidence that the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

For available-for-sale financial assets, where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(a) 金融資產 (續)

(iv) 金融資產減值 (續)

倘存在任何該等證據，則會釐定及確認任何減值虧損如下：

就按攤銷成本列賬之貸款及其他應收款項而言，倘有客觀證據顯示而當中貼現影響重大，則減值虧損按資產賬面值與以原有實際利率貼現之估計未來現金流量現值於損益中確認。如按攤銷成本列賬之金融資產具備類似風險特徵，例如類似之逾期情況及並未單獨獲評估為減值，則有關評估會同時進行。金融資產之未來現金流量會根據與該組獲評估具有類似信貸風險特徵之資產之過往虧損情況共同評估減值。

就可供出售金融資產而言，當公平值下降構成減值之客觀證據，虧損金額將從權益中移除，並於損益內確認。如投資公平值增加客觀上能與確認減值虧損後發生之事件相關，則可供出售債務投資之減值虧損其後會於損益中撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(a) Financial assets (Continued)

(iv) Impairment of financial assets (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables and loans receivable, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(a) 金融資產 (續)

(iv) 金融資產減值 (續)

若於往後期間，減值虧損數額減少，而該減少可客觀地與在確認減值虧損後所發生之事件聯繫，則減值虧損會透過損益撥回。撥回減值虧損不應導致資產之賬面值超過倘於以往年度並無確認減值原應有之賬面值。

減值虧損乃從相應資產中直接撇銷，惟就被視為難以而非無法收回之應收賬款及其他應收款項以及應收貸款確認之減值虧損除外。在此情況下，呆賬之減值虧損以撥備賬記錄。倘本集團相信能收回款項之機會不大，該被視為不可收回之金額會直接從應收賬款及其他應收款項中撇銷，而在撥備賬中就該債務保留之任何金額會獲撥回。倘先前計入撥備賬之款項在其後收回，則有關款項會於撥備賬撥回。撥備賬之其他變動及其後收回先前撇銷之款項均直接於損益確認。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(b) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by an entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

- (i) *Borrowings and corporate bonds*
Borrowings and corporate bonds are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the terms of the borrowings.
- (ii) *Other financial liabilities*
Other financial liabilities including trade payables and other advances are subsequently measured at amortised cost, using the effective interest method.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(b) 金融負債及股本工具

實體發行之金融負債及股本工具乃根據所訂立合約安排之性質與金融負債及股本工具之定義而分類。股本工具為證明於本集團經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團就指定金融負債及股本工具採納之會計政策載列如下。

- (i) *借貸及公司債券*
借貸及公司債券其後以實際利息法按攤銷成本計量。所得款項(扣除交易成本)與償還或贖回借貸兩者間之差額將按借貸年期確認。
- (ii) *其他金融負債*
其他金融負債包括貿易應付賬項及其他墊款，其後採用實際利息法以攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(b) Financial liabilities and equity instruments (Continued)

(iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

(iv) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(b) 金融負債及股本工具 (續)

(iii) 按公平值計入損益之金融負債

按公平值計入損益之金融負債包括分類為持作交易之金融負債及最初確認時按公平值計入損益之金融負債。

符合以下條件之金融負債將在最初確認時按公平值計入損益：(i) 此分類將抵銷或明顯減少由不同基準所產生之債務衡量或損益確認所導致之不一致處理；(ii) 此項金融負債為一系列被有效管理且其業績根據風險管理策略以公平值衡量之負債之一；或(iii) 此項金融負債包含需單獨入賬之嵌入式衍生工具。

於初次確認後，按公平值計入損益之金融負債按公平值計量，公平值變動於產生期間於損益內確認。

(iv) 股本工具

本公司發行之股本工具乃按已收所得款項（扣除直接發行成本）入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.18 Financial instruments (Continued)

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(d) Derecognition

The Group derecognises a financial asset when the contractual right to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39. On derecognition of a financial asset, 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 previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

3. 編製基準及主要會計政策 (續)

3.18 金融工具 (續)

(c) 實際利息法

實際利息法乃計算金融資產或金融負債之攤銷成本及於有關期間內攤分利息收入或開支之方法。實際利率乃按金融資產或負債預計年期或(視適用情況而定)較短期間之實際貼現估計日後所收取或支付現金之比率。

(d) 剔除確認

當與金融資產相關之未來現金流量合約權利屆滿，或當金融資產已經按照符合香港會計準則第39號剔除確認之條件轉讓，則本集團剔除確認該項金融資產。於剔除確認金融資產時，資產賬面值與已收及應收代價及先前已於其他全面收入確認之累計盈虧總和兩者間之差額於損益確認。

金融負債於有關合約訂明之責任已解除、取消或屆滿時剔除確認。剔除確認之金融負債賬面值與已付或應付代價兩者間之差額於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.19 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- (a) they are available for immediate sale;
- (b) management is committed to a plan to sell;
- (c) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- (d) an active programme to locate a buyer has been initiated;
- (e) the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- (f) a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- (a) their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- (b) fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

3. 編製基準及主要會計政策 (續)

3.19 持作出售之非流動資產及出售集團

如符合以下條件，非流動資產及出售集團分類為持作出售：

- (a) 可供即時出售；
- (b) 管理層承諾進行出售計劃；
- (c) 計劃作出重大變動或撤回計劃之可能性不大；
- (d) 已展開計劃積極物色買家；
- (e) 資產或出售集團以對其公平值而言屬合理之價格進行市場推廣；及
- (f) 預期出售可於分類日期起計12個月內完成。

分類為持作出售之非流動資產及出售集團以下列較低者計量：

- (a) 根據本集團之會計政策，緊接分類為持作出售集團前之賬面值；及
- (b) 公平值減出售成本。

於分類為持作出售集團後，非流動資產(包括於出售組別者)將不予折舊。

年內出售業務之業績列入損益表並計至出售日期為止。

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綜合財務報表附註

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3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.20 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.21 Share-based payment transactions

Share options granted to employees of the Group and others providing similar services

The fair value of share options has been recognised in the profit or loss as share-based payments.

The fair value of services received is determined by reference to the fair value of share options granted at the grant date is expensed in full when the equity instruments granted vest immediately unless the compensation qualifies for recognition as an asset with a corresponding increase in share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option 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 option reserve will be transferred to accumulated losses.

3. 編製基準及主要會計政策 (續)

3.20 撥備及或然負債

因過去某一事件以致本集團出現可能導致可合理估計之經濟利益流出之法律或推定責任時，就時間或金額不明確之負債確認撥備。

倘若經濟利益不大可能需要流出，或倘若有關金額不能可靠估計時，則有關責任將獲披露為或然負債，除非經濟利益流出之可能性極微。潛在責任（其存在僅由一項或多項未來事件之出現與否確定）亦披露為或然負債，除非經濟利益流出之可能性極微。

3.21 股份付款交易

授予本集團僱員及提供類似服務之其他人士之購股權

購股權之公平值已於損益確認為股份付款。

所獲服務之公平值乃經參考已授出購股權於授出日期之公平值後釐定，並於所授出股本工具即時歸屬時悉數支銷，除非有關補償符合資格確認為資產且購股權儲備相應增加。

購股權獲行使時，先前於購股權儲備中確認之款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，則先前於購股權儲備中確認之款項將撥入累計虧損。

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綜合財務報表附註

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3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.23 Employee benefits

Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Defined contribution pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest with the employees when contributed into the MPF Scheme.

3. 編製基準及主要會計政策 (續)

3.22 現金及現金等值項目

現金及現金等值項目包括手頭現金及銀行活期存款，以及原定到期日為三個月或以下並隨時可轉換為已知數額現金且價值變動風險不大之其他短期高度流通投資。

3.23 僱員福利

短期僱員福利

短期僱員福利指預計在僱員提供相關服務之年度報告期末後十二個月以前將全數結付之僱員福利（離職福利除外）。短期僱員福利於僱員提供相關服務之年度內確認。

定額供款退休金責任

本集團根據強制性公積金計劃條例設有定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應付時在損益扣除。強積金計劃資產與本集團資產分開，由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出時歸僱員所有。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.23 Employee benefits (Continued)

Defined contribution pension obligations

(Continued)

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The Scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the Scheme are charged to profit or loss as they become payable in accordance with the rules of the PRC.

The employees of the Group's subsidiaries which operate in Sweden and Japan are required to participate in contributions to defined contribution retirement plans. Contributions are recognised as expenses in profit or loss when the services are rendered by the employees.

3.24 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

3. 編製基準及主要會計政策 (續)

3.23 僱員福利 (續)

定額供款退休金責任 (續)

本集團於中國經營業務之附屬公司之僱員須參與由地方政府管理之中央退休計劃。該等附屬公司須按工資若干百分比向中央退休計劃供款。計劃承擔向已退休僱員支付全部退休金之責任，除僱主供款外，本集團毋須就實際退休款項或其他退休後福利負上任何責任。計劃供款於根據中國法規應付時在損益扣除。

本集團於瑞典及日本經營業務之附屬公司之僱員須向定額供款退休計劃供款。供款於僱員提供服務時於損益內確認為開支。

3.24 有關連人士

- (a) 倘下列情況適用，該名人士或該名人士之近親即被視為與本集團有關連：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.24 Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. 編製基準及主要會計政策 (續)

3.24 有關連人士 (續)

(b) 倘任何下列情況適用，該實體即被視為與本集團有關連：

- (i) 該實體及本集團屬同一集團之成員(即各母公司、附屬公司及同系附屬公司互相關連)。
- (ii) 一實體為另一實體之聯繫人士或合營企業(或為某一集團之成員之聯繫人士或合營企業，而該另一實體為此集團之成員)。
- (iii) 兩個實體皆為相同第三方之合營企業。
- (iv) 一實體為第三方實體之合營企業及另一實體為第三方實體之聯繫人士。
- (v) 該實體為本集團或與本集團有關連之實體之僱員福利而設之離職後福利計劃。
- (vi) 該實體受(a)項所識別人士控制或共同控制。
- (vii) 於(a)(i)項所識別人士對實體有重大影響力，或是實體(或實體之母公司)高級管理人員。
- (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團母公司提供主要管理人員服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.24 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3.25 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

3.26 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major businesses.

3. 編製基準及主要會計政策 (續)

3.24 有關連人士 (續)

任何人士之近親為可能預期於與該實體之交易中影響該名人士或受該名人士影響之家族成員，包括：

- (i) 該名人士之子女及配偶或同居伴侶；
- (ii) 該名人士之配偶或同居伴侶之子女；及
- (iii) 該名人士或其配偶或同居伴侶之受養人。

3.25 股本

普通股分類為權益。股本採用已發行股份之面值釐定。

任何有關發行股份之交易成本自股份溢價(扣除任何相關所得稅利益)扣減，惟以該權益交易應佔遞增成本為限。

3.26 分類報告

本集團根據定期向執行董事呈報之內部財務資料確定其經營分類及編製分類資料，該等財務資料乃供主要營運決策者決定分配資源至本集團各業務環節及檢討該等業務環節之表現。向執行董事報告之內部財務資料按本集團主要業務釐定業務環節。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.26 Segment reporting (Continued)

The Group has identified the following reportable segments: (i) hotel hospitality business; (ii) new energy business; (iii) provision of money lending services; (iv) trading and distribution of liquor and wines; and (v) investments in securities and funds.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payments
- finance costs
- convertible bonds interests
- change in the fair value of derivative financial instruments
- gain on derecognition of available-for-sale investments
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but assets of a disposal group held for sale. In addition, corporate assets and bank balances and cash which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

3. 編製基準及主要會計政策 (續)

3.26 分類報告 (續)

本集團已確定以下可報告分類：(i) 酒店款待業務；(ii) 新能源業務；(iii) 提供借貸服務；(iv) 酒類產品買賣及分銷；及(v) 證券及基金投資。

由於各產品及服務類別所需資源以及市場方針不同，各經營分類獨立管理。

本集團根據香港財務報告準則第8號就報告分類業績所用計量政策與根據香港財務報告準則編製財務報表所用者相同，惟以下項目：

- 有關股份付款之開支
- 融資成本
- 可換股債券利息
- 衍生金融工具公平值變動
- 終止確認可供出售投資收益
- 並非直接計入任何經營分類業務活動之公司收入及開支

在計算經營分類之經營業績時，並無包括在內。

分類資產包括所有資產，惟持作出售之出售集團之資產除外。此外，並非直接計入任何經營分類業務活動之公司資產以及銀行結餘及現金不會分配至分類，主要應用於本集團總部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

3.26 Segment reporting (Continued)

Segment liabilities include all liabilities but liabilities of a disposal group held for sale, tax payable, deferred tax liabilities, corporate bonds and financial liabilities at fair value through profit or loss. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. Management reassess the estimations at the end of each reporting period.

3. 編製基準及主要會計政策 (續)

3.26 分類報告 (續)

分類負債包括所有負債，惟持作出售之出售集團之負債、應付稅項、遞延稅項負債、公司債券及按公平值計入損益之金融負債除外。此外，並非直接計入任何經營分類業務活動之公司負債不會分配至分類。

並無就可報告分類作出不均分配。

4. 重要會計估計及判斷

估計及判斷乃根據過往經驗及其他因素(包括相信在當時情況下合理發生之預期未來事件)作出持續評估。

本集團作出多項有關未來之判斷、估計及假設。定義上，所得會計估計與實際結果甚少相同。下文詳述有極大風險導致對下一個財政年度之資產及負債賬面值作出重大調整之判斷、估計及假設。

存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中之估計售價減估計完成所需成本及銷售開支。此等估計乃按照現時市況以及製造及銷售類似性質產品之過往經驗作出，並會因應競爭對手於嚴峻之行業週期所作行動而有重大變動。管理層於各報告期末重新評估有關估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis where appropriate over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives, depreciation method and the estimated residual values, if any, of the assets at least at the end of each reporting period in order to determine the amount of depreciation expense to be recorded during any reporting period. The depreciation method, useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Income taxes

The Group is subject to income taxes in Hong Kong, the PRC, Sweden and Japan. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, judgement is required in determining the Group's provision for income taxes as there are many transactions and calculations of which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重要會計估計及判斷(續)

物業、廠房及設備折舊

物業、廠房及設備均按其估計可使用年期並經計及其估計剩餘價值(如有)，採用直線法(如適用)進行折舊。本集團至少於各報告期末就資產之估計可使用年期、折舊方法及估計剩餘價值(如有)進行檢討，以釐定任何報告期間將予入賬之折舊開支款額。折舊方法、可使用年期及剩餘價值乃按照本集團於類似資產之過往經驗並經計及預期技術變動後釐定。倘過往之估計出現重大變動，則須對未來期間之折舊開支作出調整。

所得稅

本集團須繳納香港、中國、瑞典及日本之所得稅。本集團會根據現行稅務規例審慎評估交易之稅務影響，並作出相應之稅項撥備。然而，由於日常業務過程中有眾多交易，而其最終稅項未能確實釐定，故於釐定本集團就所得稅作出之撥備時須作出判斷。倘該等事宜之最終稅務結果與最初記錄者不同，有關差額將對釐定撥備期間之所得稅及遞延稅項撥備造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimated impairment of trade receivables, loans receivable and other receivables

Impairment loss on receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Allowances for impairment are determined by management of the Group based on the repayment history of its debtors and the current market conditions. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. Management reassesses the amount of impairment allowances of receivables, if any, at each reporting date.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the presented value. Details of impairment assessment are set out in note 18 to the consolidated financial statements.

4. 重要會計估計及判斷(續)

貿易應收賬項、應收貸款及其他應收款項之估計減值

倘有客觀證據證明本集團將不能按應收款項之原有條款收回全部款項，則就本集團應收款項確立減值虧損。減值撥備由本集團管理層按債務人還款記錄及現行市況釐定。債務人出現嚴重財政困難、債務人可能破產或進行財務重組以及拖欠或未能償還款項，均被視為應收款項出現減值之跡象。管理層於各報告日期重新評估應收款項之減值撥備金額(如有)。

商譽減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位之可收回金額。計算使用價值時，董事須估計預期可自現金產生單位產生之未來現金流量及適當貼現率，從而計算現值。減值評估之詳情載於綜合財務報表附註18。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Intangible assets with indefinite useful life are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Amortisation of intangible assets

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

4. 重要會計估計及判斷(續)

非金融資產(商譽除外)減值

本集團於各報告期末評估所有非金融資產有否出現任何減值跡象。具無限可使用年期之無形資產每年及於出現跡象時測試減值，而其他非金融資產則於有跡象顯示可能無法收回賬面值時測試減值。倘資產或現金產生單位之賬面值高於其可收回金額(即公平值減出售成本與使用價值兩者之較高者)，即表示出現減值。公平值減出售成本乃基於按公平原則所進行具約束力之類似資產銷售交易所得數據或可觀察市場價格扣除出售資產之增量成本計算。計算使用價值時，管理層必須估算資產或現金產生單位之估計未來現金流量，並選用適當之貼現率，以計算該等現金流量之現值。

無形資產攤銷

本集團就其無形資產釐定估計可使用年期及相關攤銷。無形資產之可使用年期按市場需求變動或資產輸出服務之預期用途及技術陳舊程度為基準而評估為有限或無限。具有有限可使用年期之無形資產隨預期可使用經濟年期攤銷，並於有跡象顯示無形資產可能已減值時進行減值測試。具有有限可使用年期之無形資產之攤銷期及攤銷方法至少於各報告期末由管理層審閱。

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綜合財務報表附註

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Valuation of share options granted

The fair value of share options granted was calculated using Black-Scholes valuation model based on the Group management's significant inputs into calculation including an estimated life of share options granted to be five years, based on exercise restrictions and behavioural consideration, the volatility of share price, weighted average share prices and exercise price of the share options granted. Furthermore, the calculation assumes no future dividends.

Fair value measurement

Certain of the Group's assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

4. 重要會計估計及判斷(續)

已授出購股權估值

已授出購股權之公平值乃按柏力克—舒爾斯估值模式計算，並按本集團管理層於計算時之重大輸入數據(包括授出購股權之五年估計年期)，以行使限制及行動代價、股價波幅、加權平均股價及已授出購股權之行使價計算。此外，有關計算假設並無未來股息。

公平值計量

綜合財務報表內本集團若干資產及負債須按公平值計量及／或作出公平值披露。

本集團金融資產及負債之公平值計量盡可能利用市場可觀察輸入資料及數據。釐定公平值計量採用之輸入數據分類為不同層級，基準為於估值方法中所用輸入數據之可觀察程度(「公平值等級」)：

第1級： 相同項目於活躍市場之報價(未經調整)；

第2級： 除第1級輸入數據外，可直接或間接觀察輸入數據；

第3級： 不可觀察輸入數據(即並非從市場數據中得出之數據)。

將項目分類為上述層級乃以所用輸入數據對該項目公平值計量影響重大之最低層級決定。於各層級之間轉撥項目乃於產生期間確認。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Fair value measurement (Continued)

The Group measures the following items at fair value:

- Available-for-sale investments (note 20)
- Financial assets at fair value through profit or loss (note 24)
- Financial liabilities at fair value through profit or loss (note 29)

For more detailed information in relation to the fair value measurement of the items above, please refer to note 5(b).

5. FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade receivables, other receivables, loans receivable, financial assets at fair value through profit or loss, deposits, bank balances and cash, trade payables, other payables and accruals, financial liabilities at fair value through profit or loss, borrowings and corporate bonds.

The main risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

4. 重要會計估計及判斷(續)

公平值計量(續)

本集團按公平值計量以下項目：

- 可供出售投資(附註20)
- 按公平值計入損益之金融資產(附註24)
- 按公平值計入損益之金融負債(附註29)

上述各項目公平值計量之進一步詳情，請參閱附註5(b)。

5. 財務風險管理

(a) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、貿易應收賬項、其他應收款項、應收貸款、按公平值計入損益之金融資產、存款、銀行結餘及現金、貿易應付賬項、其他應付款項及應計費用、按公平值計入損益之金融負債、借貸以及公司債券。

該等金融工具所附帶主要風險及減輕該等風險之政策載於下文。本集團管理及監察該等風險，旨在確保適時及有效地採取適當措施。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(a) Financial risk management objectives and policies (Continued)

Foreign currency risk

The Group mainly operates in Hong Kong, the PRC, Japan and Sweden with most of the transactions denominated and settled in HK\$, Renminbi ("RMB"), Japanese Yen ("JPY") and Swedish Krona ("SEK"), which are the functional currencies of respective group companies. The Group's exposure to foreign currency risk primarily arise from certain financial instruments which are denominated in United States Dollar ("USD"), which are currencies other than the functional currency. The following table summarises the Group's major financial assets denominated in USD other than the functional currencies of the respective group companies:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--------------------------------|--------------|----------------------------------|----------------------------------|
| Denominated in USD | 以美元列值 | | |
| Available-for-sale investments | 可供出售投資 | 2,525 | 5,230 |
| Bank balances and cash | 銀行結餘及現金 | 26 | 103 |

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that the pegged rate between the HK\$ and the USD would be materially unaffected by any changes in movement in value of the USD against HK\$.

The Group currently does not have a foreign currency hedging policy.

5. 財務風險管理(續)

(a) 財務風險管理目標及政策(續)

外幣風險

本集團主要於香港、中國、日本及瑞典經營業務，大部分交易以各集團公司之功能貨幣港元、人民幣(「人民幣」)、日圓(「日圓」)及瑞典克朗(「克朗」)列值及結算。本集團主要就若干以美元列值之金融工具面對外幣風險，而美元(「美元」)並非功能貨幣。下表概述本集團以有關集團公司各自功能貨幣以外美元列值之主要金融資產：

所述變動代表管理層對於直至下一年度報告日期止期間匯率之合理潛在變動的評估。就此而言，分析假設港元與美元間的聯繫匯率不會因美元兌港元匯率的任何變動而受到重大影響。

本集團目前並無外幣對沖政策。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(a) Financial risk management objectives and policies (Continued)

Credit risk

In order to minimise credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

The Group has concentration risk on trade receivables and loans receivable.

At the end of reporting period, the Group has concentration of credit risk as HK\$1,190,000 (2017: HK\$419,000) and HK\$1,826,000 (2017: HK\$1,158,000) of total trade receivables due from the Group's largest trade debtor and the five largest trade debtors respectively.

The Group also has concentration of credit risk as HK\$61,350,000 (2017: HK\$21,854,000) and HK\$153,656,000 (2017: HK\$88,980,000) of total loans receivable due from the Group's largest borrower and the five largest borrowers respectively.

To monitor the credit risk exposure, the management of the Group has reviewed the recoverability of each debtor and borrower periodically.

The credit risk on bank balances is limited because the counterparts are banks with high credit-ratings or with good reputation.

5. 財務風險管理 (續)

(a) 財務風險管理目標及政策 (續)

信貸風險

為盡量減低信貸風險，本集團已制定政策釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動收回逾期債項。此外，於各報告期末，本集團評估各個別應收賬項之可收回金額，確保已就不可收回金額作出足夠減值虧損。就此，本公司各董事認為信貸風險已大幅減低。

本集團之貿易應收賬項及應收貸款有集中風險。

於報告期末，本集團有集中信貸風險，此乃由於本集團最大貿易債務人及五大貿易債務人結欠貿易應收賬項總額分別1,190,000港元(二零一七年：419,000港元)及1,826,000港元(二零一七年：1,158,000港元)。

本集團亦有集中信貸風險，此乃由於本集團最大借貸人及五大借貸人結欠應收貸款總額分別61,350,000港元(二零一七年：21,854,000港元)及153,656,000港元(二零一七年：88,980,000港元)。

為監察信貸風險，本集團管理層已定期審閱各債務人及借貸人之可收回程度。

由於交易對方為高度信貸評級或信譽良好之銀行，故銀行結餘之信貸風險有限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(a) Financial risk management objectives and policies (Continued)

Interest rate risk

The Group's interest rate risk arises primarily from bank balances and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balance and borrowing with a floating interest rate. Management closely monitors cash flow interest rate risk and will consider hedging significant interest rate exposure should the need arise.

As at 30 June 2018, it is estimated that a general increase/(decrease) of 100 basis points in interest rates, with all other variables held constant, would (decrease)/increase the Group's loss for the year and the accumulated losses by approximately HK\$3,112,000 respectively.

As at 30 June 2017, it is estimated that a general increase/(decrease) of 100 basis points in interest rates, with all other variables held constant, would increase/(decrease) the Group's loss for the year and the accumulated losses by approximately HK\$197,000 respectively.

The sensitivity analysis above was determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis was performed on the same basis for 2017.

5. 財務風險管理 (續)

(a) 財務風險管理目標及政策 (續)

利率風險

本集團之利率風險主要源自銀行結餘及借貸。本集團所承擔市場利率變動風險主要與本集團浮息銀行結餘及借貸有關。管理層密切監察現金流量利率風險，並將於有需要時考慮對沖重大利率風險。

於二零一八年六月三十日，倘利率整體上升/(下降)100個基點，而所有其他可變因素維持不變，估計本集團之年內虧損及累計虧損將分別(減少)/增加約3,112,000港元。

於二零一七年六月三十日，倘利率整體上升/(下降)100個基點，而所有其他可變因素維持不變，估計本集團之年內虧損及累計虧損將分別增加/(減少)約197,000港元。

上述敏感度分析乃假設利率於報告日期發生變動，且已計入於當日存在之衍生及非衍生金融工具利率風險後作出。增加或減少100個基點為管理層對截至下一個年度報告日期止期間利率可能出現之合理變動所作評估。有關分析乃按與二零一七年相同之基準進行。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(a) Financial risk management objectives and policies (Continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay.

5. 財務風險管理 (續)

(a) 財務風險管理目標及政策 (續)

流動資金風險

本集團內各個別經營實體須負責其本身之現金管理，當中包括籌措貸款以應付預期現金需要，倘借貸高於若干預定授權水平時均須由本公司董事會批准。本集團之政策為定期監察其流動資金需求及遵守借貸契諾，以確保其維持充足現金儲備，並獲主要財務機構提供充足融資額之承諾，以應付長短期之流動資金需要。

下表載列本集團非衍生金融負債於報告期末之餘下合約到期日詳情，乃按照已訂約未貼現現金流量（包括採用已訂約利率或（如為浮動利率）於報告期末之現行利率計算之利息支出）及本集團可能須付款之最早日期計算。

| | | Carrying amount | Total contractual undiscounted cash flow | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years |
|-----------------------------|--------------|-----------------|--|----------------------------|--|---|-------------------|
| | 賬面值 | 已訂約未貼現現金流量總額 | 按要求 | 但少於兩年 | 但少於五年 | 多於五年 | |
| | 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 |
| 2018 | 二零一八年 | | | | | | |
| Borrowings | 借貸 | 145,928 | 151,114 | 13,455 | 9,921 | 127,738 | - |
| Trade payables and accruals | 貿易應付賬項及應計費用 | 15,398 | 15,398 | 15,398 | - | - | - |
| | | 161,326 | 166,512 | 28,853 | 9,921 | 127,738 | - |
| 2017 | 二零一七年 | | | | | | |
| Borrowings | 借貸 | 150,869 | 155,670 | 10,390 | 10,290 | 134,990 | - |
| Trade payables and accruals | 貿易應付賬項及應計費用 | 34,498 | 34,498 | 34,498 | - | - | - |
| Corporate bonds | 公司債券 | 112,749 | 114,850 | 114,850 | - | - | - |
| | | 298,116 | 305,018 | 159,738 | 10,290 | 134,990 | - |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair value of unlisted private fund as at 30 June 2018 and 2017 is determined by the Directors of the Company with reference to the valuation statements provided by the fund administrator;
- The fair value of compensation from profit guarantee is determined by the Directors of the Company with reference to the actual financial result of Delta Prestige Holdings Limited and its subsidiaries (the "Delta Prestige Group") for the year ended 30 June 2016;
- The fair value of contingent consideration payable is determined by Directors of the Company with reference to the valuation performed by Royson Valuation Advisory Limited ("Royson"), an independent professional qualified valuer, who has among its staff members of the Hong Kong Institute of Surveyor, by reference to the net profit after tax of Emission Particle Solution Sweden AB ("EPS") forecasted for the period from 1 January 2017 to 31 December 2017 for the year ended 30 June 2017; and
- The fair value of contingent consideration payable is determined by Directors of the Company with reference to the actual result of the net profit after tax of EPS for the period from 1 January 2017 to 31 December 2017 for the year ended 30 June 2018.

5. 財務風險管理 (續)

(b) 公平值

本集團金融資產及金融負債之公平值釐定如下：

- 於二零一八年及二零一七年六月三十日之非上市私人基金之公平值乃由本公司董事經參考於基金管理人所提供估值報告釐定；
- 溢利保證補償之公平值乃由本公司董事經參考德泰匯信控股有限公司及其附屬公司（「德泰匯信集團」）截至二零一六年六月三十日止年度之實際財務業績釐定；
- 截至二零一七年六月三十日止年度，應付或然代價公平值乃由本公司董事釐定，並經參考獨立專業合資格評估師匯辰評估諮詢有限公司（「匯辰」，其員工包括香港測量師學會會員）經參考預測 Emission Particle Solution Sweden AB（「EPS」）自二零一七年一月一日至二零一七年十二月三十一日期間之除稅後純利所作估值；及
- 截至二零一八年六月三十日止年度，應付或然代價公平值乃由本公司董事釐定，並經參考EPS自二零一七年一月一日至二零一七年十二月三十一日期間之除稅後純利實際結果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value (Continued)

HKFRS 7 requires disclosure for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

- | | | |
|----------------|---|--|
| Level 1 第1級 | — | Quoted price (unadjusted) in active markets for identical assets or liabilities. 相同資產或負債於活躍市場之報價(未經調整)。 |
| Level 2 第2級 | — | Inputs other than quoted price included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. 除第1級包括之報價外，可直接或間接觀察之資產或負債輸入數據。 |
| Level 3 第3級 | — | Inputs for the asset or liability that are not based on observable market data. 並非根據可觀察市場數據計算之資產或負債輸入數據。 |

5. 財務風險管理(續)

(b) 公平值(續)

香港財務報告準則第7號規定，須按以下公平值計量等級分級披露按公平值計量之金融工具：

| | | Level 1 第1級 HK\$'000 千港元 | Level 2 第2級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|------------------------------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| At 30 June 2018 | | 於二零一八年六月三十日 | | | |
| Assets | | 資產 | | | |
| Compensation from profit guarantee | 溢利保證補償 | - | - | 30,000 | 30,000 |
| Available-for-sale investments | 可供出售投資 | - | 107,356 | - | 107,356 |
| | | - | 107,356 | 30,000 | 137,356 |

| | | Level 1 第1級 HK\$'000 千港元 | Level 2 第2級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|------------------------------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| At 30 June 2017 | | 於二零一七年六月三十日 | | | |
| Assets | | 資產 | | | |
| Compensation from profit guarantee | 溢利保證補償 | - | - | 80,000 | 80,000 |
| Available-for-sale investments | 可供出售投資 | - | 103,728 | - | 103,728 |
| | | - | 103,728 | 80,000 | 183,728 |
| Liabilities | | 負債 | | | |
| Contingent consideration payable | 應付或然代價 | - | - | 127,431 | 127,431 |

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods. There were no significant transfers of financial assets and liabilities between Level 1, Level 2 and Level 3 fair value hierarchy classifications.

計量公平值所用方法及估值技術與過往報告期間相同。第1級、第2級與第3級公平值層級分類之間並無金融資產及負債之重大轉撥。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value (Continued)

The fair value of compensation from profit guarantee is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Opening balance (Level 3 recurring fair value) | 期初結餘(第3級經常性公平值) | 80,000 | 100,000 |
| Repayment during the year | 年內償還 | (50,000) | (20,000) |
| Closing balance (Level 3 recurring fair value) | 期終結餘(第3級經常性公平值) | 30,000 | 80,000 |

One of the key significant unobservable inputs to determine the fair value of compensation from profit guarantee is the actual financial result of Delta Prestige Group for the year ended 30 June 2016.

A better actual financial result of Delta Prestige Group for the year ended 30 June 2016 would result in a decrease in the fair value of compensation from profit guarantee, and vice versa.

5. 財務風險管理(續)

(b) 公平值(續)

溢利保證補償之公平值屬第3級經常性公平值計量。下文載列期初及期終公平值結餘對賬：

釐定溢利保證補償之公平值之其中一項主要重大不可觀察輸入數據為德泰匯信集團截至二零一六年六月三十日止年度之實際財務業績。

德泰匯信集團截至二零一六年六月三十日止年度之實際財務業績理想將令溢利保證補償之公平值有所減少，反之亦然。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value (Continued)

The fair value of contingent consideration payable is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Opening balance (Level 3 recurring fair value) | 期初結餘(第3級經常性公平值) | 127,431 | - |
| Arising from acquisition of subsidiaries (note 37(a)) | 收購附屬公司所產生(附註37(a)) | - | 116,574 |
| Change in fair value of financial liabilities at fair value through profit or loss | 按公平值計入損益之金融負債公平值變動 | (131,221) | - |
| Exchange realignment | 匯兌調整 | 3,790 | 10,857 |
| Closing balance (Level 3 recurring fair value) | 期終結餘(第3級經常性公平值) | - | 127,431 |

Contingent consideration payable represented the fair value of remaining consideration to be paid to the vendor of EPS after 31 December 2017 for the business combination. Pursuant to the sales and purchase agreement, the remaining balance of contingent consideration of SEK137,800,000 shall be adjusted according to the net profit after tax of EPS forecasted for the period from 1 January 2017 to 31 December 2017 ("NPAT"). The adjusted balance is calculated in accordance with the following formula:

$$\text{The adjusted balance} = \text{SEK}137,800,000 \times \text{NPAT} / \text{SEK}30,000,000$$

If EPS records a net loss after tax in aggregate in its financial statements for the period from 1 January 2017 to 31 December 2017, the adjusted balance shall be deemed as zero. In the event that the value of the adjusted balance exceeds the value of the remaining balance of SEK137,800,000, the Group shall only be obliged to pay the maximum of SEK137,800,000.

5. 財務風險管理(續)

(b) 公平值(續)

應付或然代價公平值屬第3級經常性公平值計量。下文載列期初及期終公平值結餘對賬：

應付或然代價指就業務合併於二零一七年十二月三十一日後EPS之賣方將獲支付之餘下代價之公平值。根據買賣協議，或然代價餘款137,800,000克朗須根據EPS由二零一七年一月一日至二零一七年十二月三十一日期間之預測除稅後純利(「NPAT」)作出調整。經調整餘款按以下公式計算：

$$\text{經調整餘款} = 137,800,000 \text{ 克朗} \times \text{NPAT} / 30,000,000 \text{ 克朗}$$

倘EPS由二零一七年一月一日至二零一七年十二月三十一日期間之財務報表合共錄得除稅後虧損淨額，則經調整餘款將視為零。倘經調整餘款金額高於餘款137,800,000克朗，則本集團只須支付最多137,800,000克朗。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

5. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value (Continued)

At the completion date, the Directors were of the opinion that EPS would achieve a NPAT equal to or larger than SEK30,000,000. As such, remaining balance was considered to be maximum of SEK137,800,000 (equivalent to approximately HK\$116,574,000). The contingent consideration payable is stated at fair value and presented as financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

For the year ended 30 June 2017, the Directors of the Company were of opinion that EPS can achieve the profit target by reference to the net profit after tax of EPS forecasted for the period from 1 January 2017 to 31 December 2017. The forecasted financial result of EPS for period from 1 January 2017 to 31 December 2017 is involved in significant unobservable input as follows:

Significant unobservable input

重大不可觀察輸入數據
Forecasted revenue
預測收益

A higher in forecasted revenue would result in an increase in the fair value of contingent consideration payable with the maximum cap balance of SEK137,800,000 while the lower in forecasted revenue would result in an decrease the fair value of contingent consideration payable.

All other variables are assuming held constant. Since the maximum balance of contingent consideration payable is SEK137,800,000, an increase in forecasted revenue for the period from 1 January 2017 to 31 December 2017 would have no effect on the fair value of contingent consideration payable. A decrease in the forecasted revenue for the period from 1 January 2017 to 31 December 2017 by 10% would result in a decrease in the fair value of contingent consideration payable by HK\$25,395,000.

For the year ended 30 June 2018, based on the signed agreements and/or sales orders determined by the Group, EPS would record a net loss after tax for the period from 1 January 2017 to 31 December 2017. Pursuant to the terms of the sales and purchase agreement (as amended and supplemented by the supplemental agreement), neither the purchaser nor the Company shall be obligated to pay the balance or the adjusted balance or any part thereof. The Directors of the Company are of opinion that the fair value gain of HK\$131,221,000 on the derecognition of the financial liabilities at fair value through profit or loss would be recognized in the consolidated statement of comprehensive income for the year ended 30 June 2018.

5. 財務風險管理 (續)

(b) 公平值 (續)

於完成當日，董事認為，EPS所達致之NPAT將等如或多於30,000,000克朗。因此，餘款最多被視為137,800,000克朗(相當於約116,574,000港元)。應付或然代價按公平值列賬，並於綜合財務狀況表呈列為按公平值計入損益之金融負債。

截至二零一七年六月三十日止年度，本公司董事經參考EPS自二零一七年一月一日至二零一七年十二月三十一日期間之預測除稅後純利後認為EPS可達致溢利目標。EPS自二零一七年一月一日至二零一七年十二月三十一日期間之預測財務業績涉及以下重大不可觀察輸入數據：

預測收益上升將令應付或然代價之公平值有所增加，結餘最高上限為137,800,000克朗，而預測收益下降將令應付或然代價之公平值有所減少。

假設所有其他可變因素維持不變。由於應付或然代價之最高結餘為137,800,000克朗，由二零一七年一月一日至二零一七年十二月三十一日期間之預測收益上升不會對應付或然代價之公平值造成影響。由二零一七年一月一日至二零一七年十二月三十一日期間之預測收益下降10%，將令應付或然代價之公平值減少25,395,000港元。

截至二零一八年六月三十日止年度，根據已簽署之協議及/或本集團確定之銷售訂單，EPS自二零一七年一月一日至二零一七年十二月三十一日期間將錄得除稅後淨虧損。根據買賣協議(經補充協議修訂及補充)之條款，買方或本公司毋須支付餘款或經調整餘款或其任何部分。本公司董事認為，終止確認按公平值計入損益之金融負債公平值收益131,221,000港元將於截至二零一八年六月三十日止年度之綜合全面收益表確認。

HK\$75,678,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING

6.1 Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts and sales related taxes, income from hotel operations, interest income from loans receivable and dividend income on securities and funds during the year.

6. 營業額及分類報告

6.1 營業額(亦即收益)乃指年內經扣除退貨及折扣以及與銷售有關之稅項後向外來客戶出售商品之已收及應收款項、酒店營運之收入、應收貸款之利息收入以及證券及基金之股息收入。

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------|--------|----------------------------------|----------------------------------|
| Hotel hospitality business | 酒店款待業務 | 37,383 | 25,234 |
| New energy business | 新能源業務 | 7,737 | 3,492 |
| Money lending services | 借貸服務 | 10,859 | 12,320 |
| Liquor and wine | 酒類產品 | 3,917 | 2,437 |
| | | 59,896 | 43,483 |

6.2 Segment reporting

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

During the year, the Group has completed the disposal of the electric cycle business. In accordance with HKFRS 5, the segments of electric cycles for the years ended 30 June 2018 and 2017 were presented as discontinued operations in the Group's consolidated financial statements.

6.2 分類報告

(a) 可報告分類

本集團根據主要營運決策者審閱用於策略決策之報告釐定經營分類。主要營運決策者確定為本公司執行董事。

年內，本集團已完成出售電動自行車業務。根據香港財務報告準則第5號，電動自行車分部於截至二零一八年及二零一七年六月三十日止年度之本集團綜合財務報表中呈列為已終止經營業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(a) Reportable segments (Continued)

The Group currently has five reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

- (i) hotel hospitality business;
- (ii) new energy business;
- (iii) provision of money lending services;
- (iv) trading and distribution of liquor and wine; and
- (v) investments in securities and funds.

There were no inter-segment transactions between different operating segments for the year (2017: Nil). Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-maker for assessment of segment performance.

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(a) 可報告分類 (續)

本集團現時有五個可報告分類。由於各業務提供不同產品及服務，所需業務策略迥異，故本集團個別管理該等分類。該等分類如下：

- (i) 酒店款待業務；
- (ii) 新能源業務；
- (iii) 提供借貸服務；
- (iv) 酒類產品買賣及分銷；及
- (v) 證券及基金投資。

不同經營分類於年內並無分類之間交易(二零一七年：無)。由於中央收益及開支並無計入主要營運決策者用作評估分類表現之分類業績計量，故有關收益及開支並無分配至經營分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(b) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 30 June 2018

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(b) 分類收益及業績

按可報告分類劃分本集團之收益及業績分析如下。

截至二零一八年六月三十日止年度

| | | Hotel hospitality business | New energy business | Money lending services | Liquor and wine | Investments in securities and funds 證券及 基金投資 | Total 總計 |
|--|-------------------|----------------------------------|---------------------------|------------------------------|-------------------------|--|-----------------------|
| | | 酒店款待業務 HK\$'000 千港元 | 新能源業務 HK\$'000 千港元 | 借貸服務 HK\$'000 千港元 | 酒類產品 HK\$'000 千港元 | 基金投資 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Segment revenue | 分類收益 | 37,383 | 7,737 | 10,859 | 3,917 | - | 59,896 |
| Segment (loss)/profit | 分類(虧損)/溢利 | (1,766) | (146,210) | 5,562 | 12,293 | (5,652) | (135,773) |
| Unallocated corporate income | 未分配公司收入 | | | | | | 420 |
| Unallocated corporate expenses (Note) | 未分配公司開支(附註) | | | | | | (50,635) |
| Finance costs | 融資成本 | | | | | | (8,170) |
| Share-based payment expenses | 股份付款開支 | | | | | | (8,032) |
| Loss before income tax from continuing operations | 持續經營業務之 所得稅前虧損 | | | | | | (202,190) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6. 營業額及分類報告 (續)

6.2 Segment reporting (Continued)

(b) Segment revenue and results (Continued)

For the year ended 30 June 2017

6.2 分類報告 (續)

(b) 分類收益及業績 (續)

截至二零一七年六月三十日止年度

| | | Hotel hospitality business | New energy business | Money lending services | Liquor and wine | Investments in securities and funds 證券及 基金投資 | Total |
|--|-------------------|----------------------------------|---------------------------|------------------------------|-------------------------|--|-----------------------|
| | | 酒店款待業務 HK\$'000 千港元 | 新能源業務 HK\$'000 千港元 | 借貸服務 HK\$'000 千港元 | 酒類產品 HK\$'000 千港元 | 基金投資 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Segment revenue | 分類收益 | 25,234 | 3,492 | 12,320 | 2,437 | - | 43,483 |
| Segment (loss)/profit | 分類(虧損)/溢利 | (19,878) | (26,688) | 5,480 | (80,305) | (2,484) | (123,875) |
| Unallocated corporate income | 未分配公司收入 | | | | | | 164 |
| Unallocated corporate expenses (Note) | 未分配公司開支(附註) | | | | | | (39,113) |
| Finance costs | 融資成本 | | | | | | (17,122) |
| Gain on derecognition of available-for-sale investments | 終止確認可供出售 投資收益 | | | | | | 42,504 |
| Convertible bonds interest income | 可換股債券利息收入 | | | | | | 4,772 |
| Share-based payment expenses | 股份付款開支 | | | | | | (3,478) |
| Change in fair value of derivative financial instrument | 衍生金融工具公平值 變動 | | | | | | (10,315) |
| Loss before income tax from continuing operations | 持續經營業務之 所得稅前虧損 | | | | | | (146,463) |

Note: Unallocated corporate expenses mainly included staff salaries, directors' remuneration, office rental expenses, consultancy fees and amortisation of issuance cost of corporate bonds for the year ended 30 June 2018 and 2017.

附註：截至二零一八年及二零一七年六月三十日止年度，未分配公司開支主要包括員工薪酬、董事酬金、辦公室租賃開支、顧問費用及公司債券發行成本攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(c) 分類資產及負債

按可報告分類劃分本集團之資產及負債分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Segment assets | 分類資產 | | |
| Continuing operations | 持續經營業務 | | |
| Hotel hospitality business | 酒店款待業務 | 546,586 | 539,544 |
| New energy business | 新能源業務 | 18,285 | 296,378 |
| Money lending services | 借貸服務 | 193,031 | 110,684 |
| Liquor and wine | 酒類產品 | 77,379 | 80,713 |
| Investments in securities and funds | 證券及基金投資 | 109,265 | 158,908 |
| Discontinued operations | 已終止經營業務 | | |
| Electric cycles | 電動自行車 | - | 82,521 |
| Total segment assets | 分類資產總額 | 944,546 | 1,268,748 |
| Assets of a disposal group held for sale | 持作出售之出售集團資產 | 10,341 | - |
| Unallocated bank balances and cash | 未分配銀行結餘及現金 | 407,182 | 882 |
| Unallocated corporate assets (Note) | 未分配公司資產(附註) | 47,638 | 35,238 |
| Consolidated total assets | 綜合資產總額 | 1,409,707 | 1,304,868 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6. 營業額及分類報告 (續)

6.2 Segment reporting (Continued)

(c) Segment assets and liabilities (Continued)

6.2 分類報告 (續)

(c) 分類資產及負債 (續)

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Segment liabilities | 分類負債 | | |
| Continuing operations | 持續經營業務 | | |
| Hotel hospitality business | 酒店款待業務 | 148,440 | 153,379 |
| New energy business | 新能源業務 | 5,940 | 5,783 |
| Money lending services | 借貸服務 | 3,573 | 250 |
| Liquor and wine | 酒類產品 | 2,719 | 15,990 |
| Investments in securities and funds | 證券及基金投資 | 260 | 200 |
| Discontinued operations | 已終止經營業務 | | |
| Electric cycles | 電動自行車 | - | 7,550 |
| Total segment liabilities | 分類負債總額 | 160,932 | 183,152 |
| Liabilities of a disposal group held for sale | 持作出售之出售集團負債 | 284 | - |
| Tax payable | 應付稅項 | 2,717 | 9,572 |
| Deferred tax liabilities | 遞延稅項負債 | 74,258 | 114,909 |
| Corporate bonds | 公司債券 | - | 112,749 |
| Financial liabilities at fair value through profit or loss | 按公平值計入損益之金融負債 | - | 127,431 |
| Unallocated corporate liabilities (Note) | 未分配公司負債(附註) | 32,412 | 2,831 |
| Consolidated total liabilities | 綜合負債總額 | 270,603 | 550,644 |

Note: Unallocated corporate assets mainly comprised of compensation from profit guarantee for the year ended 30 June 2018 and prepaid lease payments for land for the year ended 30 June 2017.

Unallocated corporate liabilities mainly comprised of the deposit received and accrued audit fee for the year ended 30 June 2018 and corporate bond interest payable for the year ended 30 June 2017.

附註：未分配公司資產主要包括截至二零一八年六月三十日止年度之溢利保證補償以及截至二零一七年六月三十日止年度之預付土地租金。

未分配公司負債主要包括截至二零一八年六月三十日止年度之已收按金及應計審計費用以及截至二零一七年六月三十日止年度之公司債券應付利息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(d) Other segment information

For the year ended 30 June 2018

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(d) 其他分類資料

截至二零一八年六月三十日止年度

| | Hotel hospitality business | New energy business | Money lending services | Liquor and wine | Investments in securities and funds | Unallocated | Total |
|--|---------------------------------------|---------------------------|------------------------------|--------------------|---|-------------|-----------|
| | 酒店款待業務 | 新能源業務 | 借貸服務 | 酒類產品 | 證券及 基金投資 | 未分配 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Amounts included in the measure of segment profit or loss or segment assets: | 計入分類溢利或虧損或分類資產計量之金額： | | | | | | |
| Additions to non-current assets | 273 | 3,659 | 5 | - | - | 2,366 | 6,303 |
| Depreciation of property, plant and equipment | (6,203) | (688) | (308) | (559) | - | (3,930) | (11,688) |
| Amortisation of intangible assets | - | (24,224) | - | - | - | - | (24,224) |
| Write-down of inventories | - | - | - | (10,726) | - | - | (10,726) |
| Impairment loss on available-for-sale investments | - | - | - | - | (2,705) | - | (2,705) |
| Impairment loss on trade receivables | - | (628) | - | - | - | - | (628) |
| Impairment loss on loans receivable | - | - | (2,441) | - | - | - | (2,441) |
| Impairment loss on intangible assets | - | (151,933) | - | - | - | - | (151,933) |
| Impairment loss on goodwill | - | (60,345) | - | - | - | - | (60,345) |
| Change in fair value of financial liabilities at fair value through profit or loss | - | 131,221 | - | - | - | - | 131,221 |
| Gain on disposal of a subsidiary | - | - | - | 36,177 | - | - | 36,177 |
| Interest income | - | 35 | - | 7 | - | 63 | 105 |
| Amortisation of issuance cost of corporate bonds | - | - | - | - | - | (751) | (751) |
| Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss: | 定期向主要營運決策者提供但並無計入分類溢利或虧損計量之金額： | | | | | | |
| Income tax credit | 1,029 | 38,748 | - | - | - | - | 39,777 |
| Finance costs | (1,174) | (86) | (1,090) | - | - | (5,820) | (8,170) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6. 營業額及分類報告 (續)

6.2 Segment reporting (Continued)

(d) Other segment information (Continued)

For the year ended 30 June 2017

6.2 分類報告 (續)

(d) 其他分類資料 (續)

截至二零一七年六月三十日止年度

| | Hotel hospitality business | New energy business | Money lending services | Liquor and wine | Investments in securities and funds | Unallocated | Total |
|--|----------------------------|---------------------|------------------------|-----------------|-------------------------------------|-------------|----------|
| | 酒店款待業務 | 新能源業務 | 借貸服務 | 酒類產品 | 證券及基金投資 | 未分配 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |

| | | | | | | | | |
|--|---------------------------------------|---------|----------|---------|----------|---------|----------|----------|
| Amounts included in the measure of segment profit or loss or segment assets: | 計入分類溢利或虧損或分類資產計量之金額： | | | | | | | |
| Additions to non-current assets | 添置非流動資產 | 511,184 | 187,145 | 336 | - | 25 | 10,073 | 708,763 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | (4,745) | (29) | (4,377) | (516) | - | - | (9,667) |
| Amortisation of intangible assets | 無形資產攤銷 | - | (11,592) | - | - | - | - | (11,592) |
| Write-down of inventories | 撇減存貨 | - | (93) | - | (5,172) | - | - | (5,265) |
| Reversal of impairment loss on trade receivables | 貿易應收賬項減值虧損撥回 | - | - | - | 1,908 | - | - | 1,908 |
| Impairment loss on trade receivables | 貿易應收賬項減值虧損 | - | (122) | - | - | - | - | (122) |
| Change in fair value of listed equity investments | 上市股本投資公平值變動 | - | - | - | - | (869) | - | (869) |
| Impairment loss on available-for-sale investments | 可供出售投資減值虧損 | - | - | - | - | (1,215) | - | (1,215) |
| Impairment loss of loans receivable | 應收貸款減值虧損 | - | - | (5,199) | - | - | - | (5,199) |
| Impairment loss on deposits and prepayments | 按金及預付款項減值虧損 | - | - | - | (46,885) | - | - | (46,885) |
| Interest income | 利息收入 | 1 | 4 | - | 6 | 3 | 4,772 | 4,786 |
| Amortisation of issuance cost of corporate bonds | 公司債券發行成本攤銷 | - | - | - | - | - | (2,928) | (2,928) |
| Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss: | 定期向主要營運決策者提供但並無計入分類溢利或虧損計量之金額： | | | | | | | |
| Income tax credit | 所得稅抵免 | 739 | 3,133 | - | - | - | - | 3,872 |
| Finance costs | 融資成本 | (581) | (66) | - | - | (60) | (16,415) | (17,122) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(e) Geographic information

The Group's operations are mainly located in Hong Kong (place of domicile), the People's Republic of China (the "PRC"), Sweden, Canada and Japan.

The Group's revenue from external customers and information about its non-current assets (other than financial assets) by geographical markets are detailed as below:

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(e) 地區資料

本集團之營運地點主要位於香港(原駐地點)、中華人民共和國(「中國」)、瑞典、加拿大及日本。

按地區市場劃分本集團來自外界客戶之收益及有關其非流動資產(金融資產除外)資料之詳情如下:

| | | Revenue from external customers (including continuing and discontinued operations) 來自外界客戶之收益 (包括持續經營業務及已終止經營業務) | | Non-current assets 非流動資產 | |
|-----------|-----|--|----------------------------------|----------------------------------|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| Hong Kong | 香港 | 10,859 | 12,320 | 8,688 | 10,436 |
| PRC | 中國 | 4,091 | 3,133 | 1,242 | 12,018 |
| Sweden | 瑞典 | 7,563 | 3,492 | 7,538 | 251,038 |
| Canada | 加拿大 | - | - | 1,456 | - |
| Japan | 日本 | 37,383 | 25,234 | 536,650 | 531,450 |
| | | 59,896 | 44,179 | 555,574 | 804,942 |

The geographical location of customers is based on the location at which the goods and services are delivered. For goodwill and intangible assets, the geographical location is based on the areas of operation. The geographical location of other non-current assets is based on the physical location of the assets.

客戶之地理位置乃按交付貨品及服務所在位置而定。商譽及無形資產之地理位置乃按營運地區而定。其他非流動資產之地理位置乃按資產之實際位置而定。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

6. TURNOVER AND SEGMENT REPORTING (Continued)

6.2 Segment reporting (Continued)

(f) Major customers

Revenue from a customer in the segment of new energy business contributing over 10% of the total turnover (including continuing and discontinued operations) of Group is as follow:

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------|----------------------------------|----------------------------------|
| Customer A* | 6,309 | 3,292 |

* Revenue from this customer is less than 10% of the total turnover of the Group for the year ended 30 June 2017.

6. 營業額及分類報告 (續)

6.2 分類報告 (續)

(f) 主要客戶

於新能源業務分類來自佔本集團總營業額(包括持續經營業務及已終止經營業務)超過10%之客戶之收益如下:

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|------|----------------------------------|----------------------------------|
| 客戶A* | 6,309 | 3,292 |

* 截至二零一七年六月三十日止年度，來自此客戶之收益少於本集團總營業額10%。

7. INTEREST INCOME

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-----------------------------------|----------------------------------|----------------------------------|
| Continuing operations | | |
| Bank interest income | 105 | 14 |
| Convertible bonds interest income | - | 4,772 |
| | 105 | 4,786 |

7. 利息收入

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

8. LOSS BEFORE INCOME TAX

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

8. 所得稅前虧損

所得稅前虧損乃經扣除／(計入)下列
各項：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| Auditor's remuneration | 核數師酬金 | 2,100 | 2,100 |
| Gain on disposal of a subsidiary (note 38a) | 出售附屬公司所得收益 (附註38a) | (36,177) | - |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 11,688 | 9,667 |
| Amortisation of prepaid lease payments for land (note 17) | 預付土地租金攤銷(附註17) | 264 | 148 |
| Cost of inventories recognised as expense, including: | 確認為開支之存貨成本， 包括： | 45,742 | 28,098 |
| Write-down of inventories | 撇減存貨 | 10,726 | 5,265 |
| Amortisation of issuance cost of corporate bonds | 公司債券發行成本攤銷 | 751 | 2,928 |
| Amortisation of intangible assets (note 16) | 無形資產攤銷(附註16) | 24,224 | 11,592 |
| Impairment loss on deposits and prepayments | 按金及預付款項減值虧損 | - | 46,885 |
| Impairment loss of loans receivable (note 23) | 應收貸款減值虧損(附註23) | 2,441 | 5,199 |
| Impairment loss on trade receivables (note 22) | 貿易應收賬項減值虧損 (附註22) | 628 | 122 |
| Impairment loss on available-for-sale investments (note 20) | 可供出售投資減值虧損 (附註20) | 2,705 | 1,215 |
| Impairment loss on intangible assets (note 16) | 無形資產減值虧損(附註16) | 151,933 | - |
| Impairment loss on goodwill (note 18) | 商譽減值虧損(附註18) | 60,345 | - |
| Employee benefit expense (including directors' remuneration): | 僱員福利開支 (包括董事酬金)： | | |
| Wages and salaries | 工資及薪金 | 28,106 | 15,042 |
| Contributions to retirement benefit schemes | 退休福利計劃供款 | 2,706 | 1,136 |
| Share-based payment expenses to employees | 支付予僱員之股份付款 開支 | 1,117 | 1,006 |
| Share-based payment expenses to consultants | 支付予顧問之股份付款開支 | 6,915 | 2,472 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

8. LOSS BEFORE INCOME TAX (Continued)

8. 所得稅前虧損(續)

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Operating lease rentals in respect of: | 經營租賃租金： | | |
| Office premises | 辦公室物業 | 14,093 | 12,923 |
| Vehicles | 汽車 | 303 | - |
| Exchange losses, net | 匯兌虧損淨額 | 335 | 13,478 |
| Reversal of impairment loss on trade receivables (note 22) | 貿易應收賬項減值虧損撥回(附註22) | - | (1,908) |
| Additional compensation from profit guarantee | 溢利保證額外補償 | - | (850) |
| Bank interest income | 銀行利息收入 | (105) | (14) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 430 | 259 |

9. DISCONTINUED OPERATIONS

9. 已終止經營業務

During the year ended 30 June 2018, the Group has completed to dispose the business of manufacturing and trading of electric cycle ("Electric Cycle Business") to independent third parties. Electric Cycle Business represented the separated line of major business and is classified as discontinued operations for the year. For the purpose of presenting discontinued operation, the comparative consolidated statement of comprehensive income and the related notes have been represented.

截至二零一八年六月三十日止年度，本集團已完成向獨立第三方出售製造及買賣電動自行車業務(「電動自行車業務」)。於本年度，電動自行車業務與主要業務分開呈列，並分類為已終止經營業務。就呈列已終止經營業務而言，比較綜合全面收益表以及相關附註已重列。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

9. DISCONTINUED OPERATIONS (Continued)

The results of the Electric Cycle Business for the year ended 30 June 2018 and 2017 are as follows:

9. 已終止經營業務(續)

電動自行車業務截至二零一八年及二零一七年六月三十日止年度之業績如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|
| Turnover | 營業額 | - | 696 |
| Cost of sales | 銷售成本 | - | (406) |
| Gross profit | 毛利 | - | 290 |
| Interest income | 利息收入 | - | 1 |
| Other income and gains | 其他收入及收益 | 324 | 12 |
| Selling and distribution expenses | 銷售及分銷開支 | (1) | (51) |
| General and administrative expenses | 一般及行政開支 | (2,808) | (3,379) |
| Finance costs | 融資成本 | (283) | (548) |
| Loss before income tax | 所得稅前虧損 | (2,768) | (3,675) |
| Gain on disposal of discontinued operations (notes 38(b), (c) and (d)) | 出售已終止經營業務之收益(附註38(b)、(c)及(d)) | 7,697 | - |
| Income tax expense | 所得稅開支 | - | - |
| Profit/(loss) for the year from discontinued operations | 已終止經營業務之年內溢利/(虧損) | 4,929 | (3,675) |
| Operating cash outflows | 經營現金流出 | (438) | (443) |
| Investing cash inflows | 投資現金流入 | 313 | 40 |
| Financing cash outflows | 融資現金流出 | (283) | (548) |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | 83 | 71 |
| Total cash outflows | 現金流出總額 | (325) | (880) |

Employee benefit expense of discontinued electric cycles businesses for the year HK\$695,000 (2017: HK\$627,000) included total wages and salaries of HK\$605,000 (2017: HK\$619,000) and total contributions to retirement benefit schemes of HK\$90,000 (2017: HK\$78,000).

於本年度，已終止電動自行車業務之僱員福利開支為695,000港元(二零一七年：627,000港元)，包括工資及薪金總額605,000港元(二零一七年：619,000港元)以及退休福利計劃供款總額90,000港元(二零一七年：78,000港元)。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

Particulars of the remuneration of the directors and the five highest paid individuals for the year were as follows:

Year ended 30 June 2018

10. 董事及高級管理層酬金以及五名最高薪人士

以下為年內董事及五名最高薪人士之酬金資料：

截至二零一八年六月三十日止年度

| | | Fees | Contributions to retirement benefit schemes | Total |
|--|----------------|--------------|---|--------------|
| | | 袍金 | 退休福利計劃供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Executive directors | 執行董事 | | | |
| Mr. Wong Hin Shek | 王顯碩先生 | 1,950 | 18 | 1,968 |
| Mr. Chi Chi Hung, Kenneth | 季志雄先生 | 390 | 18 | 408 |
| Mr. Chan Wai Ki* | 陳偉祺先生* | 315 | 12 | 327 |
| Mr. Shek Yat Him** | 石逸謙先生** | 236 | 12 | 248 |
| Mr. Zhou Danqing** | 周丹青先生** | - | - | - |
| Non-executive director | 非執行董事 | | | |
| Mr. Chui Kwong Kau | 崔光球先生 | 240 | - | 240 |
| Independent non-executive directors | 獨立非執行董事 | | | |
| Mr. Chiu Wai On | 招偉安先生 | 120 | - | 120 |
| Mr. Man Kwok Leung | 萬國樑先生 | 120 | - | 120 |
| Dr. Wong Yun Kuen | 黃潤權博士 | 120 | - | 120 |
| Total | 總計 | 3,491 | 60 | 3,551 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

Year ended 30 June 2017

10. 董事及高級管理層酬金以及五名最高薪人士(續)

截至二零一七年六月三十日止年度

| | | Fees | Contributions to retirement benefit schemes | Total |
|--|----------------|--------------|---|--------------|
| | | 袍金 | 退休福利計劃供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Executive directors | 執行董事 | | | |
| Mr. Wong Hin Shek | 王顯碩先生 | 1,932 | 18 | 1,950 |
| Mr. Chi Chi Hung, Kenneth | 李志雄先生 | 372 | 18 | 390 |
| Non-executive director | 非執行董事 | | | |
| Mr. Chui Kwong Kau | 崔光球先生 | 240 | – | 240 |
| Independent non-executive directors | 獨立非執行董事 | | | |
| Mr. Chiu Wai On | 招偉安先生 | 120 | – | 120 |
| Mr. Man Kwok Leung | 萬國樑先生 | 120 | – | 120 |
| Dr. Wong Yun Kuen | 黃潤權博士 | 120 | – | 120 |
| Total | 總計 | 2,904 | 36 | 2,940 |

* Mr. Chan Wai Ki and Mr. Shek Yat Him are appointed as executive director on 9 November 2017.

** Mr. Zhou Danqing is appointed as executive director on 21 August 2018.

Mr. Shek Yat Him resigned as executive director on 21 August 2018.

During the year, no share options were granted to executive directors (2017: Nil) and independent non-executive directors (2017: Nil) in respect of their services to the Group respectively. There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 30 June 2018 and 2017.

* 陳偉祺先生及石逸謙先生於二零一七年十一月九日獲委任為執行董事。

** 周丹青先生於二零一八年八月二十一日獲委任為執行董事。

石逸謙先生於二零一八年八月二十一日辭任執行董事。

於本年度，執行董事(二零一七年：無)及獨立非執行董事(二零一七年：無)並無就彼等向本集團提供之服務分別獲授購股權。董事並無於截至二零一八年及二零一七年六月三十日止年度作出任何安排豁免或同意豁免任何酬金。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

Disclosures required by Section 383 of the Companies Ordinance (Cap. 622), Companies (Disclosure of information about benefits of directors) regulation (Cap. 622G) and Listing Rules:

- (a) The executive directors' remuneration shown above was mainly for their services in connection with the management of the affairs of the Company and the Group during the years ended 30 June 2018 and 2017.
- (b) The non-executive and independent non-executive directors' remuneration shown above were mainly for their services as directors of the Company and the Group during the years ended 30 June 2018 and 2017.
- (c) None of the directors received or will receive any termination benefits during the years ended 30 June 2018 and 2017.
- (d) During the year ended 30 June 2018 and 2017, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors.
- (e) No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

The emolument of senior management whose profiles are included in the "Biographical Details of Directors and Senior Management" section of this report fell within the following band:

10. 董事及高級管理層酬金以及五名最高薪人士 (續)

根據香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及上市規則規定而披露之資料：

- (a) 上文所示執行董事之薪酬主要涉及於截至二零一八年及二零一七年六月三十日止年度就本公司及本集團事務管理提供之服務。
- (b) 上文所示非執行及獨立非執行董事之薪酬主要涉及於截至二零一八年及二零一七年六月三十日止年度作為本公司及本集團董事提供之服務。
- (c) 概無董事於截至二零一八年及二零一七年六月三十日止年度已收取或將收取任何終止服務福利。
- (d) 截至二零一八及二零一七年六月三十日止年度，概無向董事或受有關董事控制之法團公司及與有關董事有關連之實體作出貸款、類似貸款及惠及該等董事、法團公司及實體之其他交易安排。
- (e) 於年終或年內任何時間，本公司概無訂立任何對本公司業務而言屬重大，且本公司董事於其中擁有直接或間接重大權益之交易、安排及合約(二零一七年：無)。

高級管理層(其履歷載於本報告「董事及高級管理層履歷」一節)之酬金介乎以下組別：

| | Number of individuals 人數 | |
|---|-----------------------------|---------------|
| | 2018 二零一八年 | 2017 二零一七年 |
| HK\$1,500,001–HK\$2,000,000 1,500,001 港元至 2,000,000 港元 | - | 1 |

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10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

The five highest paid individuals of the Group include one (2017: one) executive directors of the Company, details of whose remuneration are included above. The emoluments of the remaining four (2017: four) individuals for the year ended 30 June 2018 were as follows:

10. 董事及高級管理層酬金以及五名最高薪人士(續)

本集團五名最高薪人士中，其中一名(二零一七年：一名)為本公司執行董事，彼等之酬金詳情載於上文。餘下四名(二零一七年：四名)人士於截至二零一八年六月三十日止年度之酬金如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------|----------------------------------|----------------------------------|
| Wages and salaries | 工資及薪金 | 6,963 | 2,624 |
| Contributions to retirement benefit schemes | 退休福利計劃供款 | 1,561 | 231 |
| Share-based payment expenses | 股份付款開支 | 981 | 898 |
| | | 9,505 | 3,753 |

Their emoluments fell within the following bands:

此等人士之酬金介乎以下組別：

| | | Number of individuals 人數 | |
|-----------------------------|----------------------------|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| HK\$500,001–HK\$1,000,000 | 500,001 港元至 1,000,000 港元 | – | 2 |
| HK\$1,000,001–HK\$1,500,000 | 1,000,001 港元至 1,500,000 港元 | 2 | 1 |
| HK\$1,500,001–HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | – | 1 |
| HK\$2,000,001–HK\$2,500,000 | 2,000,001 港元至 2,500,000 港元 | 1 | – |
| HK\$4,500,001–HK\$5,000,000 | 4,500,001 港元至 5,000,000 港元 | 1 | – |

No share options (2017: 64,500,000) were granted to (2017: two) non-director, highest paid individual in respect of their services to the Group for the year ended 30 June 2018.

概無(二零一七年：兩名)非董事最高薪人士就截至二零一八年六月三十日止年度向本集團提供之服務獲授任何購股權(二零一七年：64,500,000份)。

There was no arrangement under which the above non-director, highest paid individuals waived or agreed to waive any remuneration for the years ended 30 June 2018 and 2017. No compensation for loss of office has been paid by the Group for any individual for the year ended 30 June 2018 and 2017.

截至二零一八年及二零一七年六月三十日止年度，上述非董事最高薪人士概無根據任何安排豁免或同意豁免任何酬金。截至二零一八年及二零一七年六月三十日止年度，本集團並無向任何人士支付離職補償。

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11. FINANCE COSTS

11. 融資成本

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| Interest on corporate bonds | 公司債券利息 | 2,785 | 16,414 |
| Interest on bank loans and bank overdraft | 銀行貸款及銀行透支利息 | 1,258 | 645 |
| Interest on other loans | 其他貸款利息 | 4,127 | 3 |
| Interest on margin loan payable | 應付保證金貸款利息 | - | 60 |
| | | 8,170 | 17,122 |

12. INCOME TAX CREDIT

12. 所得稅抵免

Hong Kong profit tax was provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for both years ended 30 June 2018 and 2017. No provision for Hong Kong profits tax has been made for the prior periods as the Group has no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to enterprise income tax ("EIT") at tax rates of 25% for both years ended 30 June 2018 and 2017. No provision for PRC EIT has been made for the current and prior periods as the Group has no assessable profits arising in the PRC.

Under the relevant Japan tax regulations, the profits of the business under tokumei kumiai arrangement which is distributed to a tokumei kumiai investor after deducting any accumulated losses in prior years is only subject to 20.42% withholding income tax in Japan. The withholding tax is final Japanese tax on such distributed tokumei kumiai profits and such profits are not subject to any other Japanese taxes. There is no withholding tax paid or payable for the both years ended 30 June 2018 and 2017 as there is no profit distribution.

截至二零一八年及二零一七年六月三十日止兩個年度，於香港產生之估計應課稅溢利按稅率 16.5% 作出香港利得稅撥備。由於本集團於過往期間均無在香港產生應課稅溢利，故並無就香港利得稅作出撥備。

截至二零一八年及二零一七年六月三十日止兩個年度，於中國成立之附屬公司須按稅率 25% 繳納企業所得稅（「企業所得稅」）。由於本集團於目前及過往期間均無在中國產生應課稅溢利，故並無就中國企業所得稅作出撥備。

根據相關日本稅務規例，匿名夥伴安排項下業務之溢利（於扣減過往年度任何累計虧損後分派至一名匿名夥伴投資者）於日本僅須繳納 20.42% 之預扣所得稅。預扣稅為有關已分派匿名夥伴溢利之最終日本稅項，而有關溢利毋須再繳納任何其他日本稅項。由於概無溢利分派，故截至二零一八年及二零一七年六月三十日止兩個年度並無已付或應付預扣稅。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

12. INCOME TAX CREDIT (Continued)

The subsidiary established in Japan is subject to prefectural and municipal inhabitant taxes on a per capita basis in accordance with the relevant Japan tax regulations for the year ended 30 June 2018 and 2017.

The subsidiary established in Sweden is subject to corporate income tax at tax rates of 22% for the year ended 30 June 2018 and 2017. No provision for Sweden corporate income taxes have been made for the current and prior periods as the Group has no assessable profits arising in Sweden.

12. 所得稅抵免(續)

截至二零一八年及二零一七年六月三十日止年度，於日本成立之附屬公司須根據相關日本稅務規例按人均基準繳納地市級居民稅。

截至二零一八年及二零一七年六月三十日止年度，於瑞典成立之附屬公司須按稅率22%繳納企業所得稅。由於本集團於本期間及過往期間並無於瑞典產生應課稅溢利，故並無就瑞典企業所得稅作出撥備。

| | | 2018 二零一八年 | | | 2017 二零一七年 | | |
|--------------------------|------------|-----------------------|-------------------------|----------|-----------------------|-------------------------|----------|
| | | Continuing operations | Discontinued operations | Total | Continuing operations | Discontinued operations | Total |
| | | 持續經營業務 | 經營業務已終止 | 總計 | 持續經營業務 | 經營業務已終止 | 總計 |
| | | 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 |
| Current tax for the year | 本年度即期稅項 | | | | | | |
| Hong Kong | 香港 | 10 | - | 10 | - | - | - |
| Japan | 日本 | 10 | - | 10 | 10 | - | 10 |
| Deferred tax (note 31) | 遞延稅項(附註31) | (39,797) | - | (39,797) | (3,882) | - | (3,882) |
| Total income tax credit | 所得稅抵免總額 | (39,777) | - | (39,777) | (3,872) | - | (3,872) |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

12. INCOME TAX CREDIT (Continued)

Income tax for the year can be reconciled to the (loss)/profit before income tax per the consolidated statement of comprehensive income as follows:

12. 所得稅抵免(續)

年內所得稅與綜合全面收益表內之所得稅前(虧損)/溢利對賬如下:

| | | 2018 二零一八年 | | 2017 二零一七年 | |
|---|-----------------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| | | Continuing operations | Discontinued operations | Continuing operations | Discontinued operations |
| | | 持續經營業務 | 已終止經營 業務 | 持續經營業務 | 已終止經營 業務 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| (Loss)/profit before income tax | 所得稅前(虧損)/溢利 | (202,190) | 4,929 | (146,463) | (3,675) |
| Tax on (loss)/profit before income tax, calculated at the rates applicable to the tax jurisdictions concerned | 所得稅前(虧損)/溢利之稅項(根據相關稅務司法權區適用之稅率計算) | (37,052) | 1,232 | (33,592) | (919) |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支之稅務影響 | 20,142 | 773 | 23,938 | 505 |
| Tax effect of income not taxable for tax purposes | 非課稅收入之稅務影響 | (38,347) | (2,005) | (5,721) | - |
| Tax effect of tax losses not recognised | 未確認之稅項虧損之稅務影響 | 15,480 | - | 11,582 | 414 |
| Utilization of tax losses previously not recognised | 動用先前未確認之稅項虧損 | - | - | (79) | - |
| Total income tax credit | 所得稅抵免總額 | (39,777) | - | (3,872) | - |

13. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 June 2018 (2017: Nil).

13. 股息

董事會不建議就截至二零一八年六月三十日止年度派付任何股息(二零一七年:無)。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculation of the basic (loss)/earnings per share based on the following data:

14. 每股(虧損)/盈利

每股基本及攤薄(虧損)/盈利乃按本公司擁有人應佔年內(虧損)/溢利及年內已發行普通股加權平均數計算。

每股基本(虧損)/盈利乃按下列數據計算：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------------------------|----------------------------------|----------------------------------|
| (Loss)/profit for the year attributable to owner of the Company for the purpose of calculating basic and diluted (loss)/earnings per share | 用作計算每股基本及攤薄(虧損)/盈利之本公司擁有人應佔年內(虧損)/溢利 | | |
| — Continuing operations | — 持續經營業務 | (161,683) | (141,084) |
| — Discontinued operations | — 已終止經營業務 | 4,929 | (3,342) |
| Loss from continuing operations and discontinued operations | 來自持續經營業務及已終止經營業務之虧損 | (156,754) | (144,426) |
| | | Number of shares 股份數目 | |
| | | 2018 二零一八年 '000 千股 | 2017 二零一七年 '000 千股 |
| Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share | 用作計算每股基本(虧損)/盈利之普通股加權平均數 | 5,747,861 | 4,858,864 |

Diluted loss per share amount for both years were not presented because the impact of the exercise of the share options and convertible preference shares was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company from continuing operations.

由於行使購股權及可換股優先股具有反攤薄效應，故並無呈列兩個年度之每股攤薄虧損金額。潛在普通股僅於獲轉換為普通股會增加本公司擁有人應佔持續經營業務之每股虧損時，方具有攤薄效應。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

| | | Freehold land | Buildings | Leasehold improvements | Equipment, furniture and fixtures | Plant, moulds and machinery | Motor vehicles | Total |
|---|-------------------------------|------------------|-----------|---------------------------|---|-----------------------------------|-------------------|----------|
| | | 永久業權土地 | 樓宇 | 租賃物業裝修 | 設備、傢俬及 固定裝置 | 廠房、 模具及機器 | 汽車 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| COST: | 成本： | | | | | | | |
| At 1 July 2016 | 於二零一六年七月一日 | - | - | 6,422 | 6,146 | 13,220 | 16,807 | 42,595 |
| Acquired through acquisition of subsidiaries (note 37) | 透過收購附屬公司 收購(附註37) | 206,570 | 302,251 | 227 | 796 | 1,316 | 42 | 511,202 |
| Additions | 添置 | - | - | 176 | 458 | - | - | 634 |
| Disposals | 出售 | - | - | - | (56) | (198) | (3,869) | (4,123) |
| Exchange realignment | 匯兌調整 | (12,053) | (17,636) | (69) | (55) | (49) | (25) | (29,887) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月 三十日及二零一七年 七月一日 | 194,517 | 284,615 | 6,756 | 7,289 | 14,289 | 12,955 | 520,421 |
| Additions | 添置 | - | - | 2,883 | 1,786 | - | 1,634 | 6,303 |
| Disposals | 出售 | - | - | (2,204) | (4,284) | - | (1,073) | (7,561) |
| Disposal of subsidiaries (note 38(d)) | 出售附屬公司 (附註38(d)) | - | - | (150) | (236) | (11,559) | (175) | (12,120) |
| Exchange realignment | 匯兌調整 | 4,031 | 5,898 | 68 | 40 | (454) | 203 | 9,786 |
| At 30 June 2018 | 於二零一八年六月 三十日 | 198,548 | 290,513 | 7,353 | 4,595 | 2,276 | 13,544 | 516,829 |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、廠房及設備 (續)

| | | Freehold land | Buildings | Leasehold improvements | Equipment, furniture and fixtures | Plant, moulds and machinery | Motor vehicles | Total |
|--|-----------------------|---------------|-----------|------------------------|-----------------------------------|-----------------------------|----------------|----------|
| | | 永久業權土地 | 樓宇 | 租賃物業裝修 | 設備、傢俬及固定裝置 | 廠房、模具及機器 | 汽車 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES: | 累計折舊及減值虧損： | | | | | | | |
| At 1 July 2016 | 於二零一六年七月一日 | - | - | 4,568 | 3,350 | 11,305 | 3,585 | 22,808 |
| Provided for the year | 年內撥備 | - | 4,137 | 1,179 | 1,437 | 248 | 2,939 | 9,940 |
| Disposals | 出售 | - | - | - | (9) | (18) | (1,697) | (1,724) |
| Exchange realignment | 匯兌調整 | - | 32 | (54) | (7) | 4 | (4) | (29) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及二零一七年七月一日 | - | 4,169 | 5,693 | 4,771 | 11,539 | 4,823 | 30,995 |
| Provided for the year | 年內撥備 | - | 5,813 | 1,636 | 957 | 260 | 3,093 | 11,759 |
| Disposals | 出售 | - | - | (2,204) | (3,643) | - | (309) | (6,156) |
| Disposal of subsidiaries (note 38(d)) | 出售附屬公司 (附註38(d)) | - | - | (169) | (260) | (11,477) | (172) | (12,078) |
| Exchange realignment | 匯兌調整 | - | 74 | 112 | 63 | (30) | (387) | (168) |
| At 30 June 2018 | 於二零一八年六月三十日 | - | 10,056 | 5,068 | 1,888 | 292 | 7,048 | 24,352 |
| NET CARRYING AMOUNT: | 賬面淨值： | | | | | | | |
| At 30 June 2018 | 於二零一八年六月三十日 | 198,548 | 280,457 | 2,285 | 2,707 | 1,984 | 6,496 | 492,477 |
| At 30 June 2017 | 於二零一七年六月三十日 | 194,517 | 280,446 | 1,063 | 2,518 | 2,750 | 8,132 | 489,426 |

The freehold land is situated in Japan.

永久業權土地位於日本。

At 30 June 2018, property, plant and equipment with an aggregated carrying value of HK\$479,005,000 (2017: HK\$474,963,000) have been pledged to secure banking facilities granted to the Group (note 33).

於二零一八年六月三十日，賬面總值為479,005,000港元(二零一七年：474,963,000港元)之物業、廠房及設備已質押作為本集團獲授銀行融資之抵押(附註33)。

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16. INTANGIBLE ASSETS

16. 無形資產

| | | Distribution rights 分銷權 | Distribution network 分銷網絡 | Patent 專利權 | Patent use right 專利使用權 | Production formula 生產配方 (note a) (附註 a) | Non-competition agreements 不競爭協議 (note b) (附註 b) | Sales backlog agreements 銷量協議 (note c) (附註 c) | Total 總計 |
|--|-----------------------|----------------------------|------------------------------|-----------------|---------------------------|--|---|--|-----------------|
| | | 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 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| COST: | 成本: | | | | | | | | |
| At 1 July 2016 | 於二零一六年七月一日 | 157,167 | 13,733 | 67,793 | 42,028 | - | - | - | 280,721 |
| Acquired through acquisition of subsidiaries (note 37) | 透過收購附屬公司收購 (附註 37) | - | - | - | - | 136,787 | 36,076 | 14,000 | 186,863 |
| Exchange realignment | 匯兌調整 | (2,236) | (195) | (964) | (598) | 12,739 | 3,360 | 1,304 | 13,410 |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及二零一七年七月一日 | 154,931 | 13,538 | 66,829 | 41,430 | 149,526 | 39,436 | 15,304 | 480,994 |
| Disposal of subsidiaries | 出售附屬公司 | (159,565) | (13,943) | (68,432) | (42,424) | - | - | - | (284,364) |
| Exchange realignment | 匯兌調整 | 4,634 | 405 | 1,603 | 994 | (7,946) | (2,096) | (813) | (3,219) |
| At 30 June 2018 | 於二零一八年六月三十日 | - | - | - | - | 141,580 | 37,340 | 14,491 | 193,411 |
| ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES: | 累計攤銷及減值虧損: | | | | | | | | |
| At 1 July 2016 | 於二零一六年七月一日 | 157,167 | 13,733 | 67,793 | 42,028 | - | - | - | 280,721 |
| Amortisation for the year | 年內攤銷 | - | - | - | - | 7,161 | 2,661 | 1,770 | 11,592 |
| Exchange realignment | 匯兌調整 | (2,236) | (195) | (964) | (598) | 315 | 117 | 78 | (3,483) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及二零一七年七月一日 | 154,931 | 13,538 | 66,829 | 41,430 | 7,476 | 2,778 | 1,848 | 288,830 |
| Amortisation for the year | 年內攤銷 | - | - | - | - | 14,964 | 5,561 | 3,699 | 24,224 |
| Disposal of subsidiaries | 出售附屬公司 | (159,565) | (13,943) | (68,432) | (42,424) | - | - | - | (284,364) |
| Impairment loss recognised | 已確認減值虧損 | - | - | - | - | 114,971 | 28,134 | 8,828 | 151,933 |
| Exchange realignment | 匯兌調整 | 4,634 | 405 | 1,603 | 994 | (1,203) | (448) | (297) | 5,688 |
| At 30 June 2018 | 於二零一八年六月三十日 | - | - | - | - | 136,208 | 36,025 | 14,078 | 186,311 |
| NET CARRYING AMOUNT: | 賬面淨值: | | | | | | | | |
| At 30 June 2018 | 於二零一八年六月三十日 | - | - | - | - | 5,372 | 1,315 | 413 | 7,100 |
| At 30 June 2017 | 於二零一七年六月三十日 | - | - | - | - | 142,050 | 36,658 | 13,456 | 192,164 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

16. INTANGIBLE ASSETS (Continued)

Notes:

- (a) Production formula represented the production formulation of a fuel additive named EuroAd and the full right of use to develop and sale the Product.

Production formula with the net carrying amount of HK\$120,343,000 (2017: HK\$142,050,000) is attributable to the cash-generating unit of new energy business ("New Energy Business CGU") with which the goodwill amount is recognised. As the recoverable amount of the New Energy Business CGU is lower than its carrying amount, the Directors of the Company are in opinion that an impairment loss of approximately HK\$114,971,000 has been recognised for the year ended 30 June 2018 (2017: Nil). Details of the impairment assessment of that cash-generating unit are set out in note 18 to the consolidated financial statements.

- (b) Non-competition agreements represented the agreements entered with the consultants in which the consultants will not carry on or be concerned with any business that is substantially similar to the fuel additive business.

Non-competition agreements with the net carrying amount of HK\$29,449,000 (2017: HK\$36,658,000) is attributable to the New Energy Business CGU with which the goodwill amount is recognised. As the recoverable amount of the New Energy Business CGU is lower than its carrying amount, the Directors of the Company are in opinion that an impairment loss of approximately HK\$28,134,000 has been recognised for the year ended 30 June 2018 (2017: Nil). Details of the impairment assessment of that cash-generating unit are set out in note 18 to the consolidated financial statements.

- (c) Sales backlog agreements represented the agreements entered with customers in which the customers have committed monthly minimum purchase amount for 5 years.

Sales backlog agreements with the net carrying amount of HK\$9,241,000 (2017: HK\$13,456,000) is attributable to the New Energy Business CGU with which the goodwill amount is recognised. As the recoverable amount of the New Energy Business CGU is lower than its carrying amount, the Directors of the Company are in opinion that an impairment loss of approximately HK\$8,828,000 has been recognised for the year ended 30 June 2018 (2017: Nil). Details of the impairment assessment of that cash-generating unit are set out in note 18 to the consolidated financial statements.

16. 無形資產 (續)

附註：

- (a) 生產配方指名為EuroAd之燃料添加劑之生產配方以及開發及銷售產品之完整使用權。

賬面淨值為120,343,000港元(二零一七年：142,050,000港元)之生產配方來自新能源業務之現金產生單位(「新能源業務現金產生單位」)，其商譽金額已獲確認。由於新能源業務現金產生單位之可收回金額低於其賬面值，本公司董事認為已於截至二零一八年六月三十日止年度確認減值虧損約114,971,000港元(二零一七年：無)。現金產生單位減值評估之詳情載於綜合財務報表附註18。

- (b) 不競爭協議指與顧問訂立之協議，據此，顧問將不會進行或涉及大致上與燃料添加劑業務類似之任何業務。

賬面淨值為29,449,000港元(二零一七年：36,658,000港元)之不競爭協議來自新能源業務現金產生單位，其商譽金額已獲確認。由於新能源業務現金產生單位之可收回金額低於其賬面值，本公司董事認為已於截至二零一八年六月三十日止年度確認減值虧損約28,134,000港元(二零一七年：無)。現金產生單位減值評估之詳情載於綜合財務報表附註18。

- (c) 銷量協議指與客戶訂立之協議，據此，客戶保證五年內每月之最低採購量。

賬面淨值為9,241,000港元(二零一七年：13,456,000港元)之銷量協議來自新能源業務現金產生單位，其商譽金額已獲確認。由於新能源業務現金產生單位之可收回金額低於其賬面值，本公司董事認為已於截至二零一八年六月三十日止年度確認減值虧損約8,828,000港元(二零一七年：無)。現金產生單位減值評估之詳情載於綜合財務報表附註18。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

17. PREPAID LEASE PAYMENTS FOR LAND

17. 預付土地租金

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| At beginning of the year | 年初 | 10,147 | – |
| Acquisition | 收購 | – | 10,073 |
| Amortisation during the year | 年內攤銷 | (264) | (148) |
| Transferred to assets of a disposal group held for sale (note 30) | 轉撥至待售出售集團資產 (附註30) | (10,309) | – |
| Exchange realignment | 匯兌調整 | 426 | 222 |
| At end of the year | 年終 | – | 10,147 |
| Analysed for reporting purposes as: | 就報告用途分析如下： | | |
| Non-current | 非流動 | – | 9,890 |
| Current | 流動 | – | 257 |
| | | – | 10,147 |

As at 30 June 2018, the Group did not pledge any prepaid lease payments for land to secure banking facilities of the Group (2017: Nil).

於二零一八年六月三十日，本集團並無就其銀行融資抵押任何預付土地租金(二零一七年：無)。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

18. GOODWILL

18. 商譽

| | | HK\$'000 千港元 |
|--|---------------------------|-----------------|
| COST: | 成本： | |
| At 1 July 2016 | 於二零一六年七月一日 | 760,508 |
| Acquired through business combination (note 37) | 透過業務合併收購(附註37) | 111,864 |
| Exchange realignment | 匯兌調整 | (9,222) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及 二零一七年七月一日 | 863,150 |
| Disposal of subsidiaries | 出售附屬公司 | (761,407) |
| Exchange realignment | 匯兌調整 | 14,599 |
| At 30 June 2018 | 於二零一八年六月三十日 | 116,342 |
| ACCUMULATED IMPAIRMENT LOSSES: | 累計減值虧損： | |
| At 1 July 2016 | 於二零一六年七月一日 | 760,508 |
| Exchange realignment | 匯兌調整 | (10,820) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及 二零一七年七月一日 | 749,688 |
| Impairment loss during the year | 年內減值虧損 | 60,345 |
| Disposal of subsidiaries | 出售附屬公司 | (761,407) |
| Exchange realignment | 匯兌調整 | 11,719 |
| At 30 June 2018 | 於二零一八年六月三十日 | 60,345 |
| NET CARRYING AMOUNT: | 賬面淨值： | |
| At 30 June 2018 | 於二零一八年六月三十日 | 55,997 |
| At 30 June 2017 | 於二零一七年六月三十日 | 113,462 |

For the purpose of impairment testing, goodwill is allocated to the cash-generating units ("CGU") identified as follows:

為進行減值測試，商譽分配至以下所識別現金產生單位(「現金產生單位」)：

| | | HK\$'000 千港元 |
|--------------------------------|------------------------|-----------------|
| Year ended 30 June 2018 | 截至二零一八年六月三十日止年度 | |
| Hotel hospitality business | 酒店款待業務 | 55,997 |
| New energy business | 新能源業務 | 60,345 |
| | | 116,342 |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

18. GOODWILL (Continued)

18. 商譽(續)

| | | HK\$'000 千港元 |
|--------------------------------|------------------------|-----------------|
| Year ended 30 June 2017 | 截至二零一七年六月三十日止年度 | |
| Hotel hospitality business | 酒店款待業務 | 54,860 |
| New energy business | 新能源業務 | 58,602 |
| | | 113,462 |

Notes:

Hotel hospitality business

The goodwill was arising from the acquisition of hotel hospitality business. The goodwill with the net carrying amount of HK\$55,997,000 as at 30 June 2018 (2017: HK\$54,860,000) is allocated to the cash generating unit of hotel hospitality business ("Hotel Hospitality Business CGU").

The recoverable amount of the Hotel Hospitality Business CGU is determined by the Directors of the Company with reference to a valuation report issued by Royson. The recoverable amount of the Hotel Hospitality Business CGU has been determined from fair value less cost of disposal, which is primarily making reference to the recent sales of similar transactions in the market. The Directors of the Company are in opinion that no impairment loss (2017: Nil) was considered for the year ended 30 June 2018.

The fair value less cost of disposal of Hotel Hospitality Business CGU is Level 3 recurring fair value measurement.

The key significant unobservable inputs to determine the fair value less cost of disposal are the discount on age and condition of the hotel property. The higher discount on these factors would result in a lower the fair value less cost of disposal of the Hotel Hospitality Business CGU, and vice versa.

附註：

酒店款待業務

商譽產生自收購酒店款待業務。於二零一八年六月三十日賬面淨值為55,997,000港元(二零一七年：54,860,000港元)之商譽乃分配至酒店款待業務之現金產生單位(「酒店款待業務現金產生單位」)。

酒店款待業務現金產生單位之可收回金額由本公司董事經參考匯辰所發表估值報告而釐定。酒店款待業務現金產生單位之可收回金額乃由公平值減出售成本而釐定，其主要參考市場之近期類似交易銷售。本公司董事認為，截至二零一八年六月三十日止年度被視為並無減值虧損(二零一七年：無)。

酒店款待業務現金產生單位之公平值減出售成本屬第3級經常性公平值計量。

釐定公平值減出售成本之主要重大不可觀察輸入數據為酒店物業之樓齡及狀況貼現。此等因素貼現愈高，則酒店款待業務現金產生單位之公平值減出售成本愈低，反之亦然。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

18. GOODWILL (Continued)

Notes: (Continued)

New energy business

The goodwill was arising from the acquisition of new energy business. The goodwill with the net carrying amount of HK\$60,345,000 as at 30 June 2018 (2017: HK\$58,602,000) is allocated to the New Energy Business CGU.

For the year ended 30 June 2018, the recoverable amount of the New Energy Business CGU is determined by the Directors of the Company with reference to a valuation report issued by Royson. The recoverable amount of the New Energy Business CGU has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of 5 years and at a pre-tax discount rate of 28.2% (2017: 32.9%). The cash flow projections beyond the 5 years periods are extrapolated using a growth rate at 3% (2017: 3%). Cash flow projections during the budget period are based on the expected gross margins during the budget period. Budgeted gross margins and growth rate have been determined based on past performance and the Group management's expectations for the market development and future performance of the New Energy Business CGU. The discount rate is determined based on the cost of capital adjusted by the specific risk associated with the New Energy Business CGU. As the recoverable amount of the New Energy Business CGU amounted to HK\$10,241,000 is lower than its carrying amount, an impairment loss of HK\$60,345,000 has been recognised for the year ended 30 June 2018 (2017: Nil).

19. INTERESTS IN AN ASSOCIATE

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| As at 1 July | 於七月一日 | - | - |
| Subscription of the shares of an associate | 認購聯營公司股份 | 5 | - |
| Share of loss for the year | 分佔年內虧損 | (5) | - |
| As at 30 June | 於六月三十日 | - | - |

Details of the Group's associate are as follows:

| Name of company 公司名稱 | Particulars of issued capital 已發行股本詳情 | Place of incorporation 註冊成立地點 | Percentage of interest held 所持股權百分比 | Principal activities 主要業務 |
|---|--|----------------------------------|--|-------------------------------------|
| Zhongke International Finance Limited 中科國際金融有限公司 | HK\$10,000 10,000港元 | Hong Kong 香港 | 49% | Dormant during the year 年內並無經營業務 |

In the opinion of the Directors of the Company, an associate is not significant to the Group.

18. 商譽(續)

附註：(續)

新能源業務

商譽產生自收購新能源業務，於二零一八年六月三十日賬面淨值為60,345,000港元(二零一七年：58,602,000港元)乃分配至新能源業務現金產生單位。

截至二零一八年六月三十日止年度，新能源業務現金產生單位之可收回金額由本公司董事經參考匯辰所發表估值報告而釐定。新能源業務現金產生單位之可收回金額乃按使用價值計算得出。此計算法採用根據管理層批准之最新財務預算作出之現金流量預測，涵蓋五年期間，並按稅前貼現率28.2%(二零一七年：32.9%)貼現。五年期間後之現金流量預測乃採用增長率3%(二零一七年：3%)推算。預算期間之現金流量預測乃根據預算期間之預期毛利率作出。預算毛利率及增長率乃根據過往表現以及本集團管理層期望新能源業務現金產生單位之市場發展及未來表現而釐定。貼現率乃根據經新能源業務現金產生單位之相關特定風險調整之資本成本而釐定。由於新能源業務現金產生單位之可收回金額10,241,000港元低於其賬面值，故此截至二零一八年六月三十日止年度已確認減值虧損60,345,000港元(二零一七年：無)。

19. 於聯營公司之權益

本集團之聯營公司詳情如下：

本公司董事認為，聯營公司對本集團並無重大影響。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售投資

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Available-for-sale investments — Unlisted private funds | 可供出售投資 — 非上市私人基金 | 107,356 | 103,728 |

Note:

During the year ended 30 June 2018, the decline in fair value of one investment was amounted to HK\$2,705,000 was considered as significant or prolonged. An impairment loss of HK\$2,705,000 has been recognised in the consolidated statement of comprehensive income for the year ended 30 June 2018. The increase in fair value of the other investments of HK\$6,333,000 has been dealt with in other comprehensive income and available-for-sale investments revaluation reserve for the year ended 30 June 2018.

During the year ended 30 June 2017, the decline in fair value of the investment was amounted to HK\$2,717,000, in which HK\$1,215,000 was considered as significant or prolonged. An impairment loss of HK\$1,215,000 has been recognised in the consolidated statement of comprehensive income for the year ended 30 June 2017. The remaining balance of HK\$1,502,000 has been dealt with in other comprehensive income and available-for-sale investments revaluation reserve for the year ended 30 June 2017.

The fair value of the unlisted private funds is Level 2 recurring fair value measurement.

附註：

截至二零一八年六月三十日止年度，一項投資之公平值減額為數2,705,000港元被視為重大或為時已久。減值虧損2,705,000港元已於截至二零一八年六月三十日止年度綜合全面收益表中確認。其他投資之公平值增額6,333,000港元已於截至二零一八年六月三十日止年度之其他全面收益及可供出售投資重估儲備中處理。

截至二零一七年六月三十日止年度，有關投資之公平值下降2,717,000港元，其中1,215,000港元被視為重大或為時已久。減值虧損1,215,000港元已於截至二零一七年六月三十日止年度綜合全面收益表中確認。餘額1,502,000港元已於截至二零一七年六月三十日止年度之其他全面收益及可供出售投資重估儲備中處理。

非上市私人基金的公平值為第2級經常性公平值計量。

21. INVENTORIES

21. 原材料

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------|-----|----------------------------------|----------------------------------|
| Raw materials | 原料 | — | 123 |
| Consumables | 消耗品 | 230 | 228 |
| Merchandise | 商品 | 56,395 | 79,415 |
| | | 56,625 | 79,766 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

22. 貿易應收賬項、其他應收款項、按金及預付款項

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收賬項 | 4,624 | 85,123 |
| Less: Provision for impairment loss | 減：減值虧損撥備 | (1,126) | (82,753) |
| Trade receivables, net (note a) | 貿易應收賬項淨額(附註a) | 3,498 | 2,370 |
| Other receivables | 其他應收款項 | 16,470 | 1,802 |
| Trade deposits paid | 已付貿易按金 | - | 145 |
| Prepayments for purchase | 購買預付款項 | 932 | 3,371 |
| Other deposits and prepayments (note b) | 其他按金及預付款項(附註b) | 36,294 | 25,242 |
| | | 57,194 | 32,930 |

Notes:

- (a) The Group allows an average credit period of 0 to 90 days to its trade receivables.

The ageing analysis of trade receivables, net of allowance for doubtful debts, based on invoice date, is as follows:

附註：

- (a) 本集團給予其貿易應收賬項平均信貸期介乎0至90日。

按發票日期已扣除呆賬撥備後之貿易應收賬項賬齡分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Within 30 days | 30日內 | 2,094 | 1,286 |
| 31-60 days | 31至60日 | 45 | 696 |
| 61-90 days | 61至90日 | 21 | - |
| Over 90 days | 90日以上 | 1,338 | 388 |
| | | 3,498 | 2,370 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (a) The movements in the impairment for trade receivables during the year are as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------------------------|----------|----------------------------------|----------------------------------|
| At the beginning of the year | 年初 | 82,753 | 85,773 |
| Impairment loss for the year | 年內減值虧損 | 628 | 122 |
| Disposal of a subsidiary | 出售附屬公司 | (83,714) | - |
| Written off of trade receivable | 撤銷貿易應收賬項 | (127) | - |
| Reverse of impairment loss | 撥回減值虧損 | - | (1,908) |
| Exchange realignment | 匯兌調整 | 1,586 | (1,234) |
| | | 1,126 | 82,753 |

Included in the provision for impairment loss is individually impaired trade receivable with balance of HK\$1,126,000 (2017: HK\$82,753,000) from trade debtors who have been in severe financial difficulties.

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 既未逾期亦無減值 | 2,100 | 1,295 |
| Less than 1 month past due | 逾期少於一個月 | 42 | 687 |
| 1 to 3 months past due | 逾期一至三個月 | 33 | 14 |
| More than 3 months past due | 逾期三個月以上 | 1,323 | 374 |
| | | 3,498 | 2,370 |

Trade receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to 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. The Group does not hold any collateral over these balances.

- (b) As at 30 June 2018, the balances mainly included the sales loan receivable of HK\$18,000,000 and the deposit for the office. As at 30 June 2017, the balances mainly included interest expenses of HK\$3,091,000 paid in advance for the corporate bond issued and the deposit for the office.

22. 貿易應收賬項、其他應收款項、按金及預付款項(續)

附註：(續)

- (a) 年內貿易應收賬項之減值變動如下：

減值虧損撥備包括應收面臨嚴重財政困難之貿易債務人之個別減值貿易應收賬項，結餘為1,126,000港元(二零一七年：82,753,000港元)。

並無個別或共同視作減值之貿易應收賬項賬齡分析如下：

既未逾期亦無減值之貿易應收賬項與最近並無拖欠記錄之客戶有關。

已逾期但並無減值之貿易應收賬項與在本集團有良好往績記錄之獨立客戶有關。基於過往經驗，管理層相信，由於信貸質素並無重大變動，且結餘仍被視為可全數收回，故毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

- (b) 於二零一八年六月三十日，結餘主要包括應收銷售貸款18,000,000港元及辦公室按金。於二零一七年六月三十日，結餘主要包括就所發行公司債券預先支付之利息開支3,091,000港元及辦公室按金。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

23. LOANS RECEIVABLE

23. 應收貸款

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--------------------------------------|-----------|----------------------------------|----------------------------------|
| Gross loans and interest receivables | 應收貸款及利息總額 | 169,723 | 112,522 |
| Less: Provision for impairment loss | 減：減值虧損撥備 | (2,441) | (5,199) |
| | | 167,282 | 107,323 |

As at 30 June 2018, the loans receivable with gross principal amount of HK\$164,122,000 (2017: HK\$106,096,000) in aggregate and related gross interest receivables of HK\$5,601,000 (2017: HK\$6,426,000) were due from nine (2017: ten) independent third parties. These loans are interest-bearing at rates ranging from 7% to 20% (2017: 7% to 20%) per annum. All the loans were repayable within twelve months from the end of the reporting period and therefore were classified as current assets at the reporting date. The Group does not hold any collateral over these loans receivable. Impairment loss of HK\$2,441,000 has been recognised in the consolidated statement of comprehensive income for the year ended 30 June 2018. Subsequent to 30 June 2017, the Group had agreed to sell certain loans receivable to an independent third party at a discount and HK\$5,199,000 had been provided to write off those loans receivable for the year ended 30 June 2017.

The movements in the impairment loss for loans receivable during the year are as follows:

於二零一八年六月三十日，有應收九名(二零一七年：十名)獨立第三方本金總額合共164,122,000港元(二零一七年：106,096,000港元)及相關應收利息總額5,601,000港元(二零一七年：6,426,000港元)之貸款。該等貸款按年利率7厘至20厘(二零一七年：7厘至20厘)計息。所有貸款須於報告期末後十二個月內償還，因此，於報告日期獲分類為流動資產。本集團並無就該等應收貸款持有任何抵押品。截至二零一八年六月三十日止年度，綜合全面收益表確認減值虧損2,441,000港元。於二零一七年六月三十日後，本集團同意以折讓價向一名獨立第三方出售若干應收貸款，並已計提撥備5,199,000港元以撇銷截至二零一七年六月三十日止年度的應收貸款。

年內應收貸款減值虧損變動如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------------------------|--------|----------------------------------|----------------------------------|
| At beginning of the year | 年初 | 5,199 | — |
| Impairment loss for the year | 年內減值虧損 | 2,441 | 5,199 |
| Written off of loans receivable | 撇銷應收貸款 | (5,199) | — |
| At end of the year | 年終 | 2,441 | 5,199 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

23. LOANS RECEIVABLE (Continued)

The ageing analysis of loans receivable that are neither individually nor collectively considered to be impaired is as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 既未逾期亦無減值 | 136,802 | 60,178 |
| 1 to 3 months past due | 逾期一至三個月 | – | 18,694 |
| Over 3 months past due | 逾期三個月以上 | 30,480 | 28,451 |
| | | 167,282 | 107,323 |

23. 應收貸款(續)

並無個別或共同視作減值之應收貸款賬齡分析如下：

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Compensation from profit guarantee 溢利保證補償 | 30,000 | 80,000 |

24. 按公平值計入損益之金融資產

On 29 May 2015, the Company issued 700,000,000 consideration shares as the consideration for the acquisition of 85% issued share capital of Delta Prestige Group.

Pursuant to the acquisition agreement, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of Delta Prestige Group in accordance with Hong Kong generally accepted accounting principles for the year ending 30 June 2016 shall not be less than HK\$100,000,000 (the "Profit Target"). In case Delta Prestige Group cannot achieve the Profit Target, the vendor will compensate to the Company in cash. The compensation is calculated in accordance with the following formula:

於二零一五年五月二十九日，本公司發行700,000,000股代價股份，作為收購德泰匯信集團85%已發行股本之代價。

根據收購協議，賣方已向本公司不可撤回地保證及擔保，德泰匯信集團就截至二零一六年六月三十日止年度按香港公認會計原則編製之除稅後經審核綜合純利將不少於100,000,000港元（「溢利目標」）。德泰匯信集團倘若未能達到溢利目標，賣方將向本公司作出現金補償。補償按以下公式計算：

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The compensation = Profit Target - Audited net profit

If Delta Prestige Group records an audited net loss for the year ending 30 June 2016, the audited net profit will be deemed as zero for the purpose of calculation of the compensation.

With reference to the operating resulting of the Electric Cycle CGU for the year ended 30 June 2016, the Directors are of the opinion that the electric cycles business is not likely to meet the Profit Target. The fair value of compensation from profit guarantee is determined by the Directors with reference to the actual financial result of the Delta Prestige Group for the year ended 30 June 2016.

On 26 September 2016, the vendor and the Company entered into a settlement deed regarding the settlement of the compensation from profit guarantee of HK\$100,000,000 and the additional amount of compensation of HK\$850,000. The Group had received the settlement of the compensation of profit guarantee of HK\$70,000,000 and additional compensation of HK\$700,000 up to 30 June 2018. Subsequent to the reporting date, the Company has received HK\$10,000,000 from the vendor, in which HK\$500,000 is one-off additional compensation. The Company and the vendor entered into a supplemental settlement deed on 28 September 2018 that the remaining amount of the compensation of profit guarantee of HK\$20,000,000 and additional compensation of HK\$150,000 would be settled on or before 31 March 2019.

For the year ended 30 June 2018, no fair value change of compensation from profit guarantee (2017: Nil) was recognised in the consolidated statement of comprehensive income.

The fair value of compensation from profit guarantee is a Level 3 recurring fair value measurement. The details of assessment are set out in note 5(b) to the consolidated financial statements.

24. 按公平值計入損益之金融資產 (續)

補償 = 溢利目標 - 經審核純利

倘若德泰匯信集團於截至二零一六年六月三十日止年度錄得經審核虧損淨額，則就計算補償而言經審核純利將被視為零。

經參考電動自行車現金產生單位截至二零一六年六月三十日止年度之經營業績，董事認為電動自行車業務不可能達致溢利目標。溢利保證補償之公平值乃由董事經參考德泰匯信集團截至二零一六年六月三十日止年度之實際財務業績釐定。

於二零一六年九月二十六日，賣方與本公司就償付溢利保證補償100,000,000港元加額外補償金額850,000港元訂立償付契約。截至二零一八年六月三十日，本集團已收訖償付溢利保證補償70,000,000港元加額外補償700,000港元。於報告日期後，本公司已從賣方收訖10,000,000港元，當中500,000港元為一次性額外補償。於二零一八年九月二十八日，本公司與賣方已訂立補充償付契約，溢利保證補償餘款20,000,000港元及額外補償150,000港元將於二零一九年三月三十一日或之前償付。

截至二零一八年六月三十日止年度，並無溢利保證補償之公平值變動(二零一七年：無)於綜合全面收益表內確認。

溢利保證補償之公平值屬第3級經常性公平值計量。評估詳情載於綜合財務報表附註5(b)。

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25. BANK BALANCES AND CASH

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods ranging from one day to twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy financial institutions with no recent history of default. The carrying amounts of the bank deposits and bank balances and cash approximate to their fair values.

Bank balances as at 30 June 2018 of HK\$4,742,000 (2017: HK\$1,681,000) are denominated in RMB, which are placed with banks in the PRC.

RMB is not freely convertible into other currencies. Under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

25. 銀行結餘及現金

銀行現金按每日銀行存款利率之浮動利率賺取利息。短期定期存款之存款期介乎一日至十二個月不等，視乎本集團之即時現金需求而定，並按各短期定期存款利率賺取利息。銀行結餘存放於信譽良好且最近並無拖欠記錄之財務機構。銀行結餘及現金之賬面值與其公平值相若。

於二零一八年六月三十日的銀行結餘4,742,000 港元(二零一七年：1,681,000 港元)乃以人民幣計值，並存於中國多家銀行。

人民幣不可自由兌換為其他貨幣。根據中國大陸外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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26. TRADE PAYABLES, OTHER ADVANCES AND ACCRUALS 26. 貿易應付賬項、其他墊款及應計費用

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Trade payables (note (a)) | 貿易應付賬項(附註(a)) | 1,522 | 3,323 |
| Receipts in advance | 預收款項 | 5,698 | 616 |
| Other payables and accruals (note (b)) | 其他應付款項及應計費用 (附註(b)) | 13,876 | 31,175 |
| Deposit received (note (c)) | 已收按金(附註(c)) | 26,320 | - |
| | | 47,416 | 35,114 |

Notes:

(a) The ageing analysis of trade payables, based on invoice date, is as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Within 30 days | 30日內 | 1,283 | 1,248 |
| 31-60 days | 31至60日 | 138 | 176 |
| 61-90 days | 61至90日 | 27 | 6 |
| Over 90 days | 90日以上 | 74 | 1,893 |
| | | 1,522 | 3,323 |

(b) As at 30 June 2018, other payables and accruals consist of accrued audit fee of HK\$2,100,000.

As at 30 June 2017, other payables and accruals consist of other payables of HK\$2,302,000, which was subject to the interest at 2% per month, accrued audit fee of HK\$1,900,000 and accrued bonds interest of HK\$1,658,000.

(c) As at 30 June 2018, the balance represented the deposit received in respect of the disposal of the 49% equity interest in Perfect Essential Holdings Limited. Details of the transaction are set out in the note 46(a) to the consolidated financial statements.

附註：

(a) 按發票日期之貿易應付賬項賬齡分析如下：

(b) 於二零一八年六月三十日，其他應付款項及應計費用包括應計審計費用2,100,000港元。

於二零一七年六月三十日，其他應付款項及應計費用包括其他應付款項2,302,000港元(按每月2%計算利息)、應計審計費用1,900,000港元及應計債券利息1,658,000港元。

(c) 於二零一八年六月三十日，結餘指就出售 Perfect Essential Holdings Limited 49% 股權而收取的按金。交易詳情載於綜合財務報表附註46(a)。

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27. BORROWINGS

27. 借貸

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-----------------------|---------|----------------------------------|----------------------------------|
| Bank overdraft | 銀行透支 | 1,589 | – |
| Bank loans, secured | 有抵押銀行貸款 | 144,339 | 150,869 |
| | | 145,928 | 150,869 |
| Less: Current portion | 減：流動部分 | (10,706) | (9,140) |
| Non-current portion | 非流動部分 | 135,222 | 141,729 |

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause, borrowings are repayable as follows:

根據貸款協議所載預計還款日期且並無計及任何按要求償還條款之影響，貸款須於以下期間償還：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Within one year or on demand | 一年內或按要求償還 | 10,706 | 9,140 |
| More than one year, but not exceeding two years | 多於一年但不超過兩年 | 8,853 | 9,140 |
| More than two years, but exceeding five years | 多於兩年但不超過五年 | 126,369 | 132,589 |
| | | 145,928 | 150,869 |

Bank borrowings were secured by (i) corporate guarantees provided by subsidiaries within the Group as at 30 June 2018 and 2017; (ii) the pledge of Group's assets as set out in note 33; and (iii) the entire equity interest of certain subsidiaries as at 30 June 2018 and 2017.

銀行借貸以(i)本集團附屬公司於二零一八年及二零一七年六月三十日提供之公司擔保；(ii)質押附註33所載本集團資產；及(iii)若干附屬公司於二零一八年及二零一七年六月三十日全部股權作抵押。

The abovementioned bank borrowings are charged at floating rates ranging from 0.75% to 8.05% per annum (2017: 0.75% to 5.14%).

上述銀行借貸乃按介乎0.75厘至8.05厘之浮動年利率計息(二零一七年：0.75厘至5.14厘)。

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28. CORPORATE BONDS

28. 公司債券

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-----------------|------|----------------------------------|----------------------------------|
| Corporate bonds | 公司債券 | - | 112,749 |

In prior years, the Group has issued two fixed-rate corporate bonds. A corporate bond at principal amount of HK\$86,500,000 ("Bond A") bears interest at 8% per annum, and another corporate bond at principal amount of HK\$27,000,000 ("Bond B") bears interest at 10% per annum. The interests of Bond A are paid in advance while the interest of Bond B are paid in arrears. Both bonds are guaranteed by the Company and will mature on the date falling on the third anniversary of the date of first issue.

The Company may, at any time falling on the first and the second anniversary of the issue dates of the corporate bonds, redeem the whole corporate bonds at 100% of the total principal amounts together with payments of interest accrued up to the dates of such early redemption by serving at least thirty days written notice.

During the year ended 30 June 2018, the Group has redeemed all corporate bonds of principal amount of HK\$113,500,000 due to maturity (2017: HK\$73,000,000).

於過往年度，本集團已發行兩份定息公司債券。本金額86,500,000港元之公司債券(「債券A」)按年利率8厘計息，而本金額27,000,000港元之另一份公司債券(「債券B」)按年利率10厘計息。債券A之利息為預先支付，而債券B之利息則為押後支付。兩份債券均由本公司擔保，將於首次發行日期滿三週年當日到期。

本公司可於公司債券發行日期滿一及兩週年時透過發出最少30日書面通知，隨時按本金總額之100%連同累計至提早贖回日期止之利息付款贖回全部公司債券。

截至二零一八年六月三十日止年度，本集團已因到期而贖回本金額為113,500,000港元之所有公司債券(二零一七年：73,000,000港元)。

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29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss represented contingent consideration payable in relation to the acquisition of Emission Particle Solution Sweden AB ("EPS").

Based on the signed agreements and/or sales orders determined by the Group, EPS would record a net loss after tax for the year ended 31 December 2017. Pursuant to the terms of the sale and purchase agreement (as amended and supplemented by the supplemental agreement), neither the purchaser nor the Company shall be obligated to pay the balance or the adjusted balance or any part thereof. The Directors of the Company are in opinion that gain on change in fair value of financial liabilities at fair value through profit or loss of HK\$131,221,000 has been recognised for the year ended 30 June 2018 (2017: Nil).

The fair value of contingent consideration payable is a level 3 resuming fair value measurement.

29. 按公平值計入損益之金融負債

按公平值計入損益之金融負債指有關收購Emission Particle Solution Sweden AB (「EPS」)之應付或然代價。

根據已簽署之協議及／或本集團確定之銷售訂單，EPS於截至二零一七年十二月三十一日止年度將錄得除稅後淨虧損。根據買賣協議(經補充協議修訂及補充)之條款，買方或本公司毋須支付餘款或經調整餘款或其任何部分。本公司董事認為，按公平值計入損益之金融負債公平值變動收益131,221,000港元(二零一七年：無)已於截至二零一八年六月三十日止年度確認。

應付或然代價之公平值屬第3級經常性公平值計量。

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30. ASSETS AND LIABILITIES OF A DISPOSAL GROUP HELD FOR SALE

On 7 September 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose the entire equity interest of Miracle True investment Limited ("Miracle True"), a wholly-owned subsidiary of the Company, at a cash consideration of HK\$11,000,000. Miracle True is the investment holding company and its subsidiary is holding the land in the PRC. In 7 February 2018, the Group entered the supplemental agreement with the independent third party to extend the long stop date to 31 January 2019. As at 30 June 2018, the following major class of assets and liabilities relating to the group have been classified as held for sale in the consolidated statement of financial position.

30. 持作出售之出售集團之資產及負債

於二零一七年九月七日，本集團與一名獨立第三方訂立買賣協議，以出售本公司全資附屬公司奧勤投資有限公司（「奧勤」）全部股權，現金代價為11,000,000港元。奧勤為投資控股公司，其附屬公司持有中國土地。於二零一八年二月七日，本集團與該獨立第三方訂立補充協議，以押後最後截止日期至二零一九年一月三十一日。於二零一八年六月三十日，與該集團有關的以下主要資產及負債類別已於綜合財務狀況表中分類為持作出售。

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|
| Prepaid lease payments for land | 預付土地租金 | 10,309 |
| Bank balances and cash | 銀行結餘及現金 | 32 |
| Assets of a disposal group held for sale | 持作出售之出售集團之資產 | 10,341 |
| Other payables and accruals | 其他應付款項及應計費用 | 284 |
| Liabilities of a disposal group held for sale | 持作出售之出售集團之負債 | 284 |
| Exchange difference arising on translation of the financial statements of a foreign subsidiary | 換算海外附屬公司財務報表產生之匯兌差額 | 260 |

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31. DEFERRED TAX

Deferred tax is calculated on temporary differences under the liability method using applicable tax rates prevailing in the jurisdictions in which the Group operates.

The following is the major deferred tax liabilities recognised by the Group and their movements are:

31. 遞延稅項

遞延稅項乃採用本集團經營所在司法權區之適用稅率，以負債法就暫時差額計算。

以下為本集團已確認之主要遞延稅項負債及其變動情況：

| | | Fair value adjustment arising from business combination 業務合併產生之公平值調整 HK\$'000 千港元 |
|--|------------------------------|--|
| At 1 July 2016 | 於二零一六年七月一日 | - |
| Acquired through acquisition of subsidiaries (note 37) | 透過收購附屬公司收購 (附註37) | 119,373 |
| Credited to profit or loss for the year (note 12) | 計入年內損益(附註12) | (3,882) |
| Exchange realignment | 匯兌調整 | (582) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及二零一七年七月一日 | 114,909 |
| Credited to profit or loss for the year (note 12) | 計入年內損益(附註12) | (39,797) |
| Exchange realignment | 匯兌調整 | (854) |
| At 30 June 2018 | 於二零一八年六月三十日 | 74,258 |

As at 30 June 2018, the Group has estimated unused tax losses arising in Hong Kong of HK\$103,277,000 (2017: HK\$44,350,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. As at 30 June 2018, the Group has estimated unused tax losses arising in the PRC amounted to HK\$48,071,000 (2017: HK\$43,336,000) which are available for offsetting against future taxable profits of the companies will expire at various dates for a maximum period of five years from the reporting date. As at 30 June 2018, the Group has estimated unused tax losses arising in Sweden of HK\$28,387,000 (2017: HK\$9,451,000), subject to the agreement of tax bureau in Sweden, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these estimated unused tax losses as these were incurred by the companies that have been loss-making for some time.

於二零一八年六月三十日，本集團在香港產生之估計未動用稅項虧損103,277,000港元(二零一七年：44,350,000港元)可無限期用作抵銷錄得虧損之公司之未來應課稅溢利，惟須待稅務局同意。於二零一八年六月三十日，本集團在中國產生之估計未動用稅項虧損48,071,000港元(二零一七年：43,336,000港元)將於不同日子(最長為由報告日期起計五年)屆滿，可用作抵銷該等公司之未來應課稅溢利。於二零一八年六月三十日，本集團有於瑞典產生之估計未動用稅項虧損28,387,000港元(二零一七年：9,451,000港元)，惟須待瑞典稅務局同意後方可作實，有關款項可無限期用作抵銷產生虧損之公司之未來應課稅溢利之彌償保證。本公司並無就該等估計未動用稅項虧損確認遞延稅項資產，原因為該等估計稅項虧損乃由已錄得虧損一段時間之公司所產生。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

32. SHARE CAPITAL

32. 股本

| | | Number of shares 股份數目 '000 千股 | Amount 款額 HK\$'000 千港元 |
|--|---|---|---------------------------------|
| Ordinary shares of HK\$0.05 each at 30 June 2017 and 2018 | 於二零一七年及二零一八年 六月三十日每股面值 0.05 港元之普通股 | | |
| Authorised: At 1 July 2016, 30 June 2017, 1 July 2017 and 30 June 2018 | 法定： 於二零一六年七月一日、 二零一七年六月三十日、 二零一七年七月一日及 二零一八年六月三十日 | 30,000,000 | 1,500,000 |

| | | Number of shares 股份數目 '000 千股 | Amount 款額 HK\$'000 千港元 |
|--|---------------------------|---|---------------------------------|
| Issued and fully paid: | 已發行及繳足： | | |
| At 1 July 2016 | 於二零一六年七月一日 | 4,483,114 | 224,156 |
| Issue of ordinary shares on conversion of convertible preference shares | 可換股優先股獲兌換時發行 普通股 | 746,430 | 37,321 |
| Issue of ordinary shares on exercise of share options | 購股權獲行使時發行普通股 | 2,300 | 115 |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及 二零一七年七月一日 | 5,231,844 | 261,592 |
| Issue of ordinary shares upon rights issue (note) | 供股時發行普通股(附註) | 10,463,688 | 523,184 |
| At 30 June 2018 | 於二零一八年六月三十日 | 15,695,532 | 784,776 |

Note:

On 13 June 2018, the Company completed the rights issue ("Rights Issue") on the basis of two rights shares for every one existing share held. 10,463,687,800 rights shares were issued at price of HK\$0.052. Gross Rights Issue proceeds of HK\$544,111,000 of which HK\$523,184,000 was credited against share capital. The remaining proceeds of HK\$20,927,000 after offsetting the share issuance costs of HK\$20,482,000 were credited against the share premium account.

附註：

於二零一八年六月十三日，本公司完成按每持有一股現有股份獲發兩股供股股份之基準進行供股(「供股」)。10,463,687,800 股供股股份以 0.052 港元之價格發行。供股所得款項總額為 544,111,000 港元，其中 523,184,000 港元已計入股本。於抵銷股份發行成本 20,482,000 港元後，餘下所得款項 20,927,000 港元已計入股份溢價賬。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

33. PLEDGE OF ASSETS

Save as disclosed elsewhere in these consolidated financial statements, the Group had pledged the following assets to secure general banking facilities granted (note 27) to the Group. The carrying amounts of these assets are analysed as follows:

33. 資產抵押

除綜合財務報表其他部分所披露者外，本集團亦已質押以下資產作為本集團獲授一般銀行融資之抵押(附註27)。此等資產之賬面值分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Property, plant and equipment | 物業、廠房及設備 | 479,005 | 474,963 |
| Bank balances | 銀行結餘 | 3,655 | 3,003 |
| | | 482,660 | 477,966 |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

34. RESERVES OF THE COMPANY

34. 本公司儲備

| | | Share premium | Contributed surplus | Convertible preference shares reserve | Share option reserve | Accumulated losses | Total |
|---|---------------------------|-------------------------|-------------------------|---------------------------------------|--------------------------|-------------------------|-----------------------|
| | | 股份溢價 HK\$'000 千港元 | 繳入盈餘 HK\$'000 千港元 | 可換股 優先股儲備 HK\$'000 千港元 | 購股權儲備 HK\$'000 千港元 | 累計虧損 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 July 2016 | 於二零一六年七月一日 | 1,093,146 | 414,226 | - | 98,073 | (1,075,844) | 529,601 |
| Share issued upon exercise of share options | 購股權獲行使時發行股份 | 842 | - | - | (221) | - | 621 |
| Issuance of convertible preference shares | 發行可換股優先股 | - | - | 160,775 | - | - | 160,775 |
| Share issued upon conversion of convertible preference shares | 可換股優先股獲兌換時發行股份 | 123,454 | - | (160,775) | - | - | (37,321) |
| Recognition of equity-settled share-based payment expenses | 確認以股本結算之股份付款開支 | - | - | - | 3,478 | - | 3,478 |
| Lapse of share options | 購股權失效 | - | - | - | (154) | 154 | - |
| Loss and total comprehensive income for the year | 年內虧損及全面收入總額 | - | - | - | - | (171,605) | (171,605) |
| At 30 June 2017 and 1 July 2017 | 於二零一七年六月三十日及 二零一七年七月一日 | 1,217,442 | 414,226 | - | 101,176 | (1,247,295) | 485,549 |
| Share issued upon rights issue | 供股時發行股份 | 20,927 | - | - | - | - | 20,927 |
| Share issuance expenses | 股份發行開支 | (20,482) | - | - | - | - | (20,482) |
| Lapse of share options | 購股權失效 | - | - | - | (58) | 58 | - |
| Recognition of equity-settled share-based payment expenses | 確認以股本結算之股份付款開支 | - | - | - | 8,032 | (8,032) | - |
| Loss and total comprehensive income for the year | 年內虧損及全面收入總額 | - | - | - | - | (243,901) | (243,901) |
| At 30 June 2018 | 於二零一八年六月三十日 | 1,217,887 | 414,226 | - | 109,150 | (1,499,170) | 242,093 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 35. 本公司財務狀況表

| | | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|--------------------|-------------|----------------------------------|----------------------------------|
| ASSETS AND LIABILITIES | 資產及負債 | | | |
| Non-current assets | 非流動資產 | | | |
| Interests in subsidiaries | 於附屬公司之權益 | | 629,134 | 751,581 |
| Property, plant and equipment | 物業、廠房及設備 | | 185 | 1,707 |
| Total non-current assets | 非流動資產總值 | | 629,319 | 753,288 |
| Current assets | 流動資產 | | | |
| Prepayments and deposit | 預付款項及按金 | | 35,167 | 7,482 |
| Bank balances and cash | 銀行結餘及現金 | | 406,751 | 56 |
| Total current assets | 流動資產總值 | | 441,918 | 7,538 |
| Current liabilities | 流動負債 | | | |
| Accruals and other payables | 應計費用及其他應付款項 | | 31,269 | 589 |
| Amounts due to subsidiaries | 應付附屬公司款項 | | 13,099 | 13,096 |
| Total current liabilities | 流動負債總額 | | 44,368 | 13,685 |
| Net current assets/(liabilities) | 流動資產/(負債)淨額 | | 397,550 | (6,147) |
| Net assets | 資產淨值 | | 1,026,869 | 747,141 |
| EQUITY | 權益 | | | |
| Share capital | 股本 | 32 | 784,776 | 261,592 |
| Reserves | 儲備 | 34 | 242,093 | 485,549 |
| Total equity | 總權益 | | 1,026,869 | 747,141 |

Statement of financial position of the Company was approved and authorised for issue by the board of directors on 28 September 2018 and are signed on its behalf by:

本公司財務狀況表已於二零一八年九月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

Wong Hin Shek
王顯碩

Chi Chi Hung, Kenneth
李志雄

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

36. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

36. 有關主要附屬公司之資料

| Name of company 公司名稱 | Place of incorporation/ establishment 註冊成立/成立地點 | Issued and fully paid share capital 已發行及繳足股本 | Percentage of equity interest attributable to the Company 本公司應佔股權百分比 | | Principal activities and place of operation 主要業務及經營地點 |
|--|---|---|--|------------------|---|
| | | | Directly 直接 | Indirectly 間接 | |
| Max June Limited 萬津有限公司 | British Virgin Islands 英屬維爾京群島 | US\$1 1美元 | 100% | - | Investment holding in the PRC 於中國投資控股 |
| DeTai Finance Limited 德泰財務有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | Money lending in Hong Kong 於香港放款 |
| 國濃酒業(四川)有限公司(附註) Guofeng Liquor & Wine Business (Sichuan) Ltd. * (note) | PRC 中國 | US\$2,000,000 2,000,000美元 | - | 100% | Trading and distribution of liquor and wine in the PRC 於中國買賣及分銷酒類產品 |
| Cambridge Venture Partners Kabushiki Kaisha ("CVP KK") | Japan 日本 | JPY10,000 10,000日圓 | - | 100% | Hotel hospitality services in Japan 於日本提供酒店款待服務 |
| EPS International Holdings Limited 加拿大 | Canada 加拿大 | Canadian Dollar ("CAD") 36,136,800 36,136,800加拿大元 (「加拿大元」) | - | 100% | Investment holding in Canada 於加拿大投資控股 |
| EPS 瑞典 | Sweden 瑞典 | SEK136,600 136,600克朗 | - | 100% | Development, manufacture and distribution of EuroAd, a vegetable of additive 開發、製造及分銷EuroAd 植物添加劑 |
| 德泰易馳(天津)環保科技有限公司 DeTai Yichi (Tianjin) Environment Technology Limited * (note) (附註) | PRC 中國 | RMB12,451,344 人民幣12,451,344元 | - | 80% | Development, manufacture and distribution of EuroAd, a vegetable of additive 開發、製造及分銷EuroAd 植物添加劑 |

* The English name is for identification only

Note:

These subsidiaries are registered as wholly foreign owned enterprises under the law of the PRC.

* 英文名稱僅供識別

附註：

此等附屬公司根據中國法律登記為外商獨資企業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

37. ACQUISITION OF SUBSIDIARIES

(a) EPS

On 22 December 2016, the Group acquired the entire issued share capital of EPS at cash consideration of SEK239,000,000 (equivalent to approximately HK\$202,186,000), in which (i) SEK101,200,000 (equivalent to approximately HK\$85,612,000) was settled on 22 December 2016, and (ii) remaining maximum balance of SEK137,800,000 (equivalent to approximately HK\$116,574,000) is subject to post completion adjustment mechanism. EPS is principally engaged in the development, manufacturing and distribution of a fuel additive product namely EuroAd which can reduce fuel consumption and environment impact. The primary reason for the acquisition was to further expand and diversify the business portfolio within the new energy sector.

The fair values of identifiable assets and liabilities arising from the acquisition of EPS as at the date of were as follows:

37. 收購附屬公司

(a) EPS

於二零一六年十二月二十二日，本集團收購EPS之全部已發行股本，現金代價為239,000,000克朗（相當於約202,186,000港元），其中(i)101,200,000克朗（相當於約85,612,000港元）已於二零一六年十二月二十二日支付；及(ii)餘款最多137,800,000克朗（相當於約116,574,000港元）受完成後調整機制約束。EPS主要從事一種名為EuroAd之燃料添加劑產品之開發、生產及分銷，可減低燃料消耗及對環境之影響。進行收購之主要原因為於新能源行業內進一步拓展其業務組合作多元化發展。

於收購EPS當日所產生可識別資產及負債之公平值如下：

| | | 2017 二零一七年 Fair value 公平值 HK\$'000 千港元 |
|--|-----------------------|---|
| | | Notes 附註 |
| Property, plant and equipment | 物業、廠房及設備 | 15 242 |
| Intangible assets | 無形資產 | 16 186,863 |
| Inventories | 存貨 | 9,937 |
| Trade receivables, other receivables, deposits and prepayments | 貿易應收賬項、其他應收款項、按金及預付款項 | 245 |
| Bank balances and cash | 銀行結餘及現金 | 995 |
| Trade payables, other advances and accruals | 貿易應付賬項、其他墊款及應計費用 | (3,292) |
| Borrowings | 借貸 | (3,325) |
| Deferred tax liabilities | 遞延稅項負債 | 31 (43,088) |
| Fair value of net assets acquired | 已收購資產淨值之公平值 | 148,577 |
| Net cash outflow from acquisition of a subsidiary: | 收購一家附屬公司之現金流出淨額： | |
| Cash consideration paid | 已付現金代價 | (85,612) |
| Cash and cash equivalents in a subsidiary acquired | 已收購附屬公司之現金及現金等值項目 | 995 |
| Net cash outflows | 現金流出淨額 | (84,617) |
| Cash consideration | 現金代價 | 85,612 |
| Contingent consideration payable | 應付或然代價 | 116,574 |
| Total consideration | 代價總額 | 202,186 |
| Less: Fair value of net assets acquired | 減：已收購資產淨值之公平值 | (148,577) |
| Goodwill | 商譽 | 18 53,609 |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

37. ACQUISITION OF SUBSIDIARIES

(Continued)

(a) EPS (Continued)

Pursuant to the supplemental agreement dated 22 December 2016, the remaining balance of SEK137,800,000 shall be adjusted according to the net profit after tax of EPS forecasted for the period from 1 January 2017 to 31 December 2017 ("NPAT"). The adjusted balance is calculated in accordance with the following formula:

The adjusted balance = $\text{SEK}137,800,000 \times \text{NPAT} / \text{SEK}30,000,000$

If EPS records a net loss after tax in aggregate in its financial statements for the period from 1 January 2017 to 30 June 2017, the adjusted balance shall be deemed as zero. In the event that the value of the adjusted balance exceeds the value of the remaining balance of SEK137,800,000, the Group shall only be obliged to pay the maximum of SEK137,800,000.

At the completion date, the Directors are of the opinion that EPS would achieve a NPAT equal to or larger than SEK30,000,000. As such, remaining balance is considered to be maximum of SEK137,800,000 (equivalent to approximately HK\$127,431,000). The contingent consideration payable is stated at fair value and presented as financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

The goodwill of HK\$53,609,000, which is not deductible for tax purposes, comprises the acquired workforce and the expected future growth of new energy business to diversify the revenue stream of the existing business of the Group.

37. 收購附屬公司 (續)

(a) EPS (續)

根據日期為二零一六年十二月二十二日之補充協議，餘款137,800,000克朗須根據EPS由二零一七年一月一日至二零一七年十二月三十一日期間之預測除稅後純利("NPAT")作出調整。經調整餘款按以下公式計算：

經調整餘款 = $137,800,000 \text{ 克朗} \times \text{NPAT} / 30,000,000 \text{ 克朗}$

倘EPS由二零一七年一月一日至二零一七年六月三十日期間之財務報表合共錄得除稅後虧損淨額，則經調整餘款將視為零。倘經調整餘款金額高於餘款137,800,000克朗，則本集團只須支付最多137,800,000克朗。

於完成當日，董事認為，EPS所達致之NPAT將等如或多於30,000,000克朗。因此，餘款最多被視為137,800,000克朗(相當於約127,431,000港元)。應付或然代價按公平值列賬，並於綜合財務狀況表呈列為按公平值計入損益之金融負債。

商譽53,609,000港元不可扣稅，其中包括就分散本集團現有業務收益來源而收購分銷產品所得員工及預期未來增長。

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

37. ACQUISITION OF SUBSIDIARIES

(Continued)

(a) EPS (Continued)

Post-acquisition contribution to revenue and net loss of the EPS as included in the Group's consolidated statement of comprehensive income for the year ended 30 June 2017 is HK\$3,492,000 and HK\$7,253,000 respectively. Had the acquisition been completed on 1 July 2016, the revenue and net loss of the Group for the year ended 30 June 2017 would have been HK\$48,881,000 and HK\$156,430,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of the Group been completed on 1 July 2016 nor are they intended to be a projection of future results.

(b) Integrated Capital

On 1 November 2016, the Group entered into a supplemental letter with Integrated Capital, in which the Group shall have the right to convert the whole outstanding principal of the Convertible Bonds into 570 new shares of Integrated Capital, representing 95% of the equity interest in Integrated Capital at any time from the date of the supplemental letter. Details of the supplemental letter are set out in the Company's announcement dated 1 November 2016.

With reference to HKFRS 10 consolidated financial statements, the Directors are in the opinion that the control on Integrated Capital become substantive and Integrated Capital would become the subsidiary of the Group since 1 November 2016. On 25 November 2016, the Group has exercised the right to convert all outstanding principal of the Convertible Bonds. Details of the conversion are set out in the Company's announcement dated 25 November 2016.

Integrated Capital and its subsidiary, namely CVP KK, are principally engaged in the hotel hospitality business in Japan. The primary reason for the acquisition was to further expand and diversify the business portfolio.

37. 收購附屬公司 (續)

(a) EPS (續)

計入本集團截至二零一七年六月三十日止年度之綜合全面收益表之收購後對EPS之收益及虧損淨額貢獻分別為3,492,000港元及7,253,000港元。倘收購事項已於二零一六年七月一日完成，本集團截至二零一七年六月三十日止年度之收益及虧損淨額則分別為48,881,000港元及156,430,000港元。備考資料僅供說明用途，且未必為倘上述收購事項已於二零一六年七月一日完成時本集團實際達致之收益及經營業績之指標，亦不擬作為未來業績之預測。

(b) Integrated Capital

於二零一六年十一月一日，本集團與Integrated Capital訂立補充函件，據此，本集團將有權自補充函件日期起，隨時將可換股債券未償還本金額全數兌換為570股Integrated Capital新股份，相當於Integrated Capital之95%股權。有關補充函件之詳情載於本公司日期為二零一六年十一月一日之公佈。

經參考香港財務報告準則第10號綜合財務報表，董事認為對Integrated Capital之控制權變得重大，故Integrated Capital自二零一六年十一月一日起成為本集團之附屬公司。於二零一六年十一月二十五日，本集團行使權利兌換可換股債券所有未償還本金額。兌換詳情載於本公司日期為二零一六年十一月二十五日之公佈。

Integrated Capital及其附屬公司CVP KK主要於日本從事酒店款待業務。進行收購事項之主要原因為進一步拓展其業務組合作多元化發展。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

37. ACQUISITION OF SUBSIDIARIES

(Continued)

(b) Integrated Capital (Continued)

The fair values of identifiable assets and liabilities arising from the acquisition of Integrated Capital Group as at the date of were as follows:

37. 收購附屬公司 (續)

(b) Integrated Capital (續)

於收購Integrated Capital集團當日所產生可識別資產及負債之公平值如下：

| | | Notes 附註 | 2017 二零一七年 Fair value 公平值 HK\$'000 千港元 |
|---|---------------------------|-------------|---|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 510,960 |
| Inventories | 存貨 | | 158 |
| Trade receivables, other receivables, deposits and prepayments | 貿易應收賬項、其他應收款項、 按金及預付款項 | | 11,893 |
| Pledged bank deposits | 已抵押銀行存款 | | 830 |
| Bank balances and cash | 銀行結餘及現金 | | 898 |
| Trade payables, other advances and accruals | 貿易應付賬項、其他墊款及 應計費用 | | (15,012) |
| Deferred tax liabilities | 遞延稅項負債 | 31 | (76,285) |
| | | | 433,442 |
| Non-controlling interests | 非控股權益 | | (21,672) |
| Fair value of net assets acquired | 已收購資產淨值之公平值 | | 411,770 |
| Net cash inflow from acquisition of a subsidiary | 收購一家附屬公司之現金流入 淨額 | | 898 |
| Fair value of the convertible bonds | 可換股債券之公平值 | | 470,025 |
| Less: Fair value of net assets acquired | 減：已收購資產淨值之公平值 | | (411,770) |
| Goodwill | 商譽 | 18 | 58,255 |

The goodwill of HK\$58,255,000, which is not deductible for tax purposes, comprises the acquired workforce and the expected future growth of hotel ownership and management business in Japan to diversify the revenue stream of the existing business of the Group.

商譽58,255,000港元不可扣稅，其中包括就分散本集團現有業務收益來源而收購日本酒店擁有權及管理業務所得員工及預期未來增長。

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37. ACQUISITION OF SUBSIDIARIES

(Continued)

(b) Integrated Capital (Continued)

Post-acquisition contribution to revenue and net profit of the hotel hospitality business as included in the Group's consolidated statement of comprehensive income for the year ended 30 June 2017 is HK\$25,234,000 and HK\$14,730,000 respectively. Had the acquisition been completed on 1 July 2016, the revenue and net loss of the Group for the year ended 30 June 2017 would have been HK\$51,984,000 and HK\$155,644,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of the Group been completed on 1 July 2016 nor are they intended to be a projection of future results.

38. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Guocang

On 27 September 2017, a subsidiary of the Group as vendor entered into an agreement with two independent third parties to dispose the entire equity interest of Guocang at a consideration of RMB100 (equivalent to HK\$117). Gain on disposal amounted to HK\$36,177,000 was analysed as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|
| Net liabilities disposed of: | 已出售淨負債： | |
| Other receivables | 其他應收款項 | 137 |
| Trade payables and other payables | 貿易應付賬項及其他應付款項 | (30,792) |
| Tax payable | 應付稅項 | (7,084) |
| | | (37,739) |
| Non-controlling interests | 非控股權益 | (114) |
| | | (37,853) |
| Less: Release of exchange reserve to profit or loss upon disposal | 減：出售時轉出外匯儲備至損益 | 1,676 |
| Less: Proceeds from disposal | 減：出售所得款項 | - |
| Gain on disposal | 出售收益 | (36,177) |

37. 收購附屬公司(續)

(b) Integrated Capital (續)

計入本集團截至二零一七年六月三十日止年度之綜合全面收益表之收購後對酒店款待業務之收益及純利貢獻分別為25,234,000港元及14,730,000港元。倘收購事項已於二零一六年七月一日完成，本集團截至二零一七年六月三十日止年度之收益及虧損淨額則分別為51,984,000港元及155,644,000港元。備考資料僅供說明用途，且未必為倘本集團收購事項已於二零一六年七月一日完成時本集團實際達致之收益及經營業績之指標，亦不擬作為未來業績之預測。

38. 出售附屬公司

(a) 出售國藏

於二零一七年九月二十七日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方訂立協議，以按代價人民幣100元(相當於117港元)出售國藏全部股權。出售收益36,177,000港元分析如下：

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38. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of Guocang (Continued)

The cash consideration of HK\$117 from the disposal of Guocang has been fully received by the Group during the year. Net cash inflows arising on disposal is HK\$117.

(b) Disposal of Jiangsu Youli

On 18 December 2017, a subsidiary of the Group as vendor entered into an agreement with two independent third parties to dispose the entire equity interest of Jiangsu Youli at a consideration of RMB100 (equivalent to HK\$119). Gain on disposal amounted to HK\$7,681,000 was analysed as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|
| Net liabilities disposed of: | 已出售淨負債： | |
| Other receivables | 其他應收款項 | 154 |
| Trade payables, other payables and accruals | 貿易應付賬項、其他應付款項及應計費用 | (6,263) |
| Borrowings | 借貸 | (2,400) |
| | | (8,509) |
| Less: Release of exchange reserve to profit or loss upon disposal | 減：出售時轉出外匯儲備至損益 | 828 |
| Less: Proceeds from disposal | 減：出售所得款項 | - |
| Gain on disposal | 出售收益 | (7,681) |

The cash consideration of HK\$119 from the disposal of Jiangsu Youli has been fully received by the Group during the year. Net cash inflows arising on disposal is HK\$119.

The Company is engaged in the manufacturing and trading of electric cycles business and the relevant gain on disposal has been presented and included in discontinued operations (note 9).

38. 出售附屬公司(續)

(a) 出售國藏(續)

本集團已於年內全數收訖出售國藏所得現金代價117港元。出售產生之現金流入淨額為117港元。

(b) 出售江蘇友立

於二零一七年十二月十八日，本集團旗下一間附屬公司(作為賣方)與兩名獨立第三方訂立協議，以按代價人民幣100元(相當於119港元)出售江蘇友立全部股權。出售收益7,681,000港元分析如下：

本集團已於年內全數收訖出售江蘇友立所得現金代價119港元。出售產生之現金流入淨額為119港元。

本公司從事電動自行車業務的製造及貿易，相關出售收益已經呈列並計入已終止經營業務(附註9)。

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38. DISPOSAL OF SUBSIDIARIES (Continued)

38. 出售附屬公司(續)

(c) Disposal of Taishan Youli

On 15 January 2018, the Group entered into an agreement with two independent third parties to dispose of its entire equity interest of the Taishan Youli at a consideration of RMB100 (equivalent to HK\$119). Gain on disposal amounted to HK\$58,000 was analysed as follows:

(c) 出售台山友立

於二零一八年一月十五日，本集團與兩名獨立第三方訂立協議，以按代價人民幣100元(相當於119港元)出售其於台山友立之全部股權。出售收益58,000港元分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|
| Net liabilities disposed of: | 已出售淨負債： | |
| Bank balances | 銀行結餘 | 1 |
| Other payables | 其他應付款項 | (94) |
| | | (93) |
| Less: Release of exchange reserve to profit or loss upon disposal | 減：出售時轉出外匯儲備至損益 | 35 |
| Less: Proceeds from disposal | 減：出售所得款項 | - |
| Gain on disposal | 出售收益 | (58) |
| Net cash outflows arising on disposal: | 出售產生之現金流出淨額： | |
| | | HK\$'000 千港元 |
| Cash consideration received | 已收現金代價 | - |
| Less: Bank balances disposed of | 減：已出售之銀行結餘 | (1) |
| Net cash outflows | 現金流出淨額 | (1) |

The cash consideration of HK\$119 from the disposal of Taishan Youli has been fully received by the Group during the year.

本集團已於年內悉數收取出售台山友立所得現金代價119港元。

The Company is engaged in the manufacturing and trading of electric cycles business and the relevant gain on disposal has been presented and included in discontinued operations (note 9).

本公司從事電動自行車業務的製造及貿易，相關出售收益已經呈列並計入已終止經營業務(附註9)。

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38. DISPOSAL OF SUBSIDIARIES (Continued)

38. 出售附屬公司(續)

(d) Disposal of Guofeng Youli

On 6 April 2018, the Group entered into an agreement with an independent third party to dispose of its entire equity interest in the Guofeng Youli at the consideration of RMB25,000 (equivalent to HK\$29,000). Loss on disposal amounted to HK\$42,000 was analysed as follows:

(d) 出售國豐友立

於二零一八年四月六日，本集團與一名獨立第三方訂立協議，以按代價人民幣25,000元(相當於29,000港元)出售其於國豐友立之全部股權。出售虧損42,000港元分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|
| Net assets disposed of: | 已出售淨資產： | |
| Property, plant and equipment | 物業、廠房及設備 | 42 |
| Bank balances and cash | 銀行結餘及現金 | 10 |
| Other receivables | 其他應收款項 | 10 |
| Inventories | 存貨 | 64 |
| Other payables and accruals | 其他應付款項及應計費用 | (34) |
| | | 92 |
| Less: Release of exchange reserve to profit or loss upon disposal | 減：出售時轉出外匯儲備至損益 | (21) |
| Less: Proceeds from disposal | 減：出售所得款項 | (29) |
| Loss on disposal | 出售虧損 | 42 |

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| Net cash inflows arising on disposal: | 出售產生之現金流入淨額： | |
| Cash consideration received | 已收現金代價 | 29 |
| Less: Bank balances and cash disposed of | 減：已出售之銀行結餘及現金 | (10) |
| Net cash inflows | 現金流入淨額 | 19 |

The cash consideration of HK\$29,000 from the disposal of Guofeng Youli has been fully received by the Group during the year.

本集團已於年內悉數收取出售國豐友立所得現金代價29,000港元。

The Company is engaged in the manufacturing and trading of electric cycles business and the relevant loss on disposal has been presented and included in discontinued operations (note 9).

本公司從事電動自行車業務的製造及貿易，相關出售虧損已經呈列並計入已終止經營業務(附註9)。

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39. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of additional interest in Integrated Capital

On 25 January 2017, the Company acquired the remaining 5% equity interest of Integrated Capital at cash consideration of HK\$35,600,000. Integrated Capital becomes the wholly-owned subsidiary of the Group. The Group recognised a decrease in non-controlling interests of HK\$19,610,000 and a decrease in equity attributable to owners of the Company of HK\$15,990,000. The effect of changes in the ownership interest of Integrated Capital on the equity attributable to owners of the Company during the year is summarised as below:

| | | 2017 二零一七年 HK\$'000 千港元 |
|---|--------------|----------------------------------|
| Carrying amount of non-controlling interests acquired | 所收購非控股權益之賬面值 | 19,610 |
| Consideration paid to non-controlling interests | 已付非控股權益之代價 | (35,600) |
| Excess of consideration paid recognised within equity | 於權益確認之已付溢價 | (15,990) |

39. 與非控股權益之交易

(a) 收購 Integrated Capital 之額外權益

於二零一七年一月二十五日，本公司以現金代價35,600,000港元收購Integrated Capital餘下5%股權。Integrated Capital成為本集團全資附屬公司。本集團確認非控股權益減少19,610,000港元及本公司擁有人應佔權益減少15,990,000港元。年內，Integrated Capital擁有權權益變動對本公司擁有人應佔權益之影響概列如下：

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39. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

(b) Acquisition of additional interest in Jiang Su Youli

On 26 April 2017, the Company acquired the remaining 30% equity interest of Jiang Su Youli at cash consideration of RMB60,000 (equivalent to HK\$69,000). The Group recognised an increase in non-controlling interests of RMB206,000 (equivalent to HK\$237,000) and a decrease in equity attributable to owners of the Company of HK\$306,000. The effect of changes in the ownership interest of Jiang Su Youli on the equity attributable to owners of the Company during the year is summarised as below:

| | | 2017 二零一七年 HK\$'000 千港元 |
|---|--------------|----------------------------------|
| Carrying amount of non-controlling interests acquired | 所收購非控股權益之賬面值 | (237) |
| Consideration paid to non-controlling interests | 已付非控股權益之代價 | (69) |
| Excess of consideration paid recognised within equity | 於權益確認之已付溢價 | (306) |

(c) Effect of transactions with non-controlling interests on the equity attributable to owners of the Company for the year ended 30 June 2017.

| | | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|
| Change in equity attributable to owners of the Company arising from: | 本公司擁有人應佔權益變動源自： | |
| — Acquisition of additional interest in Integrated Capital | — 收購Integrated Capital額外權益 | (15,990) |
| — Acquisition of additional interest in Jiang Su Youli | — 收購江蘇友立額外權益 | (306) |
| Net effect for transactions with non-controlling interests on equity attributable to owners of the Company | 與非控股權益之交易對本公司擁有人應佔權益之影響淨額 | (16,296) |

39. 與非控股權益之交易(續)

(b) 收購江蘇友立額外權益

於二零一七年四月二十六日，本公司以現金代價人民幣60,000元（相當於69,000港元）收購江蘇友立餘下30%股權。本集團確認非控股權益增加人民幣206,000元（相當於237,000港元）及本公司擁有人應佔權益減少306,000港元。年內，江蘇友立擁有權權益變動對本公司擁有人應佔權益之影響概列如下：

(c) 截至二零一七年六月三十日止年度與非控股權益之交易對本公司擁有人應佔權益之影響。

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40. LEASE COMMITMENTS

As lessee

As at the end of reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating lease in respect of office and vehicles which fall due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 3,641 | 8,088 |
| In the second to fifth years inclusive | 第二至第五年 (首尾兩年包括在內) | 3,508 | 4,250 |
| Over five years | 超過五年 | - | 161 |
| | | 7,149 | 12,499 |

Leases are negotiated for terms of two years to five years and three months and rentals are fixed for such period. None of the leases include contingent rentals.

41. SHARE OPTION SCHEME

A new share option scheme was adopted by the Company on 13 December 2013, which replaced its old share options scheme adopted in 2003. Under the share option scheme, the Directors of the Company may, at their discretion, grant to full-time employees and executive directors of the Company and its subsidiaries the right to take up options to subscribe for shares of the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for services provided to the Group. The share option scheme, unless otherwise cancelled or amended, will expire on 12 December 2023. The subscription price of options is subject to a minimum which is the higher of the nominal value of a share, the closing price of the shares on the Stock Exchange on the date of grant and the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the grant date of the options.

40. 租賃承擔

作為承租人

於報告期末，本集團就辦公室及汽車於以下期間到期之不可撤銷經營租賃應付之未來最低租金承擔如下：

租賃之議定年期為兩至五年三個月，而租期內之租金固定。概無租賃包括或然租金。

41. 購股權計劃

本公司於二零一三年十二月十三日採納新購股權計劃，取代其於二零零三年採納之舊購股權計劃。根據購股權計劃，本公司董事可酌情授予本公司及其附屬公司全職僱員及執行董事權利認購本公司股份之購股權。此外，本公司可不時向外界第三方授出購股權，作為向本集團提供服務之報酬。除非另行註銷或修改，否則購股權計劃將於二零二三年十二月十二日到期。購股權之認購價不得低於股份面值、授出當日股份在聯交所所報收市價及緊接授出購股權當日前五個交易日股份在聯交所所報平均收市價之較高者。

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41. SHARE OPTION SCHEME (Continued)

The maximum number of unexercised share options permitted to be granted under the share option scheme must not exceed 10% of the shares of the Company in issue at any time. No option may be granted which, if exercised in full, would result in the total number of shares already issued and issuable under the share option scheme exceeding 30% of the aggregate number of shares of the Company.

The acceptance of an option, if accepted, must be made within 21 days from the date of the offer of the grant with a non-refundable payment of HK\$1 from the grantee to the Company.

The total number of shares issued and to be issued upon exercise of options granted to each participant (including exercised, cancelled and outstanding options) in 12-month period must not exceed 1% of the shares in issue from time to time unless the same is approved by the shareholders of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the year, share-based payment expenses of HK\$8,032,000 (2017: HK\$3,478,000) has been charged to profit or loss.

41. 購股權計劃(續)

根據購股權計劃可授出之未行使購股權最高數目，不得超過任何時間本公司已發行股份10%。倘全面行使購股權後，根據購股權計劃已獲發行及可獲發行之股份總數超過本公司股份總數30%，則不得授出有關購股權。

倘接受購股權，承授人必須於建議授出日期起計21日內，向本公司支付1港元之不可退回款項。

除非獲得本公司股東批准，否則每名參與者於12個月期間內因行使獲授之購股權(包括已行使、已註銷及尚未行使之購股權)而已獲發行及將獲發行之股份總數，不得超過不時已發行股份之1%。

購股權並無賦予持有人收取股息或於股東大會表決之權利。

年內，股份付款開支8,032,000港元(二零一七年：3,478,000港元)已自損益扣除。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

41. SHARE OPTION SCHEME (Continued)

The following table summarised movements of the Company's issued share options during the year:

For the year ended 30 June 2018

| Capacity | Date of grant | Exercisable period | Vesting period | Adjusted exercise price | Outstanding at 1 July 2017 | Granted during the year | Exercised during the year | Lapsed during the year | Adjusted during the year | Outstanding at 30 June 2018 |
|--|--------------------------------|--|--|-------------------------|----------------------------|-------------------------|---------------------------|------------------------|--------------------------|-----------------------------|
| 身分 | 授出日期 | 行使期 | 歸屬期 | 經調整行使價 | 於二零一七年七月一日尚未行使 | 年內授出 | 年內行使 | 年內失效 | 年內調整 | 於二零一八年六月三十日尚未行使 |
| | | | | HKS | | | | | (附註(c)) | |
| | | | | 港元 | | | | | | |
| Other eligible employees 其他合資格僱員 | 4 July 2013 二零一三年七月四日 | 4 July 2013 to 3 July 2018 二零一三年七月四日至二零一八年七月三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.447 | 1,000,000 | - | - | - | (25,970) | 974,030 |
| Other eligible persons 其他合資格人士 | 4 July 2013 二零一三年七月四日 | 4 July 2013 to 3 July 2018 二零一三年七月四日至二零一八年七月三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.447 | 201,250,000 | - | - | - | (5,226,462) | 196,023,538 |
| Other eligible persons 其他合資格人士 | 19 July 2013 二零一三年七月十九日 | 19 July 2013 to 18 July 2018 二零一三年七月十九日至二零一八年七月十八日 | Immediate on the grant date 於授出日期即時歸屬 | 0.445 | 100,000,000 | - | - | - | (2,597,000) | 97,403,000 |
| Other eligible employees 其他合資格僱員 | 21 January 2015 二零一五年一月二十一日 | 21 January 2015 to 20 January 2020 二零一五年一月二十一日至二零二零年一月二十日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 2,400,000 | - | - | - | (62,328) | 2,337,672 |
| Other eligible persons 其他合資格人士 | 21 January 2015 二零一五年一月二十一日 | 21 January 2015 to 20 January 2020 二零一五年一月二十一日至二零二零年一月二十日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 182,200,000 | - | - | (200,000) | (4,726,540) | 177,273,460 |
| Other eligible employees 其他合資格僱員 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 4,410,000 | - | - | (410,000) | (103,880) | 3,896,120 |
| Other eligible persons 其他合資格人士 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 397,000,000 | - | - | - | (10,310,090) | 386,689,910 |
| Executive director 執行董事 — Mr. Wong Hin Shek — 王顯祺先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 40,000,000 | - | - | - | (1,038,800) | 38,961,200 |
| Independent non-executive director 獨立非執行董事 — Mr. Chu Wai On — 招偉安先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 1,000,000 | - | - | - | (25,970) | 974,030 |

41. 購股權計劃(續)

下表概述本公司已發行購股權於下列年度之變動：

截至二零一八年六月三十日止年度

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

41. SHARE OPTION SCHEME (Continued)

For the year ended 30 June 2018 (Continued)

41. 購股權計劃(續)

截至二零一八年六月三十日止年度(續)

| Capacity | Date of grant | Exercisable period | Vesting period | Adjusted exercise price | Outstanding at 1 July 2017 | Granted during the year | Exercised during the year | Lapsed during the year | Adjusted during the year | Outstanding at 30 June 2018 |
|---|--------------------------------|--|--|-------------------------|----------------------------|-------------------------|---------------------------|------------------------|--------------------------|-----------------------------|
| 身分 | 授出日期 | 行使期 | 歸屬期 | 經調整行使價 | 於二零一七年七月一日尚未行使 | 年內授出 | 年內行使 | 年內失效 | 年內調整(附註(c)) | 於二零一八年六月三十日尚未行使 |
| | | | | HKS 港元 | | | | | | |
| Independent non-executive director 獨立非執行董事 | | | | | | | | | | |
| — Mr. Man Kwok Leung — 黃國權先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 1,000,000 | - | - | - | (25,970) | 974,030 |
| Independent non-executive director 獨立非執行董事 | | | | | | | | | | |
| — Dr. Wong Yun Kuen — 黃耀權博士 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.329 | 1,000,000 | - | - | - | (25,970) | 974,030 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2018 to 23 January 2021 (note a) 二零一八年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2018 二零一七年一月二十四日至 二零一八年一月二十四日 | 0.241 | 15,700,000 | - | - | - | (407,729) | 15,292,271 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2018 to 23 January 2021 (note a) 二零一八年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2018 二零一七年一月二十四日至 二零一八年一月二十四日 | 0.241 | 38,500,000 | - | - | - | (999,845) | 37,500,155 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2019 to 23 January 2021 (note a) 二零一九年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2019 二零一七年一月二十四日至 二零一九年一月二十四日 | 0.241 | 15,700,000 | - | - | - | (407,729) | 15,292,271 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2019 to 23 January 2021 (note a) 二零一九年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2019 二零一七年一月二十四日至 二零一九年一月二十四日 | 0.241 | 38,500,000 | - | - | - | (999,845) | 37,500,155 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2020 to 23 January 2021 (note a) 二零二零年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2020 二零一七年一月二十四日至 二零二零年一月二十四日 | 0.241 | 15,914,000 | - | - | - | (413,287) | 15,500,713 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2020 to 23 January 2021 (note a) 二零二零年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2020 二零一七年一月二十四日至 二零二零年一月二十四日 | 0.241 | 39,236,000 | - | - | - | (1,018,959) | 38,217,041 |
| Total 總計 | | | | | 1,094,810,000 | - | - | (610,000) | (28,416,374) | 1,065,783,626 |

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

41. SHARE OPTION SCHEME (Continued)

For the year ended 30 June 2017 (Continued)

41. 購股權計劃(續)

截至二零一七年六月三十日止年度(續)

| Capacity | Date of grant | Exercisable period | Vesting period | Exercise price | Outstanding at 1 July 2016 | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding at 30 June 2017 |
|---|--------------------------------|---|--|-------------------|----------------------------|-------------------------|---------------------------|------------------------|-----------------------------|
| 身分 | 授出日期 | 行使期 | 歸屬期 | 行使價 HK\$ 港元 | 於二零一六年七月一日 尚未行使 | 年內授出 | 年內行使 | 年內失效 | 於二零一七年六月三十日 尚未行使 |
| Other eligible employees 其他合資格僱員 | 4 July 2013 二零一三年七月四日 | 4 July 2013 to 3 July 2018 二零一三年七月四日至 二零一八年七月三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.435 | 1,000,000 | - | - | - | 1,000,000 |
| Other eligible persons 其他合資格僱員 | 4 July 2013 二零一三年七月四日 | 4 July 2013 to 3 July 2018 二零一三年七月四日至 二零一八年七月三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.435 | 201,250,000 | - | - | - | 201,250,000 |
| Other eligible persons 其他合資格僱員 | 19 July 2013 二零一三年七月十九日 | 19 July 2013 to 11 July 2018 二零一三年七月十九日至 二零一八年七月十一日 | Immediate on the grant date 於授出日期即時歸屬 | 0.433 | 100,000,000 | - | - | - | 100,000,000 |
| Other eligible employees 其他合資格僱員 | 21 January 2015 二零一五年一月二十一日 | 21 January 2015 to 20 January 2020 二零一五年一月二十一日至 二零二零年一月二十日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 2,500,000 | - | (100,000) | - | 2,400,000 |
| Other eligible persons 其他合資格僱員 | 21 January 2015 二零一五年一月二十一日 | 21 January 2015 to 20 January 2020 二零一五年一月二十一日至 二零二零年一月二十日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 182,200,000 | - | - | - | 182,200,000 |
| Other eligible employees 其他合資格僱員 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 7,210,000 | - | (1,200,000) | (1,600,000) | 4,410,000 |
| Other eligible persons 其他合資格人士 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 398,000,000 | - | (1,000,000) | - | 397,000,000 |
| Executive director 執行董事 — Mr. Wong Hin Shek — 王顯碩先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 40,000,000 | - | - | - | 40,000,000 |
| Independent non-executive director 獨立非執行董事 — Mr. Chiu Wai On — 招偉安先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 1,000,000 | - | - | - | 1,000,000 |

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41. SHARE OPTION SCHEME (Continued)

For the year ended 30 June 2017 (Continued)

41. 購股權計劃(續)

截至二零一七年六月三十日止年度(續)

| Capacity | Date of grant | Exercisable period | Vesting period | Exercise price | Outstanding at 1 July 2016 | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding at 30 June 2017 |
|--|--------------------------------|--|---|-------------------|----------------------------|-------------------------|---------------------------|------------------------|-----------------------------|
| 身分 | 授出日期 | 行使期 | 歸屬期 | 行使價 HK\$ 港元 | 於二零一六年七月一日 尚未行使 | 年內授出 | 年內行使 | 年內失效 | 於二零一七年六月三十日 尚未行使 |
| Independent non-executive director 獨立非執行董事 — Mr. Man Kwok Leung — 黃國棟先生 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 1,000,000 | - | - | - | 1,000,000 |
| Independent non-executive director 獨立非執行董事 — Dr. Wong Yun Kuen — 黃潤權博士 | 13 October 2015 二零一五年十月十三日 | 14 October 2015 to 13 October 2020 二零一五年十月十四日至 二零二零年十月十三日 | Immediate on the grant date 於授出日期即時歸屬 | 0.320 | 1,000,000 | - | - | - | 1,000,000 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2018 to 23 January 2021 (note a) 二零一八年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2018 二零一七年一月二十四日至 二零一八年一月二十四日 | 0.235 | - | 15,700,000 | - | - | 15,700,000 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2018 to 23 January 2021 (note a) 二零一八年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2018 二零一七年一月二十四日至 二零一八年一月二十四日 | 0.235 | - | 38,500,000 | - | - | 38,500,000 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2019 to 23 January 2021 (note a) 二零一九年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2019 二零一七年一月二十四日至 二零一九年一月二十四日 | 0.235 | - | 15,700,000 | - | - | 15,700,000 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2019 to 23 January 2021 (note a) 二零一九年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2019 二零一七年一月二十四日至 二零一九年一月二十四日 | 0.235 | - | 38,500,000 | - | - | 38,500,000 |
| Other eligible employees 其他合資格僱員 | 24 January 2017 二零一七年一月二十四日 | 24 January 2020 to 23 January 2021 (note a) 二零二零年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2020 二零一七年一月二十四日至 二零二零年一月二十四日 | 0.235 | - | 15,914,000 | - | - | 15,914,000 |
| Other eligible persons 其他合資格人士 | 24 January 2017 二零一七年一月二十四日 | 24 January 2020 to 23 January 2021 (note a) 二零二零年一月二十四日至 二零二一年一月二十三日 (附註a) | 24 January 2017 to 24 January 2020 二零一七年一月二十四日至 二零二零年一月二十四日 | 0.235 | - | 39,236,000 | - | - | 39,236,000 |
| Total 總計 | | | | | 935,160,000 | 163,550,000 | (2,300,000) | (1,600,000) | 1,094,810,000 |

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綜合財務報表附註

For the year ended 30 June 2018 截至二零一八年六月三十日止年度

41. SHARE OPTION SCHEME (Continued)

Notes:

- (a) The fair value of share options granted to directors, employees and other parties providing similar services of employees during the year, determined at the date of grant of the share options, is expensed over the vesting period. The fair value was calculated using the Black-Scholes Model. The inputs into the model were as follow:

| | | |
|-------------------------------------|-------------|--------------------------------|
| Grant date | 授出日期 | 24 January 2017 二零一七年一月二十四日 |
| Share price on date of grant (HK\$) | 授出日期之股價(港元) | 0.235 |
| Exercise price (HK\$) | 行使價(港元) | 0.235 |
| Expected volatility | 預期波幅 | 51.59% to 53.49% |
| Expected life | 預計年期 | 4 years 年 |
| Risk-free interest rate | 無風險息率 | 1.63% to 1.82% |
| Expected dividend yield | 預期股息收益 | Nil 零 |

- (b) Number of share options and weighted average exercise price were as follows:

| | | 2018 二零一八年 | | 2017 二零一七年 | |
|------------------------|----------------|-------------------------------------|--|-------------------------------------|--|
| | | Number of share options 購股權數目 | Weighted average exercise price 加權平均行使價 HK\$ 港元 | Number of share options 購股權數目 | Weighted average exercise price 加權平均行使價 HK\$ 港元 |
| Outstanding at 1 July | 於七月一日尚未行使 | 1,094,810,000 | 0.339 | 935,160,000 | 0.357 |
| Granted | 已授出 | - | N/A | 163,550,000 | 0.235 |
| Exercised | 已行使 | - | N/A | (2,300,000) | 0.320 |
| Lapsed | 已失效 | (610,000) | 0.329 | (1,600,000) | 0.320 |
| Adjusted | 已調整 | (28,416,374) | N/A | - | N/A |
| Outstanding at 30 June | 於六月三十日 尚未行使 | 1,065,783,626 | 0.348 | 1,094,810,000 | 0.339 |

During the year ended 30 June 2018, no share options (2017: 2,300,000) was exercised during the year resulted in an equal number of ordinary shares issued. The weighted average share price of these shares at the date of exercise was HK\$0.35 (2017: HK\$0.42). The weighted average remaining contractual life of the options outstanding as at 30 June 2018 was 1.58 years (2017: 2.58 years).

- (c) The exercise price for the options granted and number of shares in respect of options granted were adjusted to reflect the impact of the rights issue during the year ended 30 June 2018.

41. 購股權計劃(續)

附註：

- (a) 年內向董事、僱員及提供類似僱員服務之其他人士所授出購股權之公平值乃於購股權授出日期釐定，並按歸屬期支銷。公平值乃根據柏力克—舒爾斯模式計算。該模式所用輸入數據如下：

- (b) 購股權數目及加權平均行使價如下：

截至二零一八年六月三十日止年度，年內概無行使購股權(二零一七年：2,300,000份)導致發行相同數目之普通股。該等股份於行使日期之加權平均股價為0.35港元(二零一七年：0.42港元)。於二零一八年六月三十日，未行使購股權之加權平均餘下合約年期為1.58年(二零一七年：2.58年)。

- (c) 已授出購股權之行使價及已授出購股權之股份數目已作出調整，以反映截至二零一八年六月三十日止年度供股之影響。

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42. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

42. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities:

與融資活動所產生負債之對賬：

| | | Borrowings 借貨 HK\$'000 千港元 | Corporate bonds 公司債券 HK\$'000 千港元 |
|--|-------------------|-------------------------------------|---|
| At 1 July 2017 | 於二零一七年七月一日 | 150,869 | 112,749 |
| Changes from financing cash flows: | 融資現金流量變動： | | |
| Repayment of corporate bonds | 償還公司債券 | - | (113,500) |
| Proceeds from borrowings | 借貨所得款項 | 70,000 | - |
| Repayment of borrowings | 償還借貨 | (72,541) | - |
| Interest paid | 已付利息 | (5,668) | (2,785) |
| Total changes from financing cash flows | 融資現金流量變動總額 | (8,209) | (116,285) |
| Other changes: | 其他變動： | | |
| Interest expenses | 利息開支 | 5,668 | 2,785 |
| Amortisation of issuance cost | 發行成本攤銷 | - | 751 |
| Exchange adjustments | 匯兌調整 | (2,400) | - |
| Total other changes | 其他變動總額 | 3,268 | 3,536 |
| At 30 June 2018 | 於二零一八年六月三十日 | 145,928 | - |

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43. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, during the year, the following transaction was carried out with related parties in normal course of the Group's business.

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|------------------------|--------|----------------------------------|----------------------------------|
| Consultancy fee | 顧問費用 | 173 | 660 |
| Corporate service fee | 企業服務費用 | 342 | 57 |
| Financial advisory fee | 財務顧問費用 | 608 | 1,268 |
| | | 1,123 | 1,985 |

Those transactions were paid to two related companies which are controlled by Mr. Wong Hin Shek, an executive director of the Company.

Compensation of key management

The key management of the Group comprises all directors of the Company. Details of their remuneration are disclosed in note 10 to the consolidated financial statements.

44. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for members and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of net debts, which includes borrowings, corporate bonds, bank balances and cash and total equity as disclosed in the consolidated statement of changes in equity.

The Group's management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through new share issues as well as the issue of new debts or redemption of existing debts.

43. 有關連人士交易

除該等綜合財務報表其他部分詳述之交易外，年內，與有關連人士於本集團一般業務過程中進行之交易如下。

該等交易乃支付予由本公司執行董事王顯碩先生控制之兩家有關連公司。

主要管理人員報酬

本集團主要管理人員包括本公司全體董事。有關彼等之酬金詳情於綜合財務報表附註10披露。

44. 資金風險管理

本集團資金管理目標為確保本集團有能力持續經營，以帶來回報及為其他利益相關者帶來利益，維持最理想資本結構，以減低資本成本。

本集團之資本結構包括負債淨額，當中包括借貸、公司債券、銀行結餘及現金以及包括綜合權益變動表披露之總權益。

本集團管理層每半年檢討資本結構一次。作為此檢討其中部分，管理層考慮各類別資本之資本成本及相關風險。按照管理層之建議，本集團將透過發行新股及發行新債權或贖回現有債權，以平衡其整體資本結構。

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For the year ended 30 June 2018 截至二零一八年六月三十日止年度

44. CAPITAL RISK MANAGEMENT (Continued)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their corresponding fair values.

The gearing ratio at the end of reporting periods was as follows:

44. 資金風險管理 (續)

本公司董事認為，於綜合財務報表按攤銷成本列賬之金融資產及金融負債之賬面值與其相應之公平值相若。

於報告期末之資產負債比率如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------------------|-----------|----------------------------------|----------------------------------|
| Borrowings | 借貸 | 145,928 | 150,869 |
| Corporate bonds | 公司債券 | — | 112,749 |
| Pledged bank balances | 已抵押銀行結餘 | (3,655) | (3,003) |
| Bank balances and cash | 銀行結餘及現金 | (421,680) | (92,919) |
| Net debts | 負債淨額 | (279,407) | 167,696 |
| Total equity | 總權益 | 1,139,104 | 754,224 |
| Net debts to equity ratio | 負債淨額對權益比率 | (0.25) | 0.22 |

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45. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised as at 30 June 2018 and 2017 may be categorised as follows:

45. 按類別劃分之金融資產及金融負債概要

本集團於二零一八年及二零一七年六月三十日確認之金融資產及金融負債賬面值分類如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Available-for-sale investments | 可供出售投資 | 107,356 | 103,728 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產 | 30,000 | 80,000 |
| Loans and receivables (including bank balances and cash) at amortised cost | 按攤銷成本計量之貸款及應收款項(包括銀行結餘及現金) | 642,515 | 223,111 |
| | | 779,871 | 406,839 |
| Financial liabilities | 金融負債 | | |
| Financial liabilities at fair value through profit or loss | 按公平值計入損益之金融負債 | - | 127,431 |
| Financial liabilities at amortised cost | 按攤銷成本計量之金融負債 | 161,326 | 298,116 |
| | | 161,326 | 425,547 |

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46. EVENTS AFTER REPORTING PERIOD

(a) Disposal of 49% equity interest of EPS

On 4 April 2018, the Company (“the Vendor”) entered into a sales and purchase agreement with a related party (“the Purchaser”) to dispose 49% equity interest of Perfect Essential Holdings Limited and the Sales Loans at a total consideration of HK\$64,484,000. Pursuant to the sales and purchase agreement, the Purchaser and the Vendor shall enter into the Option Deed upon the First Completion Date, pursuant to which the Vendor shall grant the Purchaser the right to acquire all but not part of the Option Shares, representing 51% of the issued share capital of the Target Company, and the Option Loan, within six months from the First Completion Date. The transaction was completed on 18 July 2018. Details of the transaction are set out in the Company’s announcement dated 4 April 2018, 26 April 2018, 11 May 2018, 8 June 2018, 16 July 2018 and 18 July 2018; and the Company’s circular dated 25 June 2018.

(b) Memorandum of understanding for the proposed investment

On 17 September 2018, the Company entered into a non-legally binding Memorandum with CMAT Holdings Limited (“CMAT”) in relation to a proposed investment. Pursuant to the Memorandum, the Company intends to conduct the proposed investment and CMAT agreed to procure the corporate reorganisation such that the target company will become an indirect wholly-owned subsidiary of CMAT. The target company is principally engaged in the business of production of building and construction materials made by recycled materials. Details of the transaction are set out in the Company’s announcement dated 17 September 2018.

(c) Supplemental settlement deed relating to 2016 settlement deed

On 28 September 2018, the Company entered into the supplemental settlement deed for the full and final settlement of the vendor’s obligation of the outstanding settlement payment under the 2016 settlement deed. Details of the transactions are set out in the Company’s announcement dated 26 April 2015, 26 September 2016 and 28 September 2018.

46. 報告期後事項

(a) 出售EPS之49%股權

於二零一八年四月四日，本公司（「賣方」）與有關連人士（「買方」）訂立買賣協議，以出售 Perfect Essential Holdings Limited 49% 股權及銷售貸款，總代價為 64,484,000 港元。根據買賣協議，買方及賣方將於首次完成日期訂立期權契據，據此，賣方將於首次完成日期起計六個月內授予買方收購全部但非部分期權股份（相當於目標公司 51% 已發行股本）及期權貸款之權利。該交易已於二零一八年七月十八日完成。有關交易詳情載於本公司日期為二零一八年四月四日、二零一八年四月二十六日、二零一八年五月十一日、二零一八年六月八日、二零一八年七月十六日及二零一八年七月十八日之公佈；以及本公司日期為二零一八年六月二十五日之通函。

(b) 建議投資之諒解備忘錄

於二零一八年九月十七日，本公司與中材建築科技控股有限公司（「中材建築科技」）就建議投資訂立不具法律約束力之備忘錄。根據備忘錄，本公司擬進行建議投資，而中材建築科技同意進行公司重組，以使目標公司成為中材建築科技之間接全資附屬公司。目標公司主要從事利用回收物料生產樓宇及建造物料之業務。交易詳情載於本公司日期為二零一八年九月十七日之公佈。

(c) 有關二零一六年償付契約之補充償付契約

於二零一八年九月二十八日，本公司就全面及最終履行二零一六年償付契約項下尚未償付款項之賣方責任訂立補充償付契約。有關交易詳情載於本公司日期為二零一五年四月二十六日、二零一六年九月二十六日及二零一八年九月二十八日之公佈。

Financial Summary

財務概要

RESULTS

業績

| | | Years ended 30 June 截至六月三十日止年度 | | | | |
|--|------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2018 | 2017 [#] | 2016 [#] | 2015 [#] | 2014 [*] |
| | | 二零一八年 | 二零一七年 [#] | 二零一六年 [#] | 二零一五年 [#] | 二零一四年 [*] |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Turnover | 營業額 | 59,896 | 44,179 | 16,434 | 49,698 | 439,316 |
| Loss before income tax | 所得稅前虧損 | (202,190) | (150,138) | (556,617) | (30,138) | (85,569) |
| Income tax credit | 所得稅抵免 | 39,777 | 3,872 | 25,020 | 1,216 | 44,293 |
| Loss for the year from continuing operations | 持續經營業務之年內虧損 | (162,413) | (146,266) | (531,597) | (28,922) | (41,276) |
| Profit for the year from discontinued operations | 已終止經營業務之年內溢利 | 4,929 | - | - | 40,445 | - |
| (Loss)/profit for the year | 年內(虧損)/溢利 | (157,484) | (146,266) | (531,597) | 11,523 | (41,276) |
| (Loss)/profit for the year attributable to: | 以下人士應佔年內(虧損)/溢利: | | | | | |
| Owners of the Company | 本公司擁有人 | (156,754) | (144,426) | (494,057) | 12,055 | (41,276) |
| Non-controlling interests | 非控股權益 | (730) | (1,840) | (37,540) | (532) | - |
| | | (157,484) | (146,266) | (531,597) | 11,523 | (41,276) |

ASSETS AND LIABILITIES

資產及負債

| | | At 30 June 於六月三十日 | | | | |
|-------------------|------|----------------------|-----------|-----------|-----------|-----------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | 二零一八年 | 二零一七年 | 二零一六年 | 二零一五年 | 二零一四年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Total assets | 資產總值 | 1,409,707 | 1,304,868 | 1,013,500 | 1,537,372 | 1,127,559 |
| Total liabilities | 負債總額 | (270,603) | (550,644) | (210,858) | (237,690) | (380,128) |
| | | 1,139,104 | 754,224 | 802,642 | 1,299,682 | 747,431 |

Financial Summary

財務概要

- * The Group had disposed of its 100% equity interests in Hua Yi Copper (BVI) Company Limited and its subsidiaries (together "Hua Yi Group") during the year ended 30 June 2015.

The copper rods and cable and wires businesses, which are carried out by Hua Yi Group have been presented as discontinued operations in the consolidated financial statements for the year ended 30 June 2015. For the purpose of this financial summary, the copper rods and cable and wires businesses have not been re-presented as discontinued operations for the year ended 30 June 2014.

- # The Group had disposed the electric cycle business during the year ended 30 June 2018.

The electric cycle business has been presented as discontinued operations in the consolidated financial statements for the year ended 30 June 2018. For the purpose of this financial summary, the electric cycle business has not been re-presented as discontinued operations for the four years ended 30 June 2015 to 2017.

- * 截至二零一五年六月三十日止年度，本集團已出售其於 Hua Yi Copper (BVI) Company Limited 及其附屬公司（統稱「華藝集團」）之全部股權。

華藝集團從事之銅桿以及電纜及電線業務已於截至二零一五年六月三十日止年度之綜合財務報表呈列為已終止經營業務。就本財務概要而言，銅桿以及電纜及電線業務並無就截至二零一四年六月三十日止年度重新呈列為已終止經營業務。

- # 本集團已於截至二零一八年六月三十日止年度出售電動自行車業務。

電動自行車業務已於截至二零一八年六月三十日止年度綜合財務報表呈列為已終止經營業務。就本財務概要而言，電動自行車業務於截至二零一五年至二零一七年六月三十日止四個年度內並無重新呈列為已終止經營業務。



德泰新能源集團有限公司
DeTai New Energy Group Limited