



融信資源
R R H L

ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 578)

2018

年報 ANNUAL REPORT

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Corporate Information

公司資料

DIRECTORS

Mr. Dong Cunling (*Chairman*)
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi
Mr. Zhou Guangwen
Mr. Li Chunyan[#]
Dr. Chen Renbao^{*}
Mr. Ma Wai Tong^{*}
Mr. Ma Yueyong^{*}

[#] Non-Executive Director

^{*} Independent Non-Executive Directors

AUDIT COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Ma Wai Tong

NOMINATION COMMITTEE

Mr. Ma Yueyong (*Chairman of the Committee*)
Dr. Chen Renbao
Mr. Ma Wai Tong

REMUNERATION COMMITTEE

Dr. Chen Renbao (*Chairman of the Committee*)
Mr. Ma Yueyong
Mr. Ma Wai Tong

COMPANY SECRETARY

Mr. Li Chun On

AUTHORISED REPRESENTATIVES

Mr. Li Chun On
Mr. Sun Shusheng

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3204B, 32/F
Tower 1, Admiralty Centre
No. 18 Harcourt Road
Admiralty
Hong Kong

董事

董存岭先生 (主席)
李翔飛先生
孫書生先生
張毅先生
周廣文先生
李春彥先生[#]
陳仁寶博士^{*}
馬煒堂先生^{*}
馬躍勇先生^{*}

[#] 非執行董事

^{*} 獨立非執行董事

審核委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
馬煒堂先生

提名委員會

馬躍勇先生 (委員會主席)
陳仁寶博士
馬煒堂先生

薪酬委員會

陳仁寶博士 (委員會主席)
馬躍勇先生
馬煒堂先生

公司秘書

李俊安先生

授權代表

李俊安先生
孫書生先生

總辦事處及主要營業地點

香港
金鐘
夏慤道18號
海富中心第1座
32樓3204B室

Corporate Information

公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

AUDITOR

Moore Stephens CPA Limited
801-806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL REGISTRAR

Codan Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank Ltd.
(Dengfeng Branch, Zhengzhou, Henan Province, PRC)

STOCK CODE

578

WEBSITE

<http://www.irasia.com/listco/hk/rrhl/>

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

核數師

大華馬施雲會計師事務所有限公司
香港
九龍
尖沙咀
廣東道30號
新港中心1座801至806室

股份過戶登記總處

Codan Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記處

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

中國銀行(香港)有限公司
中國建設銀行股份有限公司
(中國河南省鄭州登封分行)

股份代號

578

網址

<http://www.irasia.com/listco/hk/rrhl/>

Five Years Financial Summary

五年財務摘要

A summary of the published results and assets, liabilities and total equity/(capital deficiency) of the Group for the last five financial years, as extracted from the Group's audited financial statements, is set out below:

以下為本集團過去五個財政年度之已公佈業績、資產、負債及股本權益／（資本虧絀）總值摘要，乃摘錄自本集團之經審核財務報表：

(A) RESULTS 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2014 HK\$'000 二零一四年 千港元
Revenue	收益	961,440	529,884	718,879	721,810	481,571
Loss before income tax	除所得稅前虧損	(154,893)	(196,614)	(264,330)	(385,109)	(377,592)
Income tax credit	所得稅抵免	2,261	–	3,304	14,777	3,925
Loss for the year	年內虧損	(152,632)	(196,614)	(261,026)	(370,332)	(373,667)
Loss attributable to non-controlling interests	非控股權益應佔虧損	9,885	17,756	24,831	35,015	26,335
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(142,747)	(178,858)	(236,195)	(335,317)	(347,332)

Five Years Financial Summary 五年財務摘要

(B) ASSETS, LIABILITIES AND TOTAL EQUITY/ (CAPITAL DEFICIENCY)

資產、負債及股本權益／（資本虧絀）

		As at 31 December 於十二月三十一日				
		2018	2017	2016	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	863,625	674,564	680,166	902,177	1,266,545
Current assets	流動資產	1,207,277	1,411,855	1,243,954	1,466,044	1,140,579
Total assets	總資產	2,070,902	2,086,419	1,924,120	2,368,221	2,407,124
Current liabilities	流動負債	2,095,718	2,030,037	1,731,112	1,887,862	1,513,545
Non-current liabilities	非流動負債	138,651	132,970	92,593	102,531	118,201
Total liabilities	總負債	2,234,369	2,163,007	1,823,705	1,990,393	1,631,746
(Capital deficiency)/Total equity	(資本虧絀)／股本權益	(163,467)	(76,588)	100,415	377,828	775,378
– attributable to the owners of the Company	– 本公司擁有人應佔	(105,654)	(8,666)	152,044	403,125	763,188
– Non-controlling interests	– 非控股權益	(57,813)	(67,922)	(51,629)	(25,297)	12,190

Chairman's Statement

主席報告

Chairman's Statement

I am pleased to present on behalf of the board (the "Board") of directors (the "Directors") to the shareholders the report on the results on Rosan Resources Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2018 (the "Year").

MARKET REVIEW

Looking to the coal market of the People's Republic of China ("PRC") during the Year, we considered that the overall performance was favorable to the coal mining companies, although the industry is still facing different kinds of challenges. The following areas were the facts which coal mining companies have encountered during the Year:

(1) Keeping stable growth in coal production by depressing the coal production volume

During the Year, the coal production in the PRC has been kept at a stable growth level. In general, the coal industry has achieved a balance of supply and demand during the Year. However, the coal industry is still facing the risk of over production.

Since the publish of a notice issued by the State Council of the PRC in year 2016 in relation to the reduction of production volume of coal, the revolution on coal demand and supply has been commenced. The total coal volume in the PRC has been reduced by approximately 540 million tons for year 2016 and 2017. With the government and market's effort on depressing the coal production volume in the past few years, coal industry has gradually achieved the target from the "short term reduction in total production volume" to the "long term structural volume reduction".

Under the continuous pressure from the government policies and stringent directions in volume reduction, environmental protection and coal mine safety, etc., the coal supply in the PRC local market has been successfully depressed. On the other hand, rapid growth of imported coal which could compensate the reduced local coal supply volume, consequently, the coal industry could have a healthy growth and a balance of demand and supply of coal.

主席報告

本人謹代表董事(「董事」)會(「董事會」)欣然向股東提呈融信資源控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度(「本年度」或「年內」)之業績報告。

市場回顧

回顧本年度中華人民共和國(「中國」)煤炭市場,我們認為,雖然該行業仍面臨各種挑戰,但煤炭開採公司的整體表現良好。以下方面為煤炭開採公司在本年度遇到的事實情況:

(1) 透過縮減煤炭產量,維持煤炭生產的穩定增長

於本年度,中國煤炭生產維持穩定增長。一般來說,本年度煤炭行業已達致供需平衡。然而,煤炭行業仍面臨生產過剩的風險。

自中國國務院於二零一六年發佈煤炭減產通知起,煤炭供需改革已悄然開始。中國煤炭總產量已於二零一六年及二零一七年減少了約5.4億噸。鑒於政府及市場於過往數年大力縮減煤炭產量,煤炭行業已逐步實現由「短期總產量縮減」到「長期結構性產量縮減」的目標。

在政府政策持續施壓及減量、環保及煤礦安全等嚴格指引下,中國本土市場的煤炭供應已成功縮減。另一方面,進口煤炭的快速增長可彌補本土煤炭供應量減少,因此,煤炭行業已實現穩健增長,並達致煤炭供需平衡。

(2) Demand from downstream industries has been improved

From the perspective of demand and supply of coal, although industries which consume coal in the PRC have multiple characteristics, they mainly come from the industries of electricity, iron and steel, building materials, chemicals, etc. Amongst the different downstream industries, coal consumption by power plants has been increased significantly during the Year, which was principally because of the demand in downstream consumption market condition has been kept to improve. However, due to the environment protection policies are being carried out stringently, many policies such as closing down the slow and old production plants, which have direct influence on the downstream industries and would cause certain extent of depression in demand of coal in the PRC.

(3) Stable and favorable coal price which has given positive growth to the market

Under the tightening supervision on coal industry by the government on materialisation of medium to long term coal contracts, more and more of coal sales and purchase contracts have been successfully completed and materialised. Increasing in number of completion on coal contracts has played an important role on stabilisation of the coal price during the Year, although the coal price was still kept at comparatively higher level with small extent of fluctuation.

Under the recent favorable coal price market condition, many of the coal enterprises have materialized positive growth and strengthened their profitability ability.

(2) 下游行業需求增加

就煤炭供需而言，儘管中國耗用煤炭的行業呈多樣性，但主要來源於電力、鋼鐵、建材及化工等行業。在不同的下游行業中，本年度發電廠的煤耗已大幅增加，主要由於下游消費市場的需求狀況逐步改善所致。然而，由於實施嚴格的環保政策，例如關閉落後生產廠等多項政策已對下游行業造成直接影響，並將導致中國煤炭需求一定程度減少。

(3) 穩定且有利的煤價有利於市場增長

鑒於政府加緊對煤炭行業中長期煤炭合約落實情況的監管，越來越多煤炭買賣合約已成功完成及落實。煤炭合約完成數目增加對本年度煤價的穩定性發揮重要作用，儘管煤價仍維持於相對較高水平，並出現小幅波動。

在近期煤炭價格有利的市場條件下，多數煤炭企業已錄得正向增長，並增強其盈利能力。

Chairman's Statement

主席報告

(4) Continuous enforcement of different coal industry policies to maintain a healthy coal market

To facilitate the sustainability of the coal industry and to ascertain the coal market can have a healthy, regulated and stable development, the PRC government has carried out and enforced different policies. Amongst the different policies, the first priority is to reduce coal production volume. The coal market has gradually developed from "short term volume reduction" to "long term structural volume reduction". Policies also have been strictly carried out to close down the coal mines which have insufficient capacity, to encourage different coal enterprises to have merger and acquisition. At the same time, environmental protection policies and safety production policies have been further enhanced.

(5) Financial performance of the coal industry

Although the total debt level amongst the coal industry has been generally decreased, it was still maintained at a high level. Since the year 2018, the industry's overall profitability ability has been improved while fixed assets investment has been lessened and the debt level in industry has been gradually reduced. Up to end of June of 2018, the total debt of the coal industry was approximately RMB3,604.2 billion, which has been reduced from the end of year 2017 by approximately RMB153.5 billion. In respect of the asset to liability ratio up to the end of June 2018, the overall ratio of the coal industry was approximately 66.3%, which has already been improved in comparing with the year 2017 and year 2016, even it was still maintained at a high level.

By looking at the coal industry's financial cost, although the overall debt level has been reduced, the cost of capital was increased during the Year and the finance cost to the coal market has also been increased. As the size of debt was still kept at high level, the finance cost to the industry would have significant impact to coal enterprises.

(4) 繼續實施不同的煤炭行業政策，以維持煤炭市場穩健發展

為推動煤炭行業的可持續發展及確定煤炭市場發展穩健且規範，中國政府已實施及強制實施多項政策，其中，第一要務為減少煤炭產量。煤炭市場已由「短期減產」逐步升級為「長期結構性減產」。此外，政府已嚴格實施多項政策，以關閉產能不足的煤礦及鼓勵煤炭企業進行併購，同時，進一步加強環保政策及安全生產政策。

(5) 煤炭行業的財務表現

儘管煤炭行業的總負債與債務比率整體有所下降，但仍維持高位。自二零一八年起，該行業的整體盈利能力有所提升，同時固定資產投資減少，且行業債務水平已逐步下降。截至二零一八年六月底，煤炭行業總負債約為人民幣36,042億元，較二零一七年底減少約人民幣1,535億元。截至二零一八年六月底，煤炭行業的整體資產負債比率約為66.3%，較二零一七年及二零一六年有所改善，但仍處於高位。

透過回顧煤炭行業的財務成本，儘管整體債務規模有所減少，但本年度的資本成本有所增加，且煤炭市場的財務成本亦有所增加。由於債務規模仍處於高位，故該行業的融資成本仍較高。

BUSINESS REVIEW

Subsequent to the recession of coal industry in the past few years, coal industry has rebounded gradually since the Year 2017 and the favorable market condition has persisted and become more obvious in the Year 2018. The Group has improved the overall performance by regarding to the revenue achieved from the coal related business (“**Coal Business**”) during the Year.

With the completion of acquisition of building materials business in early 2018, the Group has successfully diversified its business. Currently, the Group is not only relying on the revenue contribution from the Coal Business, but also obtaining revenue from the building materials related business (“**Building Materials Business**”). The management of the Group expected that the future development potential of Building Materials Business will be higher than the Coal Business.

Government safety and environmental protection policies have imposed much pressure on the enterprises of coal industry. The coal enterprises need to invest with additional amount on their infrastructure, management, systems control, etc., for complying with rules and regulations. Nevertheless, there is no stringent government regulation which is required for building materials industry because the industry has insignificant pollution to the environment during the production. Therefore, less additional cost would be incurred for non-operational related areas.

During the Year, the Group has recorded total revenue of approximately HK\$961.4 million (Year 2017: approximately HK\$529.9 million). Amongst the revenue achieved by the Group, approximately HK\$763.4 million (Year 2017: approximately HK\$529.9 million) was obtained from the Coal Business and approximately HK\$198.0 million (Year 2017: Nil) was derived from the Building Materials Business.

The increase in revenue of Coal Business was mainly due to (1) fully resumption of coal mines of the Group in the Year compared to Last Year. During the year ended 31 December 2017 (“**Last Year**”), one of the three coal mines of the Group was suspended for around eleven months and the another coal mine was suspended for whole year; and (2) the market coal price has reached to new high during the Year in comparing to the past three years.

業務回顧

於過去數年煤炭行業衰退之後，自二零一七年起煤炭行業逐步反彈以及有利市況持續並於二零一八年變得尤為明顯。本集團於本年度內憑藉自煤炭相關業務（「**煤炭業務**」）取得收益，整體表現獲得提升。

於二零一八年初完成收購建材業務之後，本集團成功實現其業務多元化。現時，本集團不僅僅依賴煤炭業務之收益貢獻，亦自建材相關業務（「**建材業務**」）取得收益。本集團管理層預期，建材業務之未來發展潛力將高於煤炭業務。

政府安全及環保政策為煤炭行業企業施加極大壓力。煤炭企業需要對其基礎設施、管理、系統控制等方面追加投資，以遵守條例及規例。然而，建材行業無需嚴格的政府規管，因該行業於生產過程中對環境的污染並不重大。因此，非營運相關領域產生的額外成本較低。

於本年度內，本集團錄得總收益約961,400,000港元（二零一七年：約529,900,000港元）。於本集團取得之收益中，約763,400,000港元（二零一七年：約529,900,000港元）自煤炭相關業務取得及約198,000,000港元（二零一七年：無）自建材業務取得。

煤炭業務之收益增加主要是由於：(i)相比上一年度，本集團煤礦於本年度完全恢復生產。截至二零一七年十二月三十一日止年度（「**上一年度**」），本集團之三個煤礦，其中一個煤礦停產約十一個月及另一個煤礦整年停產；及(2)相比過去三年，煤炭市價於本年度內達到新高。

Chairman's Statement

主席報告

In order to strive with facing different new challenges, the Group has not only kept to focus on improvement on its existing Coal Business, but has also explored into the new business in the building materials market so as to strengthen the operation and the revenue of the Group. The Group has always been persisting in its position and taking more cautious responsive measures according to situations on a timely basis.

Fully resumption of coal mines and favourable market condition

During the Year, all of the three coal mines of the Group have been fully resumed in operation compared to the prolonged suspension in Last Year. Production and sales volume of coal has been gradually recovered during the Year. During the Year, the coal production volume was increased by approximately 472,000 tons or 172.2% comparing to the Last Year. Moreover, the favorable market coal price (average coal price of produced coal and purchased coal of the Group for Year 2018: RMB383.4/ton; Last year: RMB353.4/ton) during the Year was another important factor which caused the improvement of the Group's revenue during the Year. However, the Group has decided to close coal mine Xiaohe No.3 in March 2018 and not to renew the mining license of Xiaohe Coal Mine No.2 (which was closed in January 2016) due to their production scale were too small which have no material impact on the Group's business.

New income stream from the Building Materials Business

Subsequent to the successful acquisition of Building Materials Business, the Group has recorded revenue of approximately HK\$198.0 million from this business sector. Due to its production nature, the building materials business does not have the issues of environment pollution, hence, it will not be easily affected by the government policies.

However, it will also be affected by the general economic condition and the property market of the PRC. The building materials are mainly used for development of hotels and houses in the PRC. If the property market in the PRC goes downturn, less demand for the building materials and the result may then be influenced.

The Group possesses a wide range of technology in the production of building materials and targets to become a pioneer in the industry. The Group has its own research and development team to produce high quality building materials, which differentiate the Group from the other competitors in the industry.

為努力應對不同的新挑戰，本公司不僅專注於改進其現有煤炭業務，本集團亦探索建材新業務以加強本集團經營及收入。本集團一直堅持立場，並根據情況及時採取更審慎的應對措施。

煤礦完全恢復生產及有利市況

本年度內，本集團的全部三個煤礦已完全恢復運行，而上一年度則是長時間停產。年內，煤炭生產及銷量一直逐步恢復。於本年度，煤炭產量相較上一年度增長約472,000噸或172.2%。此外，年內煤炭市場價格利好（本集團二零一八年度自產煤及購入煤的平均煤價：人民幣383.4元／噸；上一年度：人民幣353.4元／噸）為另一重要因素，促使本集團於本年度之收益改善。然而，本集團已於二零一八年三月關閉小河三號煤礦及不再續延小河二礦採礦（於二零一六年一月已關閉）許可證，原因是其生產規模過小，而對本集團業務並無重大影響。

建材業務之新收入來源

自成功收購建材業務之後，本集團自此業務板塊錄得收益約198,000,000港元。由於其生產性質，建材業務並無環境污染問題，因此，其不會輕易受到政府政策影響。

然而，此業務亦會受到中國之一般經濟狀況及物業市場影響。建材主要用於開發酒店及住房。倘中國物業市場下滑，則建材需求將減少，進而業績可能受到影響。

本集團具有廣泛的建材生產技術，矢志成為行業先鋒。本集團擁有其自身的研發團隊可生產優質建材，此令本集團有別於行業內其他競爭者。

Chairman's Statement

主席報告

Fund raising activity

In early January 2018, a fund raising activity was completed to raise funds with gross proceeds of HK\$40 million. Due to the position of the net current liabilities of the Group, the purpose of the event was to use as general working capital of the Group and to improve its financial position.

Financial support from the major shareholders

In early 2018, the Group entered into loan agreements with the three major shareholders of the Company, i.e. Mr. Bao Hongkai, Mr. Li Xiangfei and Mr. Zhang Xinzhi. Pursuant to the loan agreements, the three shareholders agreed to provide unsecured and interest-free loans with a maximum aggregated amount of RMB600 million for a term of three years to the Group.

PROSPECT

Year 2017 and 2018 were regarded as recovery years for coal industry in the PRC since the commencement of government control policies on coal supply in the past few years. It is expected that the China's economic growth will be adjusted downward slowly in the coming years, the Group will continue to adjust its response to the market environment.

Keep focusing on the Group's existing Coal Business and the newly acquired Building Materials Business, the Group will conduct safe, effective and refined production, seek for opportunities among challenges, and try every means to achieve cost efficiency, revenue growth and lower the debt level.

The Group will put sufficient efforts on keeping up with the market to expand new development opportunities and to promote business diversification, to broaden source of revenue and to improve risk resistance of the Group.

APPRECIATION

I would like to take this opportunity to express my most sincere thanks and gratitude to our shareholders, and various parties for their continuing support, and our directors and staff for their dedication and hard work.

Dong Cunling
Chairman

Hong Kong, 30 March 2019

集資活動

於二零一八年一月初，本公司完成一次集資活動，所得款項總額為40,000,000港元。由於本集團流動負債淨額狀況，籌集資金旨在用作本集團的一般營運資金及改善其財務狀況。

主要股東的財務支持

於二零一八年初，本集團與本公司三名主要股東（即包洪凱先生、李翔飛先生及張信志先生）訂立貸款協議。根據貸款協議，該三名主要股東同意向本集團提供最多總額人民幣600,000,000元的無抵押免息貸款，為期三年。

前景

自過去幾年政府對煤炭供應的控制政策開始以來，二零一七年和二零一八年被視為中國煤炭行業的複蘇之年。預期未來幾年中國經濟增長將保持穩定，本集團將繼續因應市場環境作出調整。

本集團將繼續專注於現有的煤炭業務及新收購建築材料業務，並將進行安全、有效及精細化的生產，尋求挑戰機遇，並嘗試一切方法實現成本效益，收入增長及減低債務水平。

本集團將加大力度跟上市場，拓展新的發展機遇並促進業務多元化，擴大收入來源及提升本集團的抗風險能力。

鳴謝

本人謹藉此機會誠懇感謝本公司股東及各界人士長久以來的支持以及本公司董事及員工的貢獻及努力。

主席
董存嶺

香港，二零一九年三月三十日

Management Discussion and Analysis

管理層討論及分析

Financial Review

Revenue

The Group's total revenue for the Year amounted to approximately HK\$961.4 million, representing an increase of approximately 81.4% from approximately HK\$529.9 million of the Last Year. The increase in revenue was primarily due to fully resumption of coal mines and revenue contributed by the newly acquired business. During the Year, the total sales volume of coal has reached to approximately 1,679,000 tons which was higher than the sales volume of the Last Year (approximately 1,300,000 tons) by approximately 29.1%, in which, approximately 932,000 tons or approximately 55.5% (the Last Year: approximately 1,026,000 tons or approximately 78.9%) and approximately 747,000 tons or approximately 44.5% (the Last Year: approximately 274,000 tons or approximately 21.1%) were contributed by coal trading business and sales from coal mining business respectively.

After obtaining the approval from the relevant government authority, the three coal mines of the Group (i.e. Xiaohe Coal Mine No. 1, Xiangyang Coal Mine and Xingyun Coal Mine) have resumed their operations to produce coals. As a result, the revenue contributed from sales of produced coals increased significantly from Last Year. Besides the resumption of coal mines, the increase in Group's revenue was also due to the acquisition of Goal Getter Ventures Limited ("**Goal Getter**") and its subsidiaries, which contributed revenue from Building Materials Business amounting to approximately HK\$198.0 million since acquisition.

財務回顧

收益

本集團於本年度之收益總額約為961,400,000港元，較上一年度約529,900,000港元增加約81.4%。收益增加主要是由於煤礦全部復蘇及新收購業務貢獻之收益。於本年度，煤炭之總銷量達約1,679,000噸，較上一年度之銷量（約1,300,000噸）高約29.1%，其中，約932,000噸或約55.5%（上一年度：約1,026,000噸或約78.9%）及約747,000噸或約44.5%（上一年度：約274,000噸或約21.1%）分別來自煤炭貿易業務及煤炭開採業務銷售。

在獲得相關政府部門的批准後，本集團之三個煤礦（即小河一礦、向陽煤礦和興運煤礦）已恢復其產煤業務。因此，生產煤炭的銷售貢獻之收入較去年大幅增加。除煤礦恢復外，本集團收入增加亦因收購志達創投有限公司（「志達」），該公司自收購以來貢獻建材業務收益收益約為198,000,000港元。

Management Discussion and Analysis

管理層討論及分析

Cost of sales and gross profit

The cost of sales and gross profit for the Year were approximately HK\$901.9 million (the Last Year: approximately HK\$630.4 million) and approximately HK\$59.5 million (the Last Year: gross loss of approximately HK\$100.5 million) respectively.

The gross profit margin was improved from gross loss margin approximately 19.0% for the Last Year to gross profit margin approximately 6.2% for the Year. During the Year, the average cost per ton of the coal produced by the Group's coal mines was less than that in the Last Year due to the resumption of coal mines and the coal mines were operated at their optimal capacity. The increase in total cost of sales was mainly driven by the increase in sales due to the resumption of the coal mines of the Group and newly acquired Building Materials Business. Gross profit of the Group for the year was mainly contributed by the newly acquired Building Materials Business, which contributed gross profit amounting to approximately HK\$64.6 million. The Building Materials Business was operated by a subsidiary, Henan Xingan New Construction Materials Company Limited* (河南興安新型建築材料有限公司) ("Henan Xingan") which was acquired by the Group through the acquisition of Goal Getter during the Year. Henan Xingan is located right next to a state-owned power generating plant which produces scrap materials during its operation and such scrap materials are the major raw materials for the production of building materials. Therefore, Henan Xingan can obtain such raw materials in a cost effective way. Therefore, the favorable location of Henan Xingan allows the Group to save costs and generate a favorable gross profit.

* For identification purpose only

Net loss attributable to the owners of the Company

The net loss attributable to the owners of the Company for the Year was approximately HK\$142.7 million, representing a decrease of approximately 20.0% as compared with the Last Year of approximately HK\$178.9 million. The reasons for the decrease in net loss attributable to the owners of the Company were mainly due to the resumption of operations of coal mine and profits contributed by the newly acquired Building Materials Business.

Though the coal market in the PRC has been recovered since late 2016 and the Group's coal mines have resumed operation during the Year after the suspension in 2017, the performance of the coal mines of the Group was still affected by the higher requirement standards on coal mines safety and environmental protection requirement which may lead to unpredicted market trends and high operating cost.

銷售成本及毛利

本年度之銷售成本及毛利分別約為901,900,000港元(上一年度:約630,400,000港元)及約59,500,000港元(上一年度:毛損約100,500,000港元)。

由上一年度之毛虧率約19.0%改善至本年度之毛利率約6.2%，是由於由本年期間，本集團的三個煤礦復產，並以其比較佳之產能運作，令平均生產成本較去年下降。銷售成本總額增加主要因本集團煤礦恢復及新收購的業務而銷售增加所推動。三個煤礦在恢復後已以其最佳生產能力運營及採煤之平均成本較去年有所減少，並且因煤炭開採業務之毛損於本年度有所改善。本集團於本年度之毛利主要來自新收購建築材料業務，其貢獻毛利為約64,600,000港元。該建築材料業務由透過於年內集團收購志達而被收購的河南興安新型建築材料有限公司(「河南興安」)經營。河南興安緊鄰國有所發電站，該發電站在營運期間產生廢料且該廢料為生產建築材料的主要原材料，因此，河南興安可以以較為經濟的成本獲得該等原材料。故此，河南興安的優越地理位置使本集團可節省成本並產生可觀的毛利。

* 僅供識別

本公司擁有人應佔虧損淨額

於本年度，本公司擁有人應佔虧損淨額約為142,700,000港元，較上一年度之虧損淨額約178,900,000港元減少約20.0%。本公司擁有人應佔虧損淨額減少主要是由於煤礦恢復營運及新收購建築材料業務貢獻之溢利所致。

中國煤炭市場雖已自二零一六年底復蘇及本集團煤礦於二零一七年暫停後，已於本年度恢復營運，但本集團煤礦的表現大受較高的煤礦安全及環保規定標準影響，可能導致無法預測的市場趨勢和高昂的營運成本。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Significant increase of approximately HK\$33.1 million in selling and distribution expenses from approximately HK\$4.5 million of the Last Year to approximately HK\$37.6 million for the Year, was mainly due to (i) the outbound transportation cost incurred by the newly acquired Building Materials Business amounting to approximately HK\$26.6 million, and (ii) the increase in revenue of Coal business during the year.

Administrative expenses

During the Year, the total administrative expenses amounted to approximately HK\$90.1 million (the Last Year: approximately HK\$53.6 million) which mainly comprised of: (i) employee benefits expense of approximately HK\$33.6 million (the Last Year: approximately HK\$21.5 million); (ii) amortisation of mining right and other intangible assets amounted to approximately HK\$7.9 million (the Last Year: approximately HK\$3.2 million); and (iii) depreciation of property, plant and equipment amounted to approximately HK\$8.6 million (the Last Year: approximately HK\$2.3 million).

Finance costs

The finance costs increased by approximately 140.0% from approximately HK\$42.3 million for the Last Year to approximately HK\$101.5 million for the Year. The increase in the finance costs was mainly due to the increase in the average amount of bank and other loans during the Year as well as the increase in average interest rate.

Accounts and bills receivables and contract assets

As at 31 December 2018 (the “**Current Year End**”), the accounts and bills receivables and contract assets were amounted to approximately HK\$454.6 million, representing an increase of approximately 105.4% as compared to the accounts and bills receivables as at 31 December 2017 (the “**Last Year End**”) of approximately HK\$221.3 million. The increase was mainly due to the increase in the revenue from Coal Business and the newly acquired Building Materials Business.

Amongst the total amount of accounts receivable less allowance for credit losses (excluding the bills receivable and contract assets) as at the Current Year End, the largest customer of the Group was the largest debtor who has contributed approximately HK\$52.8 million (equivalent to approximately RMB46.4 million) or approximately 27.3% of the total accounts receivable amount.

銷售及分銷開支

銷售及分銷開支由去年的約4,500,000港元大幅增加約33,100,000港元至本年度的約37,600,000港元，乃主要由於(i)新收購建築材料業務產生的對外運輸成本約26,600,000港元，及(ii)年內煤炭業務收益增加所致。

行政開支

於本年度，行政開支總額約為90,100,000港元（上一年度：約53,600,000港元），主要包括：(i)僱員福利開支約33,600,000港元（上一年度：約21,500,000港元）；(ii)採礦權及其他無形資產攤銷約7,900,000港元（上一年度：約3,200,000港元）；及(iii)物業、廠房及設備折舊約8,600,000港元（上一年度：約2,300,000港元）。

財務費用

財務費用由上一年度之約42,300,000港元增加約140.0%至本年度之約101,500,000港元。財務成本增加主要是由於本年度平均銀行及其他貸款金額增加及平均利率增加。

應收賬款及票據及合約資產

於二零一八年十二月三十一日（「**本年度末**」），應收賬款及票據及合約資產約為454,600,000港元，較於二零一七年十二月三十一日（「**上年度末**」）之應收賬款及票據約221,300,000港元增加約105.4%。增加主要是由於本年度煤炭銷售增加及年內新收購建築材料業務所致。

於本年度末應收賬款總額（不包括應收票據）減信貸損失撥備中，本集團最大客戶為最大債務人，結餘額約52,800,000港元（相等於約人民幣46,400,000元），或佔應收賬款總額約27.3%。

Management Discussion and Analysis

管理層討論及分析

Accounts and bills payables

Bills payable as at the Current Year End amounted to approximately HK\$607.8 million (the Last Year End: approximately HK\$807.2 million) which contributed approximately 92.4% (the Last Year End: approximately 98.7%) of the total amount of accounts and bills payables as at the Current Year End, i.e. approximately HK\$658.1 million (the Last Year End: approximately HK\$817.9 million). Decrease in bills payable is mainly because the Group had financed the operation by the loans from shareholders which are interest free, and do not require to pledge the Group's assets. The bills payable as at the Current Year End has decreased by approximately HK\$199.4 million or approximately 24.7%.

Other payables, accruals and deposit received

The total amount of other payables and accruals have been increased by approximately 20.8% from approximately HK\$458.1 million as at the Last Year End to approximately HK\$553.6 million as at the Current Year End. As at the Current Year End, the other payables were mainly comprised of provision for PRC retirement benefit scheme contributions amounting to approximately HK\$194.7 million (the Last Year End: approximately HK\$169.7 million), accrued coal mines related removal and relocation expenses amounting to approximately HK\$63.3 million (the Last Year End: approximately HK\$58.3 million), contract liabilities/receipts in advance amounting to approximately HK\$13.2 million (the Last Year End: approximately HK\$43.3 million), accrued workers' wages and benefits amounting to approximately HK\$51.5 million (the Last Year End: approximately HK\$29.1 million).

應付賬款及票據

本年度末之應付票據約為607,800,000港元（上年度末：約807,200,000港元），佔本年度末應付賬款及票據總額（即約658,100,000港元（上年度末：約817,900,000港元））之約92.4%（上年度末：約98.7%）。應付票據減少乃由於本集團主要傾向於透過免息及免行政成本的股東貸款支持運作，並且此融資不需要資產抵押。因此，本年度末之應付票據減少約199,400,000港元或約24.7%。

其他應付款項、應計費用及已收按金

其他應付款項及應計費用總額由上年度末之約458,100,000港元增加約20.8%至本年度末之約553,600,000港元。於本年度末，其他應付款項主要包括計提中國退休福利計劃供款金額約194,700,000港元（上年度末：約169,700,000港元）、應計煤礦相關拆遷及安置開支約63,300,000港元（上年度末：約58,300,000港元）、合約負債／已收預付款項約13,200,000港元（上年度末：約43,300,000港元）、應計工人工資及福利約51,500,000港元（上年度末：約29,100,000港元）。

Management Discussion and Analysis

管理層討論及分析

ESTIMATED COAL RESOURCES OF THE COAL MINES OF THE GROUP

The following table summarized the estimated coal resources (in million tons, "mt") of the coal mines of the Group as at 31 December 2018 and 2017:

本集團的煤礦之估計煤炭資源

下表概述本集團的煤礦於二零一八年及二零一七年十二月三十一日的估計煤炭資源（以百萬噸「百萬噸」）：

		As at 31 December 2018 mt 於二零一八年 十二月 三十一日 百萬噸	As at 31 December 2017 mt 於二零一七年 十二月 三十一日 百萬噸
Coal mines owned by the Group	本集團擁有的煤礦		
(i) Xiaohe Coal Mine No.1	(i) 小河一礦	6.4	6.8
(ii) Xiaohe Coal Mine No.2 (note 2)	(ii) 小河二礦 (附註2)	N/A 不適用	1.5
(iii) Xiaohe Coal Mine No.3 (note 2)	(iii) 小河三礦 (附註2)	N/A 不適用	1.7
(iv) Xiangyang Coal Mine	(iv) 向陽煤礦	14.2	14.4
(v) Xingyun Coal Mine	(v) 興運煤礦	3.2	3.4
		23.8	27.8

Notes:

- (1) Major assumptions adopted for the annual updates on the above estimated coal resources were:
 - (i) Original coal resources of each coal mine were made reference to the relevant coal resources reports and/or coal mine information available to the Group at the time of acquisition of the respective coal mines;
 - (ii) Annual updates on the estimated coal resources for each coal mine as at Current Year End were calculated as follow:

(Estimated coal resources as at the Last Year End) – (Actual coal production volume for the Year);
 - (iii) There was no material structural change within the coal mines that will cause the significant deviation between the actual coal resources and the above annual updates.
- (2) The Group has decided to permanently close Xiaohe Coal Mine No.2 and Xiaohe Coal Mine No.3 since January 2016 and March 2018 respectively.
- (3) Except for (2) disclosed above, there was no material change of the above assumptions as compared with the previous year.

附註：

- (1) 對上述估計煤炭資源量進行年度更新時採用之主要假設為：
 - (i) 各煤礦原煤炭資源量乃參考煤炭資源量報告及／或於收購各煤礦時本集團可得到之資料；
 - (ii) 本年度末各煤礦之估計煤炭資源量年度更新乃按下文計算：

（上年度末估計煤炭資源量）－（年內實際煤炭產量）；
 - (iii) 煤礦並無出現重大結構性變動會導致實際煤炭資源量大幅偏離上述年度更新資料。
- (2) 本集團已決定分別自二零一六年一月及二零一八年三月起永久關閉小河二礦及小河三礦。
- (3) 除上文(2)所披露者外，上述假設與上一年度比較並無發生重大變化。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at the Current Year End, the net liabilities of the Group was approximately HK\$163.5 million (as at the Last Year End: approximately HK\$76.6 million) and the total cash and bank balance (including pledged and restricted bank deposits) was approximately HK\$692.4 million (as at the Last Year End: approximately HK\$787.8 million). As at the Current Year End, the Group had net current liabilities of approximately HK\$888.4 million (as at the Last Year End: approximately HK\$618.2 million) and its current ratio decreased from 0.70 times as at the Last Year End to 0.58 times as at the Current Year End. The Group's working capital was mainly financed by internal cash flow generated from its operation, the banking facilities granted by financial institutions and the shareholders' loans.

As at the Current Year End, the Group's accounts and bills receivables, net of any provision for impairment amounted to approximately HK\$452.6 million (as at the Last Year End: approximately HK\$221.3 million) and certain accounts receivable were pledged to secure bank loans of the Group.

As at the Current Year End, bank deposits amounting to approximately HK\$655.0 million (as at the Last Year End: approximately HK\$616.9 million) were pledged and not available for the operation or repayment of debts of the Group. Bank deposits of approximately HK\$1.6 million (as at the Last Year End: Nil) were restricted for use in relation to administrative proceedings. Cash and cash equivalents which were not pledged amounted to approximately HK\$35.8 million (as at the Last Year End: approximately HK\$170.9 million).

As at the Current Year End, the Group has bank and other loans amounting to approximately HK\$762.2 million (as at the Last Year End: approximately HK\$613.5 million), which are due for repayment within one year from the reporting date or repayable on demand. These bank and other loans bear interest at interest rates ranging from 1.2% to 12.8% per annum (as at the Last Year End: from 3.2% to 13.6% per annum).

As at the Current Year End, approximately HK\$485.9 million (as at the Last Year End: approximately HK\$694.9 million) of the Group's bills payable were secured by the Group's pledged deposits, in which approximately HK\$152.4 million (as at the Last Year End: approximately HK\$164.8 million) were guaranteed by a major customer or its subsidiaries. As at the Last Year End, bills payable of approximately HK\$72.0 million were also jointly guaranteed by a shareholder of the Company, and his spouse and/or a major customer.

流動資金、財務資源及資本結構

於本年度末，本集團之負債淨值約為163,500,000港元（於上年度末：約76,600,000港元），而現金及銀行結餘總額（包括已抵押及受限制銀行存款）則約為692,400,000港元（於上年度末：約787,800,000港元）。於本年度末，本集團之流動負債淨額約為888,400,000港元（於上年度末：約618,200,000港元），流動比率則由上年度末之0.70倍下降至本年度末之0.58倍。本集團之營運資金主要是通過其營運所得、金融機構授予銀行授信額度及股東貸款作融資。

於本年度末，本集團應收賬款及票據（扣除任何減值撥備）約為452,600,000港元（於上年度末：約221,300,000港元），以及若干應收賬款作為本集團銀行貸款之抵押。

於本年度末，已抵押銀行存款約為655,000,000港元（於上年度末：約616,900,000港元），不可用於本集團之營運或債務償還。銀行存款約1,600,000港元（於上年度末：無）因行政程序其使用受到限制。並未抵押之現金及現金等值項目約為35,800,000港元（於上年度末：約170,900,000港元）。

於本年度末，本集團之銀行及其他貸款總額約762,200,000港元（於上年度末：約613,500,000港元）於報告日期起計一年內償還或按要求償還。該等銀行及其他貸款按年利率介乎1.2%至12.8%（於上年度末：3.2%至13.6%）計息。

於本年度末，本集團之應付票據約485,900,000港元（於上年度末：約694,900,000港元）由本集團之已抵押存款作為抵押，其中約152,400,000港元（於上年度末：約164,800,000港元）由若干獨立第三方擔保。於上年度末，應付票據約72,000,000港元亦由本公司一名股東及其配偶及／或主要客戶共同擔保。

Management Discussion and Analysis

管理層討論及分析

The Group's gearing ratio (as a ratio calculated by (a) the sum of bank and other loans, amount due to an associate and amounts due to and loans from shareholders; divided by (b) the total assets of the Group) was approximately 44.4% (as at the Last Year End: approximately 37.7%).

CORPORATE SOCIAL RESPONSIBILITY

To enhance the business social responsibility and to improve its result, the Group has always been dedicated to fulfilling its social responsibility. In deciding the appropriate policies, the Group takes into consideration the impact on the environment, the community and its employees. The Group aims to achieve the balance between economic benefit and the environmental protection, as well as sustainable development for the entire community.

The Group will inform its employees about the environmental protection information that they can utilise in their working environment. It is a wish that with a concept to be developed amongst the employees, the Group and the employees as a whole can contribute to environmental protection.

In addition to the normal remuneration packages entitled by the employees, the Group has provided them with other benefits, such as medical subsidies and insurance, etc., for the purpose of giving them job security. This has cultivated stronger sense of belonging to the Group for its employees and created a working environment of high spirit.

CAPITAL COMMITMENTS

Save as disclosed in note 39(a) to the consolidated financial statements, the Group did not have any other capital commitments as at 31 December 2018.

SAFETY PRODUCTION AND ENVIRONMENTAL PROTECTION

The Group has always paid great attention to production safety and environmental protection while achieving growth in coal production. Thus, the Group makes great efforts in promoting safety management and strengthening measures for environmental protection, aiming at building itself into a safety-oriented and environmentally-friendly enterprise.

本集團之資本負債比率(按(a)銀行及其他貸款、應付一間聯營公司款項及應付股東款項及來自股東貸款之總和;除以(b)本集團總資產為約44.4%(於上年度末:約37.7%)。

企業社會責任

為增強企業社會責任及改善業績,本集團始終致力於履行社會責任。在決定適當的政策時,本集團會考慮對環境、社區及其僱員的影響。本集團的目標是實現經濟利益與環境保護之間的平衡,並實現整個社區的可持續發展。

本集團將向其僱員告知在工作環境中可利用的環境保護資料。本集團的願景是,隨著僱員中形成一種觀念,本集團及僱員整體能夠為環境保護作出貢獻。

除僱員可獲得的正常薪酬外,本集團亦向僱員提供其他福利,如醫療補貼及保險等,為彼等帶來工作安全感。此舉已培養僱員對本集團的較強歸屬感,創造充滿活力的工作環境。

資本承諾

除綜合財務報表附註第39(a)點所披露者外,於二零一八年十二月三十一日,本集團並無任何其他資本承諾。

安全生產及環境保護

於煤炭生產取得增長的同時,本集團亦一直重視生產安全及環境保護。故此,本集團加大力度,促進安全管理,並加強環保措施,以成為安全為本之環保企業。

Management Discussion and Analysis

管理層討論及分析

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board recognises its responsibility to ensure the Company maintains a sound and effective risk management and internal control system. The Group's internal control system is designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. Review of the Group's internal controls covers major financial, operational and compliance controls, as well as risk management functions. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group's risk management framework includes risk identification, risk assessment, risk treatment and monitoring and reviewing of the effectiveness of the measures. This risk management framework is guided by the three-tier risk management approach. At the first line of defense, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal. The management, as the second line of defense, defines rule sets and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the final line of defense, the audit committee of the Company, with the professional advices and opinions from the external professional consultant by whom internal audit work of the Group was conducted on annual basis, ensures that the first and second lines of defense are effective through constant inspection and monitoring.

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the Year.

風險管理及內部監控系統

董事會承認其有責任確保本公司維持完善有效的風險管理及內部監控系統。設計及建立本集團內部監控系統的目標是確保資產免受不當使用或處置，遵守及符合相關規則及法規，按照相關會計準則及監管申報規定保存可靠的財務及會計記錄，並適當識別及管理可能影響本集團表現的主要風險。檢討本集團的內部監控涵蓋重大財務、經營及合規控制，以及風險管理職能。內部監控系統只能就防止重大失實陳述或損失提供合理而非絕對的保證，原因是其設計目標為管理（而非消除）未能實現業務目標的風險。

本集團風險管理框架包括風險識別、風險評估、風險處理及監督以及評估相關措施的有效性。風險管理框架按三級風險管理法指導。作為第一道防線，業務單位負責識別、評估及監督與各業務或交易有關的風險。管理層作為第二道防線，制定規則及模型，提供技術支持，開發新提供及監督組合管理。其確保風險處於可接受範圍內及第一道防線有效。作為最後一道防線，本公司審核委員會獲外聘專業顧問（每年對本集團內部審核工作進行檢討）提供專業建議及意見，透過持續檢查及監督而確保第一道及第二道防線有效。

股息

董事會不建議就本年度派付任何末期股息。

Profile of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Dong Cunling, aged 57, has been the executive director of the Company and chairman of the Board since December 2011 and March 2012. He holds a professional diploma in Chinese Language of Henan University, the PRC. Mr. Dong was a college teacher in Dengfeng Municipal of Henan Province, the PRC. Mr. Dong joined Henan Jinfeng Coal Industrial Group Company Limited (“**Jinfeng**”), i.e. a subsidiary of the Company, since 2003. He held several positions in Jinfeng and he is currently a director of Jinfeng. He has extensive experience in the management of coal mines.

Mr. Li Xiangfei, aged 39, has been appointed as the executive director of the Company since June 2018. Mr. Li graduated in 2002 from Zhengzhou University with major in Commercial and Business Management. He has extensive working experience in mining industry and has been a key management of a mining enterprise in the PRC. In recent years, Mr. Li has focused on the development of green economy and has been engaged as a chief operation officer of a ski and resort development company in the PRC.

Mr. Sun Shusheng, aged 54, has been appointed as the executive director of the Company since June 2018. He has obtained the post graduate diploma from Henan University with major in litigation law. He has extensive management experience in sizeable insurance companies and state-owned enterprises in the PRC. He has worked as top management for the branches of certain insurance companies in China, including People Insurance Company (Group) of China Limited and China United Property Insurance Company Limited. Prior to his joining to the Company, he was the general manager of general support department of China United Property Insurance Company Limited.

Mr. Zhang Yi, aged 32, has been the executive director of the Company since February 2018. He graduated in 2008 from Yangtze University major in Human Resources Management. He has approximately 6 years of experience in the financial industry, specialize in feasibility study of projects, investment analysis and project development. He is currently a manager of a real estate company. He has also served as customer service manager of a bank in the PRC.

執行董事

董存嶺先生，57歲，分別自二零一一年十二月起為本公司之執行董事及自二零一二年三月起為董事會主席。彼持有中國河南大學的中文專業文憑。董先生於中國河南省登封市曾任職中學教師。董先生於二零零三年起加入本公司之附屬公司，河南金豐煤業集團有限公司（「**金豐**」）。彼曾於金豐擔任多個職位及現任為金豐之董事。彼於管理煤礦擁有豐富經驗。

李翔飛先生，39歲，自二零一八年六月起獲委任為本公司執行董事。李先生二零零二年畢業於鄭州大學，主修行政專業。彼擁有豐富之礦業企業管理工作經驗，曾就任於一所國內礦產資源企業之主要管理層。李先生近年來專注綠色經濟之發展，曾受聘於國內一所滑雪渡假開發公司為首席營運官。

孫書生先生，54歲，自二零一八年六月起獲委任為本公司執行董事。彼持有中國河南大學專業文憑，主修訴訟法。彼具豐富之保險公司及大型國企管理層工作經驗，曾任多個國內保險公司分公司之高級管理層，包括中國人民保險公司及中華聯合財產保險股份有限公司。加入本公司前，彼曾擔任中華聯合財產保險股份有限公司綜協辦總經理。

張毅先生，32歲，自二零一八年二月起擔任本公司執行董事。彼於二零零八年畢業於長江大學，專修人力資源管理。彼於金融行業擁有約六年經驗，專門從事項目之可行性研究、投資分析以及項目開發。彼現時為一家房地產公司之經理。彼亦曾擔任中國一間銀行之客戶服務經理。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Zhou Guangwen, aged 50, has been the executive director of the Company since February 2012. He graduated with Doctor of Philosophy from Peking University of the PRC. Mr. Zhou has extensive working experience as a senior management in certain local bank and security company in the PRC. He is currently the president of Ginkgo Capital Management Co., Limited which specialises in asset management and securities investment. Mr. Zhou is one of the first batch of the people in the PRC to engage in securities industry.

NON-EXECUTIVE DIRECTOR

Mr. Li Chunyan, aged 54, has been the non-executive director of the Company since December 2011. He is currently a registered lawyer at Henan Shi Ji Tong Law Firm (河南世紀通律師事務所) in the PRC and is also a certified public accountant, certified public valuer and certified tax agent in the PRC. Mr. Li has acted as a legal adviser to the Henan Provincial People's Hospital, the Henan TV Station and certain listed companies in the PRC. Mr. Li was an independent non-executive director in six PRC listed companies during the period from 2002 to 2008. He is currently an independent non-executive director (appointed in 2014 and will be retired in 2020) of Zhengzhou Yutong Bus Co., Ltd which listed on the Shanghai Stock Exchange of the PRC. Mr. Li is also currently an independent non-executive director of Zhongyu Gas Holdings Limited since October 2010, which is listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chen Renbao, aged 56, has been the independent non-executive director of the Company since December 2011. He received his Bachelor of Arts in Economics from Anhui University, the PRC, in 1985. After graduated from Anhui University, Dr. Chen received his Master of Arts in Demography in 1989, Ph.D. in insurance and Ph.D. in Demography from the University of Pennsylvania, the United States, in 1993. Dr. Chen acted as a director of US Keywise Capital Management and consultant for the NUS Endowment Fund. He was an independent non-executive director (resigned in 2013) of Guangdong Midea Electric Appliances Co., Ltd which is listed in Shenzhen Stock Exchange of the PRC. He currently acts as a consultant in a number of PRC and overseas companies to provide financial and risk management consultation and training services to those companies.

周廣文先生，50歲，自二零一二年二月起為本公司之執行董事。彼畢業於中國北京大學，取得哲學博士學位。周先生曾於一些中國本地之銀行及證券公司擔任高級管理層職務並擁有豐富之相關工作經驗。彼現任銀杏資本管理有限公司（專門從事資產管理及證券投資）之總裁。周先生是中國第一批從事證券行業的人士之一。

非執行董事

李春彥先生，54歲，自二零一一年十二月起為本公司之非執行董事。彼現為河南世紀通律師事務所之中國註冊律師，亦為中國之註冊會計師、註冊資產評估師及註冊稅務師。李先生曾任河南省人民醫院、河南省電視台及其他於中國上市之上市公司之法律顧問。李先生由二零零二年至二零一八年期間，曾擔任六家中國上市公司之獨立非執行董事。彼現任於中國上海證券交易所上市之鄭州宇通客車股份有限公司之獨立非執行董事（於二零一四年獲委任，將於二零二零年退任）。李先生亦自二零一零年十月起擔任中裕燃氣控股有限公司（於聯交所主板上市）之獨立非執行董事。

獨立非執行董事

陳仁寶博士，56歲，自二零一一年十二月起為本公司之獨立非執行董事。彼於一九八五年畢業於安徽大學經濟系。於安徽大學畢業後，陳博士於一九八九年從美國賓夕法尼亞大學獲得人口學碩士學位，並於一九九三年取得保險學及人口學博士學位。陳博士亦為美國Keywise基金之董事及為新加坡國立大學教育基金的顧問。彼曾任中國深圳證券交易所上市公司廣東美的電器股份有限公司獨立非執行董事（於二零一三年辭任）。彼目前為多家中國公司及海外公司的顧問，向該些公司提供財務、風險管理的諮詢及培訓服務。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Ma Wai Tong, aged 46, has been appointed as an independent non-executive director of the Company since September 2018. He holds a Bachelor's degree in Accountancy and a Master's degree of Professional Accounting from the Hong Kong Polytechnic University. Mr. Ma is currently an executive director, the group chief financial officer and the company secretary of Truly International Holdings Limited (stock code:00732). Mr. Ma has more than 20 years of auditing, accounting and financing experience including four years with major international accounting firms and over ten years in senior accounting and financial positions in various industries. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ma Yueyong, aged 54, has been the independent non-executive director since December 2011. He holds a Bachelor Degree in Accounting from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Finance and Economics), the PRC. He has also achieved postgraduate qualification in Accounting from Shanghai University of Finance and Economics, the PRC. Mr. Ma was appointed as an executive director and an independent non-executive director in three PRC listed companies during the period from 1998 to 2004. Mr. Ma was an independent non-executive director (resigned in 2014) of Henan Linzhou Heavy Machinery Co., Ltd. which is listed on Shenzhen Stock Exchange of the PRC. He is a certified public accountant in Reanda Certified Public Accountant Co., Ltd. Henan Branch in the PRC since April 2011. Mr. Ma is a financial controller of Zhengzhou New Dafang Heavy Industry Science & Technology Co., Ltd since January 2013.

SENIOR MANAGEMENT

Mr. Li Chun On, aged 44, joined the Group in September 2006 and was the executive director of the Company during the period from 2009 to 2013. Mr. Li is currently the Company Secretary, the chief financial officer and the authorised representative of the Company. He graduated with bachelor degree in accounting from the Hong Kong Polytechnic University. Mr. Li has more than 20 years of experience in accounting and corporate financial management. Mr. Li is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, United Kingdom.

馬煒堂先生，46歲，自二零一八年九月起獲委任為本公司獨立非執行董事。彼持有香港理工大學之會計學學士學位及專業會計碩士學位。馬先生現為信利國際有限公司（上市編號：00732）之執行董事、集團財務總監及公司秘書。馬先生擁有超過二十年的審計、會計及財務工作經驗，包括曾於大型國際會計師事務所任職四年，並曾於不同行業的公司擔任高級財務及會計職務超過十年。彼為香港會計師公會會員。

馬躍勇先生，54歲，自二零一一年十二月起為獨立非執行董事。彼持有中國中南財經政法大學（前稱中南財經大學）的會計學士學位及取得上海財經大學會計學研究生學位。馬先生於一九九八年至二零零四年期間在中國三家上市公司曾任職獨立非執行董事。馬先生曾任於中國深圳證券交易所上市的河南林州重機集團股份有限公司之獨立非執行董事（於二零一四年辭任）。彼於二零一一年四月起擔任利安達會計事務所（河南分所）之註冊會計師。馬先生自二零一三年一月起擔任鄭州新大方重工科技有限公司之財務總監。

高級管理層

李俊安先生，44歲，於二零零六年九月加入本集團，於二零零九年至二零一三年期間為本公司執行董事，現任本公司之公司秘書、財務總監及授權代表。彼畢業於香港理工大學，獲會計學士學位。李先生於會計及公司財務管理方面擁有逾20年經驗。李先生為香港會計師公會會員及英國特許會計師公會資深會員。

Corporate Governance Report

企業管治報告

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Year, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for the deviation as set out below.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive director and independent non-executive directors (“INEDs”) of the Company do not have a specific term of appointment, but are subject to rotation in accordance with bye-law 111 of the Bye-laws of the Company. As the non-executive director and INEDs of the Company are subject to rotation in accordance with the Bye-laws of the Company, the Board considers that the non-executive director and INEDs of the Company so appointed with no specific term will not impair the quality of corporate governance of the Company as required by the principle of good governance laid down in A.4 of the CG Code.

Code provision A.6.7 of the CG Code requires that INEDs and the non-executive directors should attend general meetings. However, INEDs of the Company, Dr. Chen Renbao, Mr. Jiang Xiaohui (resigned on 15 June 2018) and Mr. Ma Yueyong were unable to attend the 2018 annual general meeting of the Company held on 30 May 2018 due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code throughout the Year.

遵守企業管治守則

於年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四企業管治守則（「企管守則」）所載守則條文，惟下文所載偏離除外。

企管守則之守則條文A.4.1規定，非執行董事之委任應有指定任期，並須接受重選。本公司非執行董事及獨立非執行董事（「獨立非執行董事」）並無指定任期，惟須根據本公司之公司細則第111條輪值退任。由於本公司非執行董事及獨立非執行董事須根據本公司之公司細則輪值退任，董事會認為本公司非執行董事及獨立非執行董事並非按指定任期獲委任，概不會損害本公司按企管守則A.4條設定之良好管治原則所要求之企業管治質素。

企管守則之守則條文第A.6.7條規定，獨立非執行董事及非執行董事應出席股東週年大會。然而，由於有其他公務，本公司獨立非執行董事陳仁寶博士，蔣曉輝先生（已於二零一八年六月十五日辭任）及馬躍勇先生未能出席本公司於二零一八年五月三十日舉行的二零一八年股東週年大會。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的操守守則。經作出具體查詢，全體董事於整個本年度內一直全面遵守標準守則所載的所需標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

As at the date of this report, the Board comprises nine Directors and its composition is set out as follows:

Executive Directors

Mr. Dong Cunling (*Chairman*)
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi
Mr. Zhou Guangwen

Non-Executive Director

Mr. Li Chunyan

INEDs

Dr. Chen Renbao
Mr. Ma Wai Tong
Mr. Ma Yueyong

The brief biographical details of the Directors and the relationship among them are set out in the section headed "Profile of Directors and Senior Management" in the 2018 annual report of the Company, of which this report forms part.

RESPONSIBILITY OF BOARD AND MANAGEMENT

The Board determines the overall strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives. Matters reserved for the Board are those affecting the Group's overall strategic policies, finances and shareholders including financial statements, dividend policies, significant changes in accounting policy, material contracts and major investment. Day-to-day management of the Group's businesses is delegated to the executive Directors or senior management. The Board reviews the delegation of power and functions from time to time to ensure effectiveness and appropriateness.

董事會

於本報告日期，董事會有九名董事，其成員如下：

執行董事

董存嶺先生 (主席)
李翔飛先生
孫書生先生
張毅先生
周廣文先生

非執行董事

李春彥先生

獨立非執行董事

陳仁寶博士
馬煒堂先生
馬躍勇先生

董事簡歷及彼等之間的關係載於本公司二零一八年年報 (本報告為其中一部份) 「董事及高級管理層履歷」一節。

董事會及管理層之責任

董事會負責制訂整體策略、監控經營及財務表現以及制訂適當的風險管理政策，以達致本集團的策略目標。董事會須處理影響本集團整體策略政策、財務與股東的事宜，包括財務報表、股息政策、會計政策重大改變、重大合約及主要投資。本集團業務的日常管理由執行董事及高級管理層負責。董事會不時檢討所授權力及所委派的職責，以確保其效率及適當性。

Corporate Governance Report

企業管治報告

ATTENDANCE OF THE BOARD AND BOARD COMMITTEES

The Board meets regularly during the Year and the Directors have made active contribution to the affairs of the Group. The following table shows the attendance of all the Directors at the meetings held during the year ended 31 December 2018:

出席董事會及委員會會議次數

董事會於年內定期舉行會議及各董事亦就本集團之事務作出積極貢獻。下表顯示全體董事於截至二零一八年十二月三十一日止年度內出席會議的情況：

Directors	董事	Attendance/Number of Meetings				General Meeting
		Board	Audit Committee	Remuneration Committee	Nomination Committee	
		董事會	審核委員會	薪酬委員會	提名委員會	股東大會
Executive Directors	執行董事					
Mr. Dong Cunling	董存嶺先生	2/4	-	-	-	1/1
Mr. Chen Xu*	陳旭先生*	0/4	-	-	-	0/1
Mr. Li Xiangfei#	李翔飛先生#	0/4	-	-	-	0/1
Mr. Sun Shusheng#	孫書生先生#	3/4	-	-	-	0/1
Mr. Wu Jiahong*	巫家紅先生*	0/4	-	-	-	0/1
Mr. Yang Hua*	楊華先生*	0/4	-	-	-	0/1
Mr. Zhang Yi#	張毅先生#	2/4	-	-	-	1/1
Mr. Zhou Guangwen	周廣文先生	0/4	-	-	-	0/1
Non-Executive Director	非執行董事					
Mr. Li Chunyan	李春彥先生	2/4	-	-	-	1/1
INEDs	獨立非執行董事					
Dr. Chen Renbao	陳仁寶博士	4/4	2/2	1/1	1/1	0/1
Mr. Ma Wai Tong#	馬煒堂先生#	2/4	0/2	0/1	0/1	0/1
Mr. Ma Yueyong	馬躍勇先生	3/4	2/2	1/1	1/1	0/1
Mr. Jiang Xiaohui*	蔣曉輝先生*	1/4	1/2	1/1	1/1	0/1

* Resigned during the year

Appointed during the year

* 於本年度離任

於本年度獲委任

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. Dong Cunling is responsible for corporate planning and market development. The Chief Executive Officer, being Mr. Sun Shusheng, he performs the functions of chief executive of the Group, is responsible for the day-to-day management of the Group.

主席及行政總裁

董事會主席與本公司行政總裁的職位及職責由兩名人士分別擔任及履行，以加強彼等各自的獨立性、問責性及責任性。主席董存嶺先生負責企業規劃及市場發展。行政總裁為孫書生先生，彼執行本集團行政總裁職務，負責本集團的日常管理。

Corporate Governance Report

企業管治報告

INEDS

One-third of the members of the Board consist of INEDs and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive director of the Company an annual confirmation of his independence for the year ended 31 December 2018 pursuant to Rule 3.13 of the Listing Rules and the Company considers all INEDs to be independent during the Year.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. The non-executive Directors are not appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings (“AGM”) of the Company. Pursuant to bye-law 111 of the Bye-laws of the Company, each director of the Company shall be subject to retirement by rotation at least once every three years. The Board considers that the non-executive Directors so appointed with no specific term will not impair the quality of corporate governance of the Group required by the principle of good governance laid down in A.4 of the CG Code.

The procedures for Shareholders to propose a person for election as a director of the Company are available and accessible on the Company’s website at <http://www.irasia.com/listco/hk/rrhl>.

BOARD DIVERSITY POLICY

During the Year, the Board has adopted a board diversity policy (the “Board Diversity Policy”) which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The nomination committee will give consideration to the Board Diversity Policy when identifying suitably qualified candidates, to become members of the Board.

獨立非執行董事

董事會三分之一成員為獨立非執行董事及其中最少一名擁有適合專業資格或會計或相關財務管理專業。本公司已接獲本公司每名獨立非執行董事按照上市規則第3.13條發出就於截至二零一八年十二月三十一日止年度之年度獨立性確認書，本公司認為所有獨立非執行董事均具獨立性。

委任及重選董事

根據企業管治守則條文A.4.1，非執行董事須按指定任期委任及重選。非執行董事概無指定任期，惟須於本公司股東週年大會（「股東週年大會」）上輪值退任及重選。根據本公司之公司細則第111條，每名本公司之董事均須最少每三年在股東週年大會上輪值退任一次。董事會認為非執行董事之委任並無指定任期，並不損害本集團按企業管治守則A.4部份設定之良好管治原則所要求之企業管治質素。

有關股東提名候選本公司之董事的程序載於本公司網站（<http://www.irasia.com/listco/hk/rrhl>）以供查閱。

董事會多元化政策

年內，董事會採納董事會多元化政策（「多元化政策」），該政策載列實現董事會多元化之方式。本公司明白，加強董事會成員之多元化將有助本公司實現策略目標及可持續發展。

本公司尋求透過考慮多種因素實現董事會多元化，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資。最終決定將基於選定候選人將為董事會帶來之好處及貢獻作出。

當物色具備合適資格可擔任董事會成員時，提名委員會將根據多元化政策作出考慮。

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three INEDs, namely Dr. Chen Renbao (as chairman), Mr. Ma Wai Tong and Mr. Ma Yueyong as at the date of this report. During the Year, the Remuneration Committee held one meeting. The attendance record of the committee is set out in the table on page 25 of the annual report.

The principal role and functions of the Remuneration Committee are to review the remuneration packages of individual executive Directors and key executives, including salaries, bonuses, benefits in kind and the terms on which they participate in any share options and other plans considering factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and key executives, employment conditions elsewhere in the Group and desirability of performance-based remuneration and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) with terms of reference in compliance with the CG Code. The Nomination Committee comprises three INEDs, namely Dr. Chen Renbao, Mr. Ma Wai Tong and Mr. Ma Yueyong (as chairman) as at the date of this report. During the Year, the Nomination Committee held one meeting. The attendance record of the committee is set out in the table on page 25 of the annual report.

The main duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and to identify individuals suitably qualified to become board members. It is also responsible for assessing the independence of INEDs and making recommendations to the Board on relevant matters relating to the appointment or reappointment of director and succession planning for Directors. The Nomination Committee reviewed the board diversity policy and the progress on achieving the objectives set for implementing the said policy. The recommendations of the nomination committee are then put forward for consideration and adoption where appropriate, by the Board.

薪酬委員會

本公司已遵照企業管治守則成立薪酬委員會（「**薪酬委員會**」），並訂定書面職權範圍。於本報告日期，薪酬委員會成員包括三名獨立非執行董事陳仁寶博士（主席）、馬煒堂先生及馬躍勇先生。薪酬委員會之職權範圍載於聯交所及本公司網站。年內，薪酬委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第25頁表內。

薪酬委員會的主要職責及職權為透過參考比較公司所付薪金、董事及主要行政人員的工作時間及職責、本集團其他成員公司的僱傭條件及按表現發放酬金的適當性，檢討個別執行董事及主要行政人員的酬金待遇，包括薪金、花紅、實物利益及彼等參與購股權及其他計劃的條款，以及不時向董事會提供建議。

提名委員會

本公司已遵照企業管治守則成立提名委員會（「**提名委員會**」），並訂定書面職權範圍。於本報告日期，提名委員會成員包括三名獨立非執行董事陳仁寶博士、馬煒堂先生及馬躍勇先生（主席）。年內，提名委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第25頁表內。

提名委員會的主要職責為定期檢討董事會的架構、人數及組成（包括技能、知識及經驗）以及物色合資格成為董事會成員之人士。委員會亦負責評估獨立非執行董事之獨立性及就有關委任或重新委任董事及董事繼任安排之相關事宜向董事會提供建議。提名委員會已檢討董事會多元化政策及實施該政策之目標之進展。提名委員會的建議其後將提交董事會考慮及於適當時經董事會採納。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with terms of reference in compliance with the CG Code. The Audit Committee comprises three INEDs, namely Dr. Chen Renbao, Mr. Ma Wai Tong and Mr. Ma Yueyong (as chairman) as at the date of this report. The principal role and functions of the Audit Committee are to review and provide supervision over the Group’s financial reporting process, internal controls and risk management. The Audit Committee also serves as a channel of communication between the Board and the external auditor.

During the Year, the Audit Committee held two meetings. The attendance record of the committee members at these meetings are set out in the table on page 25 of the annual report. The work performed by the audit committee during the Year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2018, the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2018 and recommended such financial statements to the Board for approval and also the effectiveness of the internal control and risk management practices of the Group.

The Audit Committee has recommended to the Board that Moore Stephens CPA Limited be nominated for re-appointment as auditor of the Company at the forthcoming AGM of the Company.

The Board has delegated the responsibilities for performing the corporate governance duties to the Audit Committee to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of Directors; to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to employees and Directors; and to review the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

It also reviewed the Company’s progress in implementing the corporate governance requirements as set out in the CG Code.

審核委員會

本公司已遵照企業管治守則成立審核委員會（「**審核委員會**」），並訂定書面職權範圍。於本報告日期，審核委員會成員包括三名獨立非執行董事陳仁寶博士、馬煒堂先生及馬躍勇先生（主席）。審核委員會的主要職責及職權為檢討及監察本集團的財務報告程序、內部監控及風險管理。審核委員會亦為董事會及外聘核數師之間的溝通渠道。

年內，審核委員會曾舉行兩次會議。委員會成員出席該等會議之紀錄載於年報第25頁表內。年內，審核委員會履行之工作包括檢討本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表、本集團截至二零一八年六月三十日止六個月的未經審核綜合中期財務報表及建議董事會批准該等財務報表，以及本集團內部監控及風險管理常規之有效性。

審核委員會已向董事會推薦於本公司應屆股東週年大會上提名續聘大華馬施雲會計師事務所有限公司為本公司核數師。

董事會已授權審核委員會履行企業管治職責，制定及檢討本公司之企業管治政策及常規，並向董事會提供建議；檢討及監察董事的培訓及持續專業發展；檢討及監察本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事之操守準則；以及檢討本公司遵守企業管治守則情況及在《企業管治報告》內披露。

委員會亦檢討本公司實行企業管治守則所載企業管治規定之進度。

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

During the year ended 31 December 2018, the remuneration paid or payable to the auditor of the Company, Moore Stephens CPA Limited are set out below:

核數師酬金

於截至二零一八年十二月三十一日止年度內已付或應付本公司核數師大華馬施雲會計師事務所有限公司之酬金如下：

Services rendered	提供之服務	Fee paid/payable HK\$'000 已付／ 應付費用 千港元
Audit services	審核服務	1,030
Non-audit services (Agreed-upon procedures on interim financial statements and other services)	非審核服務 (中期財務報表之協定程序及其他服務)	360

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the Group's consolidated financial statements. The consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standards and applicable Interpretations, issued by the Hong Kong Institute of Certified Public Accountants, and the applicable disclosure requirements of the Listing Rules and other applicable regulatory requirements.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, other than the situations described in note 3.1 to the consolidated financial statements, the Board is not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as a going concern.

The reporting responsibilities of the external auditor, Moore Stephens CPA Limited, are set out in the Independent Auditor's Report on pages 46 to 53.

董事及核數師就綜合財務報表須承擔之責任

董事確認彼等的責任為編製本公司綜合財務報表。截至二零一八年十二月三十一日止年度的綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則，包括香港會計準則及適用詮釋及上市規則的適用披露條文及其他適用監管規定編製。

董事確認，經作出一切合理查詢後就彼等所知、所悉及所信，除綜合財務報表附註3.1所述之情況外，董事會並無知悉任何重大不明朗事件或情況而可能會影響本公司的業務或對其持續經營能力構成疑問。

外聘核數師大華馬施雲會計師事務所有限公司的報告責任載於第46頁至第53頁的獨立核數師報告。

Corporate Governance Report

企業管治報告

DIRECTORS' AND OFFICERS' LIABILITY

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

According to the code provision A.6.5 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. A summary of training records received by the Directors for the Year is set out as follows:

董事及高級職員之責任

本公司已就董事及高級職員之責任購買適當保險，以保障董事及本集團高級職員就本集團業務所產生之風險。

董事之持續專業發展

按照企業管治守則之守則條文A.6.5，所有董事須參與持續專業發展，以發展及更新其知識及技能，從而確保其繼續對董事會作出知情及相關貢獻。年內董事接受培訓之記錄概述如下：

Directors	董事	Attending conference(s)/ training course(s)/ seminars relevant to the business, directors' duties or listing regulatory requirements 出席與業務、董事職責或上市監管規定有關之會議／培訓課程／研討會	Reading and/or updates relevant to the business, directors' duties or listing regulatory requirements 閱讀與業務、董事職責或上市監管規定有關之材料及／或更新
Executive Directors	執行董事		
Mr. Dong Cunling	董存嶺先生	✓	✓
Mr. Chen Xu*	陳旭先生*	—	✓
Mr. Li Xiangfei#	李翔飛先生#	—	✓
Mr. Sun Shusheng#	孫書生先生#	—	✓
Mr. Wu Jiahong*	巫家紅先生*	—	✓
Mr. Yang Hua*	楊華先生*	—	✓
Mr. Zhang Yi#	張毅先生#	✓	✓
Mr. Zhou Guangwen	周廣文先生	—	✓
Non-Executive Director	非執行董事		
Mr. Li Chunyan	李春彥先生	—	✓
INEDs	獨立非執行董事		
Dr. Chen Renbao	陳仁寶博士	✓	✓
Mr. Ma Wai Tong#	馬煒堂先生#	✓	✓
Mr. Ma Yueyong	馬躍勇先生	✓	✓
Mr. Jiang Xiaohui*	蔣曉輝先生*	—	✓

* Resigned during the year
Appointed during the year

* 於本年度離任
於本年度獲委任

COMPANY SECRETARY

As at 31 December 2018, the Company Secretary of the Company, Mr. Li Chun On (“**Mr. Li**”), fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. He has day-to-day knowledge of the Company’s affairs. Mr. Li reports to the Chairman and is responsible for advising the Board on governance matters. For the Year under review, Mr. Li has taken over 15 hours of relevant professional training.

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders’ investment and the Group’s assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

Details of the Risk Management and Internal Control Systems are set out in the section headed “Risk Management and Internal Control Systems” of the “Management Discussion and Analysis” on page 19 of this annual report.

During the year, the Group engaged an external professional consultant to review and assess its risk management and internal control systems and report to the audit committee. The review covered several parts of the systems including risk management, and operational, financial and compliance controls.

The Board, through the audit committee, has conducted a review of the effectiveness of the Group’s risk management and internal control systems for the year ended 31 December 2018 covering material financial, operational and compliance functions, and is of the view that the effectiveness of the risk management and internal control systems of the Group are considered as effective and adequate.

公司秘書

於二零一八年十二月三十一日，本公司之公司秘書李俊安先生（「李先生」）已符合上市規則第3.28及3.29條之規定。彼熟悉本公司日常事務。李先生向主席匯報及負責就管治事宜向董事會提供意見。於回顧年度，李先生已接受超過15個小時相關專業培訓。

風險管理及內部監控

董事會有責任確保本公司始終保持健全有效的內部監控措施，保障股東投資及本集團資產。本公司採取了一系列內部監控政策及程序，旨在為實現有效運作，可靠的財務報告及遵守適用法律法規的目標提供合理的保證。

風險管理及內部監控系統的詳情載列於本年報第19頁「管理層討論及分析」中「風險管理及內部監控系統」一節。

年內，本集團已委聘一名外部專業顧問檢討及評估風險管理及內部監控系統並向審核委員會報告。檢討涵蓋了系統的數個方面，包括風險管理，以及營運、財務及合規監控。

董事會透過審核委員會對截至二零一八年十二月三十一日止年度本集團風險管理及內部監控系統的有效性進行了檢討，涵蓋重大的財務、營運及合規職能，並認為本集團風險管理及內部監控系統充分有效。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognises the importance of good communication with Shareholders. A Shareholders' Communication Policy setting out the Company's procedure in providing the Shareholders with prompt and equal access to information about the Company, in order to enable the Shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meetings of the Company provide a forum for exchange of views between the Shareholders and the Board. The Chairman of the Board, the Directors and senior management of the Company and where applicable, the INEDs, are available to answer questions at the shareholders' meeting.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors. Details of poll voting procedures are included in all circulars to Shareholders which call for a general meeting and are explained during proceedings of the meeting.

The Company continues to enhance communications and relationships with its Shareholders and investors. Information about the Company's activities is provided in its interim and annual reports, which are sent to Shareholders, analysts and/or interested parties. Enquiries from Shareholders and investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at <http://www.irasia.com/listco/hk/rrhl>, on where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

與股東之溝通及投資者關係

董事會明白與股東保持良好溝通之重要性。與股東溝通的政策載列本公司迅速及平等地向各股東提供有關本公司資料之程序，從而令股東可得悉本公司之整體表現、充分行使其權利及與本公司積極交流。有關本集團之資料透過多個渠道，包括中期報告及年報、公告及通函適時向股東傳遞。

本公司股東大會為股東及董事會提供交流意見的機會。本公司董事會主席、董事及高級管理層，以及（倘適用）獨立非執行董事將於股東大會上回答提問。

每項重大事項（包括選舉個別董事）將於股東大會上以獨立決議案提呈。按股數投票表決程序之詳情載於召開股東大會之所有致股東通函，並於大會過程中解釋。

本公司持續促進與股東及投資者之溝通及關係。有關本公司業務的資料載於向股東、分析員及／或有興趣人士寄發之本公司中期報告及年報。本公司將詳盡及適時處理股東及投資者之查詢。

為促進有效溝通，本公司亦設有網站<http://www.irasia.com/listco/hk/rrhl>，以刊登詳盡資料及更新本公司業務發展及營運、財務資料、企業管治常規及其他資料。

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to convene a special general meeting

Shareholders can submit a requisition to convene a special general meeting pursuant to Section 74 of the Companies Act 1981 of Bermuda (the "Act"). The number of Shareholders necessary for a requisition shall be representing not less than one-tenth of the Company's paid-up capital as at the date of requisition having the right to vote at the general meeting.

The written requisition must:

- state the purposes of the special general meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists); and
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary.
- If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, any themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedure for Shareholders to put forward proposals at general meetings

Shareholders can submit a requisition to move a resolution at an annual general meeting pursuant to Section 79 of the Act.

The number of Shareholders necessary for a requisition shall be:

- representing not less than one-twentieth of the total voting rights of all Shareholders having at the date of requisition a right to vote at the meeting to which the requisition relates; or
- not less than 100 Shareholders.

股東權利

股東召開股東特別大會之程序

股東可根據百慕達一九八一年公司法（「公司法」）第74條，呈交書面請求召開股東特別大會。提出請求之股東須佔於請求日期持有股東大會投票權不少於十分之一之繳足股本。

書面請求必須：

- 列明股東特別大會之目的；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；及
- 寄送至本公司香港辦事處，收件人為本公司秘書。
- 倘董事於該請求書送交日期起計21日內未召開股東特別大會，則請求人或佔彼等總投票權超過一半之任何股東可自行召開股東特別大會，惟召開之任何大會不得於上述日期3個月期滿後舉行。

股東於股東大會提出動議之程序

根據公司法第79條，股東可提出書面請求於股東週年大會上提呈決議案。

請求所需之股東數目應：

- 佔該請求書提出日期有權在該會議上表決的所有股東的總表決權中不少於二十分之一；或
- 不少於100名股東。

Corporate Governance Report

企業管治報告

The written requisition must:

- state the resolution, with a statement 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 meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists);
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition; and
- be deposited with a sum reasonably sufficient to meet the Company's expenses in giving notice of the resolution and circulating the statements of the proposed resolution to all Shareholder in accordance with the requirements under the applicable laws and rules.

Enquires to the Board

The Company's website provides email address and telephone to enable Shareholders to make any enquiries and concerns to the Board. Shareholders may send their enquiries by post or by email to the attention of the Company Secretary who will direct the enquiries to the Board for handling.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the Year.

書面請求必須：

- 列明決議案，連同一份不多於1,000字，有關建議決議案之事項或擬於會上處理之事務之陳述書；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；
- 如屬發出決議案通知的情況，不少於大會前6個星期送達，如屬其他情況，則不少於1個星期前送達到本公司香港辦事處，收件人為本公司秘書；及
- 存放合理足夠金額，以應付本公司根據適用法律及規定要求向所有股東發出決議案通知及傳閱請求人士提交的陳述書所作出的開支。

向董事會提出查詢

本公司網站載有電子郵件地址及電話號碼以供股東向董事會提出任何查詢及關注。股東可以郵寄或電子郵件向公司秘書發送查詢，公司秘書將直接向董事會提交查詢以供處理。

憲章文件

年內，本公司之憲章文件並無任何改動。

Directors' Report

董事會報告

The Board is pleased to present the annual report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 December 2018.

BUSINESS REVIEW AND PERFORMANCE

A review of the Group's business for the Year is set out in the sections headed "Chairman's Statement" on page 6 to page 11 and "Management Discussion and Analysis" on page 12 to page 19 of this annual report. Principal financial risks and uncertainties (or contingent liabilities) facing the Group are set out in note 43 and note 40 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activities of the Group are (i) the production and sale of coal and trading of purchased coal and (ii) production and sale of building materials in the PRC.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 and the state of affairs of the Company and of the Group at that date are set out on pages 54 to 226 of this annual report.

The Board does not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

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

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

Save as disclosed in note 38 to the consolidated financial statements, the Group did not have any material acquisitions, disposals and significant investments during the Year.

SHARE CAPITAL

Details of the changes of Company's share capital during the Year, together with the reasons therefore, are set out in note 35 to the consolidated financial statements.

董事會欣然呈報本公司及本集團截至二零一八年十二月三十一日止年度之年報及經審核綜合財務報表。

業務回顧及表現

本集團於本年度之業務回顧載於本年報第6頁至第11頁「主席報告」及第12頁至第19頁「管理層討論及分析」等節。本集團面臨的主要財務風險及不確定性（或或然負債）載於綜合財務報表附註43及附註40。

主要業務

本集團之主要業務為(i)在中國生產及銷售煤炭及購入煤炭之貿易以及(ii)生產及銷售建築材料。

業績及分配

本集團於截至二零一八年十二月三十一日止年度之業績以及本公司及本集團於該日之事務狀況載於本年報第54頁至第226頁。

董事會不建議就本年度派付任何股息。

五年財務摘要

本集團於最近五個財政年度之業績以及資產及負債之摘要載於本年報第4頁及第5頁。

物業、廠房及設備

物業、廠房及設備之變動詳情載於綜合財務報表附註15。

重大收購、出售事項及重大投資

除綜合財務報表附註38所披露者外，本集團於本年度並無任何重大收購事項、出售事項及重大投資。

股本

年內本公司股本之變動詳情及有關原因分別載於綜合財務報表附註35。

Directors' Report

董事會報告

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (“**Participants**”) of the share option scheme include any employee of the Company or any of its subsidiaries (including any director of the Company or any of its subsidiaries). The shareholders of the Company approved the termination of the share option scheme adopted on 20 October 2004 (the “**Old Scheme**”) and adoption of the new share option scheme (the “**New Scheme**”) in place of the Old Scheme at the annual general meeting on 27 May 2014. The New Scheme became effective on 27 May 2014 and, unless otherwise cancelled or amended, will remain in force for ten years from that date until 26 May 2024.

Under the New Scheme, the board of directors of the Company may at its discretion grant options to the Participants to subscribe for shares provided that the total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 10% of the shares in issue as at the adoption date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 30% of the shares in issue from time to time.

Details of the said termination of the Old Scheme and adoption of the New Scheme were also set out in the Company's circular dated 24 April 2014.

No share options were granted during the years ended 31 December 2018 and 2017. As at 31 December 2018 and 2017, the Company had no share options outstanding under the New Scheme.

購股權計劃

本公司推行購股權計劃藉以給予對本集團業務成功有所貢獻之合資格參與者鼓勵及獎賞。購股權計劃之合資格參與者（「**參與者**」）包括本公司或其任何附屬公司之任何僱員（包括本公司或其任何附屬公司之董事）。於二零一四年五月二十七日之股東週年大會上，股東批准終止於二零零四年十月二十日採納之購股權計劃（「**舊計劃**」）並採納新購股權計劃（「**新計劃**」）以取代舊計劃。新計劃於二零一四年五月二十七日生效，除非被註銷或加以修訂，否則將由該日期起至二零二四年五月二十六日止十年仍屬有效。

根據新計劃，本公司董事會可酌情授出購股權予參與者以認購股份，惟根據新計劃及本公司任何其他購股權計劃將予授出之購股權全數獲行使時可予發行之股份總數不得超過本公司於採納日期已發行股份之10%。因行使所有根據新計劃及本公司任何其他購股權計劃已授出但未行使之購股權而發行之股份總數，不得超過本公司當時已發行股份之30%。

上述終止舊計劃及採納新計劃之詳情亦載列於本公司日期為二零一四年四月二十四日之通函。

截至二零一八年及二零一七年十二月三十一日止年度，並無購股權獲授出。於二零一八年及二零一七年十二月三十一日，本集團根據新計劃並無未行使購股權。

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 on the Stock Exchange during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for 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.

EXCHANGE RISK EXPOSURE

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The Board therefore is of the opinion that the Group's sensitivity to the change in foreign currency is low and the Group does not hedge its foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group has a total of approximately 2,002 employees located in Hong Kong and the PRC. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical insurance and pension funds. A share option scheme was adopted by the Group on 27 May 2014 to enable the Directors to grant share options to eligible participants including any employee of the Group as incentive to their valuable contribution to the Group.

AUDIT COMMITTEE

The Company established an Audit Committee in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management. The Audit Committee comprises three of the INEDs of the Company. The members of the Audit Committee have reviewed the consolidated financial statements of the Group for the year ended 31 December 2018 and were of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements and those adequate disclosures have been made.

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on pages 23 to 34 of this annual report.

購買、出售或贖回本公司上市證券

年內本公司或其任何附屬公司概無購買、出售或贖回本公司於聯交所之任何上市證券。

優先購股權

本公司之細則或百慕達法律並無涉及優先購股權之條文，規定本公司必須按比例向現有股東發售新股。

匯兌風險

本集團之銷售及購買主要以人民幣結算，人民幣亦為關連集團實體之功能貨幣。因此董事會認為本集團受外匯變動之影響較低，而本集團並無為外匯風險作對沖。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團在香港及中國共有約2,002名僱員。每年本集團均會檢討彼等之薪酬，按員工個別表現釐定酬情花紅。本集團並提供其他福利，包括醫療保險及退休金。本集團於二零一四年五月二十七日採納購股權計劃，使董事可向合資格參與者（包括本集團任何僱員）授出購股權，藉以激勵該等對本集團作出重要貢獻的人士。

審核委員會

本公司已按企業管治守則之規定成立審核委員會，以審閱及監察本集團之財務申報程序、內部監控及風險管理。審核委員會由本公司三名獨立非執行董事組成。審核委員會之成員已審閱本集團截至二零一八年十二月三十一日止年度之綜合財務報表，認為有關財務報表符合適用會計準則、上市規則及法例規定，並已作出充分披露。

企業管治報告

企業管治報告之詳情載於本年報第23頁至第34頁。

Directors' Report

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the financial year.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, to the knowledge of the Board, the Group had complied with the relevant laws and regulations that have a material impact on the business of the Group in all material aspects and there were no circumstances of material breach or non-compliance of applicable laws and regulations.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2018 and 2017 was nil. In addition, the Company's share premium account as at 31 December 2018, in the amount of approximately HK\$261.8 million (as at 31 December 2017: approximately HK\$235.3 million), can be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Year under review, the percentage of turnover attributable to the largest customer and the five largest customers of the Group accounted for 37.2% and 77.7% respectively. The percentage of purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 43.4% and 83.6% respectively.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

充足之公眾持股量

按照本公司公開可得的資料及就董事所知，於整個本財政年度，本公司已維持上市規則所訂明之充足公眾持股量。

遵守法律及法規

年內，據董事會所知，本集團已在所有重大方面遵守對本集團業務具有重大影響的相關法律及法規，且並無重大違反或未遵守適用法律及法規的情況。

儲備

年內本公司及本集團儲備之變動詳情分別載於綜合財務報表附註36及綜合權益變動表內。

可供分派儲備

於二零一八年及二零一七年十二月三十一日，本公司之可供分派儲備為零。此外，本公司於二零一八年十二月三十一日金額約261,800,000港元（於二零一七年十二月三十一日：約235,300,000港元）之股份溢價賬可供以繳足紅股之方式分派。

主要客戶及供應商

於回顧年度，本集團最大客戶與五大客戶分別佔營業額之37.2%及77.7%。本集團最大供應商及五大供應商分別佔採購額約43.4%及83.6%。

董事或彼等之任何聯繫人或任何股東（就董事所深知擁有本公司已發行股本超過5%權益），概無在本集團五大客戶或五大供應商中擁有任何實益權益。

Directors' Report

董事會報告

DIRECTORS

The Directors during the Year and up to the date of this report are as follows:

Executive Directors:

Mr. Dong Cunling (*Chairman*)
Mr. Li Xiangfei (appointed in June 2018)
Mr. Sun Shusheng (appointed in June 2018)
Mr. Zhang Yi (appointed in February 2018)
Mr. Zhou Guangwen

Non-Executive Director:

Mr. Li Chunyan

INEDs:

Dr. Chen Renbao
Mr. Ma Wai Tong (appointed in September 2018)
Mr. Ma Yueyong

The Company has received annual confirmations of independence from all INEDs and as at the date of this annual report still considers them to be independent.

In accordance with bye-law 111 of the Company's Bye-laws, Mr. Li Xiangfei, Mr. Sun Shusheng, Mr. Ma Wai Tong, Mr. Chen Renbao will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 20 to 22 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No director of the Company being proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

本年度及直至本報告日期，董事列示如下：

執行董事：

董存嶺先生（主席）
李翔飛先生（於二零一八年六月獲委任）
孫書生先生（於二零一八年六月獲委任）
張毅先生（於二零一八年二月獲委任）
周廣文先生

非執行董事：

李春彥先生

獨立非執行董事：

陳仁寶博士
馬煒堂先生（於二零一八年九月獲委任）
馬躍勇先生

本公司已接獲各獨立非執行董事之年度獨立性確認書及於本年報日期仍認為彼等均為獨立人士。

按照本公司之細則第111條，李翔飛先生、孫書生先生、馬煒堂先生、陳仁寶先生將於本公司應屆股東週年大會上輪值退任且符合資格及將膺選連任。

董事及高級管理層履歷

本集團董事及高級管理層履歷之詳情載於本年報第20頁至第22頁。

董事服務合約

擬在本公司應屆股東週年大會中膺選連任之本公司董事，並無與本公司訂立如無作出賠償（法定賠償除外）則不能由本公司於一年內終止之服務合約。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 12 to the consolidated financial statements, no director of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of Directors	Nature of interest	Number of shares	Number of underlying shares	Approximate percentage of shares shareholdings
董事姓名	權益性質	股份數目	相關股份數目	概約百分比
Mr. Dong Cunling 董存嶺先生	Personal interest 個人權益	540,000	—	0.05%
Mr. Li Xiangfei 李翔飛先生	Personal interest 個人權益	100,000,000	—	9.61%
Mr. Sun Shusheng 孫書生先生	Personal interest 個人權益	3,432,000	—	0.33%
Mr. Yang Hua* 楊華先生*	Personal interest 個人權益	10,089,196	—	0.97%

* Resigned in February 2018

董事於合約中之權益

除綜合財務報表附註12所披露者外，年內各本公司董事概無在本公司或其任何附屬公司所訂立對本集團業務關係重大之任何合約中擁有直接或間接重大權益。

董事及行政總裁於本公司及其相聯法團之證券中擁有之權益及淡倉

於二零一八年十二月三十一日，董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入本公司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上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司普通股中之好倉

* 於二零一八年二月離任

Directors' Report 董事會報告

Save as disclosed above, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange as at 31 December 2018.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as was known to the Directors or chief executive of the Company, as at 31 December 2018, the person, other than the Directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一八年十二月三十一日，除上文所披露者外，概無任何董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載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須知會本公司及聯交所之權益或淡倉。

主要股東及其他人士擁有之股份權益

據董事或本公司行政總裁所知，於二零一八年十二月三十一日，下列人士（董事或本公司行政總裁除外）於股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記錄之權益或淡倉如下：

Directors' Report

董事會報告

(a) Long positions in the shares

Name of Shareholders 股東名稱／姓名	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
(1) Retop International Investment Limited (note 1) 瑞拓國際投資有限公司(附註1)	Beneficial Owner 實益擁有人	241,400,000	23.21%
(2) Vestfoco International Investment Limited ("Vestfoco") (note 1) 維豐國際投資有限公司(「維豐」) (附註1)	Interests in controlled corporation 受控法團權益	241,400,000	23.21%
(3) Mr. Bao Hongkai ("Mr. Bao") (note 1) 包洪凱先生(「包先生」) (附註1)	Interests in controlled corporation 受控法團權益	241,400,000	23.21%
	Beneficial Owner 實益擁有人	675,000	0.06%
(4) Mr. Li Yupeng (note 2) 李玉朋先生(附註2)	Beneficial Owner 實益擁有人	71,000,000	6.83%
(5) Minan Holding Limited (note 3) (附註3)	Beneficial Owner 實益擁有人	127,500,000	12.26%
(6) Mr. Zhang Xinzhi (note 3) 張信志先生(附註3)	Interest in controlled corporation 受控法團權益	127,500,000	12.26%

Notes:

- (1) Retop International Investment Limited is beneficially and wholly owned by Vestfoco of which Mr. Bao is the sole beneficial owner. Accordingly, Vestfoco and Mr. Bao are deemed to be interested in the shares of the Company held by Retop International Investment Limited.
- (2) Mr. Li Yupeng is independent and not related to the Board or management of the Company.
- (3) Minan Holding Limited is beneficially and wholly owned by Mr. Zhang Xinzhi. He is not related to the Board or management of the Company.

Save as disclosed above, no persons had an interest or a short position in the shares and the underlying shares as recorded in the register required to be kept under section 336 of the SFO.

(a) 於股份中之好倉

Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
241,400,000	23.21%
241,400,000	23.21%
241,400,000	23.21%
675,000	0.06%
71,000,000	6.83%
127,500,000	12.26%
127,500,000	12.26%

附註：

- (1) 瑞拓國際投資有限公司由維豐實益全資擁有，而包先生為維豐之唯一實益擁有人。因此，維豐及包先生被視為於瑞拓國際投資有限公司持有之本公司股份中擁有權益。
- (2) 李玉朋先生獨立於本公司董事會或管理層且與彼等並無關聯。
- (3) Minan Holding Limited由張信志先生實益全資擁有。彼與本公司董事會或管理層並無關聯。

除上文所披露者外，概無其他人士於根據證券及期貨條例第336條須存置之登記冊所記錄之股份及相關股份中擁有權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PENSION SCHEME AND COSTS

Details of the Group's pension scheme and the employer's pension costs charged to the consolidated income statement for the Year are set out in notes 8 and 11 to the consolidated financial statements, respectively.

In the opinion of the Board, the Group had no significant obligations for long service payments to its employee pursuant to the requirements under the Employment Ordinance, Chapter 57 of the Laws of Hong Kong, at 31 December 2018.

CONNECTED TRANSACTIONS

On 3 January 2018, the Company has completed a connected transaction (as defined under Chapter 14A of the Listing Rule) in relation to the issue of subscription shares to a substantial shareholder. Details of the transaction has been disclosed in the note 35 to the consolidated financial statements.

Save as disclosed above, the Group has not conducted any "connected transaction" or "continuing connected transaction" which is subject to reporting and annual review requirements under the Listing Rules. The transactions disclosed in note 41 to the consolidated financial statements as related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No Directors are considered to have interest in any business which is likely to compete directly or indirectly with that of the Group.

DONATIONS

During the year, the Group have made charitable and relief donations of approximately HK\$606,000 (2017: Nil).

董事購買股份或債券之權利

除上文所披露者外，於年內任何時間，本公司概無向任何董事或彼等各自之配偶或不滿十八歲之子女授予任何權利，以致彼等可藉購買本公司之股份或債券而獲益，彼等亦概無行使該等權利；本公司或其任何附屬公司亦概無訂立任何安排，使董事能夠於任何其他法人團體中取得該等權利。

退休金計劃及成本

本集團退休金計劃及年內已自綜合收益表內扣除之僱主退休金成本詳情分別載於綜合財務報表附註8及附註11。

董事會認為，於二零一八年十二月三十一日，根據香港法例第57章僱傭條例之規定，本集團並無重大僱員長期服務金之承擔。

關連交易

於二零一八年一月三日，本公司已完成關聯交易（定義見上市規則第14章），內容有關向重要股東發行認購事項。交易詳情已於綜合財務報表附註35披露。

除上文披露者外，本集團並無進行任何須遵守上市規則之申報及年度審核規定之「關連交易」或「持續關連交易」。綜合財務報表附註41披露為關連人士交易之交易，並不符合「關連交易」或「持續關連交易」（定義見上市規則第14A章）之定義。

董事於競爭業務之權益

概無董事被視為在可能與本集團業務直接或間接構成競爭之任何業務中擁有權益。

捐贈

年內，本集團進行公益救濟性捐助合計約為606,000港元（二零一七年：無）。

Directors' Report

董事會報告

CONTINGENT LIABILITIES

Save as disclosed in note 40 to the consolidated financial statement, the Group had not any contingent liabilities as at the 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The 2019 Annual General Meeting (the "2019 AGM") of the Company is scheduled on Thursday, 30 May 2019. For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, 27 May 2019 to Thursday, 30 May 2019, both days inclusive. In order to be eligible to attend and vote at the 2019 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 24 May 2019

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for the benefit of the Directors during the Year.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the circular of the Company dated 28 November 2017, a fund raising activity regarding to the issue of 200,000,000 subscription shares with aggregated gross proceed of HK\$40 million has been completed on 3 January 2018. The proceeds was mainly for general working capital of the Group.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group did not carry out significant events after 31 December 2018 and until the date of this report.

或然負債

除綜合財務報表附註40所披露者外，於二零一八年十二月三十一日，本集團並無任何或然負債。

暫停辦理股份過戶登記

本公司二零一九年股東週年大會（「二零一九年股東週年大會」）計劃於二零一九年五月三十日（星期四）舉行。為釐定出席二零一九年股東週年大會並投票之資格，本公司將於二零一九年五月二十七日（星期一）至二零一九年五月三十日（星期四）（包括首尾兩日）暫停辦理股份過戶登記手續。如欲符合資格出席二零一九年股東週年大會並投票，所有股份過戶文件連同相關股票必須於二零一九年五月二十四日（星期五）下午四時三十分前送交本公司的香港股份過戶登記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），以進行登記。

管理合約

年內並無訂立或存在有關本公司全部或任何重大部分業務的管理及行政管理之合約。

獲准許的彌償條文

根據本公司之組織章程細則，年內有令董事受益的生效之獲准許的彌償條文（定義見香港公司條例）。

過往十二個月之集資活動

除本公司於日期為二零一七年十一月二十八日之通函所披露者外，發行200,000,000股認購股份相關的集資活動（所得款項總額40,000,000港元）已於二零一八年一月三日完成。所得款項主要用作本集團之一般營運資金。

報告期末後事項

於二零一八年十二月三十一日後及至本報告日期，本集團並發生重大事項。

AUDITOR

The consolidated financial statements have been audited by Moore Stephens CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Moore Stephens CPA Limited as auditor of the Company is to be proposed at the 2019 AGM.

Dong Cunling

Chairman

Hong Kong
30 March 2019

核數師

綜合財務報表已由大華馬施雲會計師事務所有限公司審核，其將退任並符合資格且願意膺選連任。於二零一九年股東週年大會上將提呈一項決議案，以續聘大華馬施雲會計師事務所有限公司為本公司核數師。

主席

董存嶺

香港

二零一九年三月三十日

Independent Auditor's Report

獨立核數師報告

MOORE STEPHENS

Moore Stephens CPA Limited
801-806 Silvercord, Tower 1,
30 Canton Road, Tsimshatsui,
Kowloon, Hong Kong

T +852 2375 3180

F +852 2375 3828

www.moorestephens.com.hk

大華馬施雲
會計師事務所有限公司

To the shareholders of Rosan Resources Holdings Limited (Incorporated in Bermuda with limited liability)

致融信資源控股有限公司股東
(於百慕達註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of Rosan Resources Holdings Limited and its subsidiaries (together, the "Group") set out on pages 54 to 226, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated income statement, 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.

吾等已審計載列於第54至226頁的融信資源控股有限公司及其附屬公司(統稱「貴集團」)的綜合財務報表,當中包括於二零一八年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合收益表、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)。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 ("HKFRSs") 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.

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為編制。

BASIS FOR OPINION

意見基準

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 opinion.

吾等已按照香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計工作。吾等在該等準則下承擔的責任已在本報告「核數師有關審計綜合財務報表的責任」部份中作進一步闡述。按照香港會計師公會頒佈的「專業會計師道德守則」(「守則」),吾等獨立於貴集團,且吾等已按照守則履行其他專業道德責任。吾等相信,吾等獲取的審計憑證能充分及適當地為吾等審計意見提供基礎。

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獨立核數師報告

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements which indicates that the Group incurred a consolidated net loss of approximately HK\$152,632,000 for the year ended 31 December 2018 and, as of that date, the Group has net current liabilities of approximately HK\$888,441,000 and a capital deficiency of approximately HK\$163,467,000, among which the outstanding borrowings of approximately HK\$1,393,928,000 (including bank loans of approximately HK\$563,257,000, other loans of approximately HK\$198,943,000, bills payables of approximately HK\$607,783,000, amount due to an associate of approximately HK\$14,640,000, amounts due to shareholders of approximately HK\$9,135,000 and interest-free loans provided by certain related parties of approximately HK\$170,000) are due to repayment within one year from the end of the reporting period or repayable on demand.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 *Material Uncertainties Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

有關持續經營的重大不確定性

吾等提請注意綜合財務報表附註3.1，當中顯示，截至二零一八年十二月三十一日止年度，貴集團產生綜合虧損淨額約152,632,000港元，且於該日，貴集團的流動負債淨額約888,441,000港元，資本虧絀約163,467,000港元，其中未償還借款約1,393,928,000港元（包括銀行貸款約563,257,000港元、其他貸款約198,943,000港元、應付票據約607,783,000港元、應付一間聯營公司約14,640,000港元、應付股東款項約9,135,000港元及由若干關連人士提供之免息貸款約170,000港元）須於報告期末起一年內償還或按要求償還。

該等情況顯示 貴集團於否有能力持續經營方面存在重大不明朗因素。吾等的意見並無就該事項作出修訂。

關鍵審計事項

關鍵審計事項指根據吾等的專業判斷，在吾等對本期綜合財務報表的審計中最重要的事項。該等事項在吾等對綜合財務報表進行整體審計及出具意見時處理，吾等並不就此另外提供單獨意見。除「有關持續經營的重大不確定性」一節所述事項外，吾等認為，以下所述事項為吾等報告中將傳達的關鍵審計事項。

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獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審計事項

Impairment assessment of non-financial assets

非金融資產減值評估

(Refer to notes 3.12, 4(iv), 15, 16, 17, 18 and 19 to the consolidated financial statements)

(請參閱綜合財務報表附註3.12、4(iv)、15、16、17、18及19)

The management of the Company had performed an impairment review in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets* in relation to the Group's coal mining operation, which is considered by the management as a cash-generating unit ("CGU"). The Group had recognised an impairment loss of approximately HK\$14,237,000 for the year ended 31 December 2018, allocating to the carrying amount of property, plant and equipment of approximately HK\$5,693,000 and mining rights of approximately HK\$8,544,000.

貴公司管理層已按照香港會計準則第36號資產減值對 貴集團的煤炭開採業務進行減值評估，該業務被管理層視為一個現金產生單位（「現金產生單位」）。 貴集團已就截至二零一八年十二月三十一日止年度確認減值虧損約14,237,000港元，分配至物業、廠房及設備的賬面值約5,693,000港元及採礦權約8,544,000港元。

The recoverable amount of the CGU was determined based on higher of value-in-use or fair value less cost of disposal, which requires significant management's judgements concerning the estimated future cash flows.

現金產生單位的可收回金額乃基於較高使用價值或公平值減出售成本釐定，需要管理層就估計未來現金流量作出重大判斷。

Accordingly, we have identified management's impairment assessment of the CGU as a key audit matter.

因此，吾等將管理層對現金產生單位的減值評估識別為一項關鍵審計事項。

關鍵審計事項 (續)

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:

吾等為處理該事項而採取的主要程序包括：

- Discussed with the management of the Company and the independent valuer engaged by the Company (the "Valuer") regarding the reasonableness of the valuation methodology being adopted;
與 貴公司管理層及 貴公司委聘的獨立估值師（「估值師」）討論所採納估值方法的合理性；
- Discussed with the management of the Company and the Valuer and the assumptions and inputs used in determining the recoverable amount of the CGU and challenged the reasonableness and relevance of key assumptions and inputs based on our knowledge of the business and industry;
與 貴公司管理層及估值師討論現金產生單位可收回金額釐定使用的資料輸入假設，根據吾等對業務及行業的了解，挑戰主要假設及資料輸入的合理性及相關性；
- Checked the allocation of impairment loss amongst assets within the CGU in accordance with the applicable accounting standard; and
根據合適的會計準則，檢查現金產生單位內資產之減值虧損分配情況；及
- Assessed the objectivity, competency and experience of the Valuer.
評估估值師的目標勝任能力及其經驗。

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KEY AUDIT MATTERS (continued)

Key audit matter 關鍵審計事項

Impairment assessment of accounts and bills receivables, deposits and other receivables 應收賬款及票據、按金及其他應收款項之減值評估

(Refer to notes 3.15, 4(iii), 25, 26 and 43(a) to the consolidated financial statements)
(請參閱綜合財務報表附註3.15、4(iii)、25、26及43(a))

As at 31 December 2018, the Group had accounts and bills receivables, and deposits and other receivables amounting to approximately HK\$452,649,000 and HK\$14,373,000 respectively. The Group had recognised an expected credit loss ("ECL") on accounts and bills receivables of approximately HK\$9,156,000 while no ECL was recognised for deposits and other receivables during the year ended 31 December 2018.

於二零一八年十二月三十一日，貴集團的應收賬款及票據、按金及其他應收款項分別為約452,649,000港元及14,373,000港元。截至二零一八年十二月三十一日止年度，貴集團已就應收賬款及票據確認預期信貸虧損（「預期信貸虧損」）約9,156,000港元，並未就按金及其他應收款項確認預期信貸虧損。

The ECL assessment on accounts and bills receivables, and deposits and other receivables is considered to be a matter of most significance as it requires the application of significant judgement and use of subjective assumptions by management. The management of the Company believed that the methodologies and inputs used in estimating ECL are appropriate and best reflects the Group's exposure to credit risk. These models and assumptions relate to the future macroeconomic conditions and debtors' creditworthiness. The ECL assessment requires significant management's judgements. Accordingly, we have identified management's ECL assessment as a key audit matter.

就應收賬款及票據、按金及其他應收款項之預期信貸虧損評估被視為重大事項，因其需要管理層應用判斷及使用主觀假設。貴公司管理層認為，估計預期信貸虧損時所使用之方法及資料輸入適當，為本集團所承受信用風險之最佳反映。該等模式及假設與未來宏觀經濟狀況及債務人信譽有關。預期信貸虧損評估需要管理層作出重大判斷。因此，吾等將管理層對現金產生單位的預期信貸虧損評估識別為一項關鍵審計事項。

關鍵審計事項 (續)

How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:
吾等為處理該事項而採取的主要程序包括：

- Discussed with the management of the Company the reasonableness and relevance of the methodologies, inputs and assumptions adopted in performing the ECL assessment;
與貴公司管理層討論執行預期信貸虧損評估所採納之方法、資料輸入及假設的合理性及相關性；
- Obtained an ageing analysis of the accounts and bills receivables from the management of the Group and tested the accuracy of ageing of accounts and bills receivables at year end to the underlying invoices on a sample basis;
從貴集團管理層取得應收賬款及票據的賬齡分析及抽樣測試相關發票的應收賬款及票據年末賬齡的準確性；
- Challenged the management's ECL assessment regarding long outstanding and overdue deposits and receivables;
挑戰管理層對長期逾期按金及應收款項的預期信貸虧損的評估；
- Checked, on a sample basis, inputs used by the management in the ECL assessment against the source data (e.g. historical information and observable external data); and
抽樣檢查管理層於預期信貸虧損評估使用的源數據（例如歷史資料及可觀察外部數據）的資料輸入；及
- Assessed the adequacy of the ECL recorded by reviewing subsequent settlements after the year end and related correspondence with customers about expected settlement dates.
透過審閱年末後的後續結算以及與客戶有關預期結算日期的相關信函所記錄，評估預期信貸虧損的充分性。

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獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information in the Group's 2018 annual report other than 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 the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS 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 HKFRSs 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 audit committee of the Company assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

除綜合財務報表及核數師報告以外的資料

董事對其他資料負責。其他資料包括 貴集團二零一八年年報中包含的除綜合財務報表及吾等的核數師報告以外的所有資料。

吾等對綜合財務報表的意見不涵蓋其他資料，且吾等並不對此發表任何形式的保證結論。

就吾等對綜合財務報表的審計而言，吾等的責任是閱讀其他資料，並同時考慮其他資料是否與綜合財務報表或吾等在審計過程中獲得的了解存在重大不一致或看似嚴重失實。倘若基於吾等進行的工作，吾等認為該其他資料存在重大失實陳述，則吾等須報告該事實。吾等在此方面沒有任何報告。

董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編制綜合財務報表，以令綜合財務報表作出真實而中肯的反映，及對其認為為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將 貴集團清盤或停止經營，或除此之外並無其他替代方案）。

本公司審核委員會協助董事履行監督 貴集團財務報告程序的職責。

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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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師審計綜合財務報表的責任

吾等的目標是就綜合財務報表整體是否存在重大錯誤陳述（不論因欺詐或錯誤導致）取得合理保證，按照百慕達一九八一年公司法第90條僅向閣下（作為整體）並出具包含吾等意見的核數師報告，而非用於其他目的。吾等概不就本報告的內容向其他任何人負有或承擔任何責任。合理保證是高水平的保證，但並不擔保按照香港審計準則進行的審計總能發現所存在的重大錯誤陳述。錯誤陳述可能因欺詐或錯誤而產生，如個別或整體合理預期可能影響用戶基於該等綜合財務報表作出的經濟決定，則屬重大。

作為按照香港審計準則進行審計的一部分，吾等在整個審計期間作出專業判斷並保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表中存在重大錯誤陳述（不論因欺詐或錯誤導致）的風險，設計及執行應對該等風險的審計程序，並取得充分適當的審計證據，為吾等的意見提供基礎。未發現欺詐導致重大錯誤陳述的風險高於錯誤導致重大錯誤陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或凌駕內部控制。
- 取得與審計相關的內部控制的理理解，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及所作出會計估計和相關披露的合理性。

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.

We communicate with the audit committee of the Company 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 of the Company 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.

核數師審計綜合財務報表的責任 (續)

- 對董事使用持續經營會計基準的適當性，及（基於所取得的審計證據）是否存在與事件或狀況相關且可能導致對貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若吾等認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或（如該披露不足）修改吾等的意見。吾等的結論基於截至核數師報告日期所獲得的審計證據。然而，未來事件或狀況可能導致貴集團無法持續經營。
- 評價綜合財務報表的整體列報、結構及內容，包括披露及綜合財務報表是否按實現中肯列報的方式反映了相關交易及事件。
- 獲取有關貴集團內實體或業務活動的財務資料的充分適當的審計證據，以對綜合財務報表發表意見。吾等負責指導、監督及進行集團審計。吾等仍然對吾等的審計意見承擔全部責任。

除其他事項外，吾等就（其中包括）審計的規劃範圍及時間與重大審計結果（包括吾等在審計中發現的內部控制重大缺陷）與貴公司審核委員會溝通。

吾等亦向貴公司審核委員會提供一份聲明，表示吾等已遵守有關獨立性的相關專業道德要求，並就合理可能導致對吾等獨立性產生疑問的所有關係及（如適用）相關防範措施與審核委員會溝通。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

From the matters communicated with the audit committee of the Company, 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.

Moore Stephens CPA Limited
Certified Public Accountants

Leung Yu Ngong
Practising Certificate Number: P06734

Hong Kong, 30 March 2019

核數師審計綜合財務報表的責任 (續)

根據與 貴公司審核委員會溝通的事項，吾等認為有關事項是對審計本期間綜合財務報表而言最重要的事項，因此屬於關鍵審計事項。吾等在核數師報告中說明該等事項，除非法律或法規不允許公開披露該事項，或（在極少數情況下）由於其不利後果合理預期將超過公開披露所帶來的公共利益，吾等認為該事項不應在吾等的報告中披露。

大華馬施雲會計師事務所有限公司
執業會計師

梁宇昂
執業證書編號：P06734

香港，二零一九年三月三十日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
		附註		
Revenue	收益	6	961,440	529,884
Cost of sales	銷售成本		(901,900)	(630,373)
Gross profit/(loss)	毛利／(毛損)	6	59,540	(100,489)
Other income and gains	其他收入及得益	6	55,743	41,152
Selling and distribution expenses	銷售及分銷開支		(37,605)	(4,486)
Administrative expenses	行政開支		(90,143)	(53,591)
Other expenses	其他開支		(4,276)	(6,894)
Finance costs	財務費用	7	(101,514)	(42,336)
Share of results of associates	應佔聯營公司業績		(12,826)	(1,814)
Share of results of a joint venture	應佔一間合營企業業績		51	31
Net impairment loss on financial and contract assets	金融資產及合約資產之減值虧損淨額	43(a)	(9,626)	(455)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15	(5,693)	(15,902)
Impairment loss on mining rights	採礦權之減值虧損	18	(8,544)	(11,830)
Loss before income tax	除所得稅前虧損	8	(154,893)	(196,614)
Income tax credit	所得稅抵免	9	2,261	–
Loss for the year	年內虧損		(152,632)	(196,614)
Loss for the year attributable to:	應佔年內虧損：			
Owners of the Company	本公司擁有人		(142,747)	(178,858)
Non-controlling interests	非控股權益		(9,885)	(17,756)
			(152,632)	(196,614)
Loss per share attributable to the owners of the Company	本公司擁有人應佔每股虧損			
– Basic and diluted (HK cents)	– 基本及攤薄 (港仙)	10	(13.747)	(25.097)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Loss for the year	年內虧損	(152,632)	(196,614)
Other comprehensive income/(loss) for the year	年內其他全面收益／(虧損)		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：		
Exchange differences on translation of financial statements of foreign operations:	換算境外業務財務報表匯兌差額：		
– subsidiaries	– 附屬公司	14,109	(6,803)
– a joint venture	– 一間合營企業	(326)	439
– associates	– 聯營公司	(5,156)	7,258
		8,627	894
Share of other comprehensive income/(loss) of an associate	應佔一間聯營公司之其他全面收益／(虧損)	16,090	(1,283)
Net other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	其後可重新分類至損益之其他全面收益／(虧損)淨額	24,717	(389)
Item that will not be reclassified to profit or loss:	其後不會重新分類至損益之項目：		
Change in the fair value of equity investments at fair value through other comprehensive income	按公平值計入其他全面收益股權投資之公平值變動	8	–
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收益／(虧損)·扣除稅項	24,725	(389)
Total comprehensive loss for the year	年內全面虧損總額	(127,907)	(197,003)
Total comprehensive loss attributable to:	應佔全面虧損總額：		
Owners of the Company	本公司擁有人	(116,642)	(180,710)
Non-controlling interests	非控股權益	(11,265)	(16,293)
		(127,907)	(197,003)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
		附註		
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	396,187	239,133
Prepaid land lease payments	預付土地租賃款項	16	66,197	–
Goodwill	商譽	17	–	–
Mining rights	採礦權	18	293,917	326,535
Other intangible assets	其他無形資產	20	623	–
Interests in associates	於聯營公司之權益	21	100,046	101,938
Interest in a joint venture	於一間合營企業之權益	22	5,973	6,248
Available-for-sale financial assets	可供出售金融資產	23	–	710
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	23	682	–
			863,625	674,564
Current assets	流動資產			
Inventories	存貨	24	24,849	14,056
Accounts and bills receivables and contract assets	應收賬款及票據及合約資產	25	454,569	221,340
Prepaid land lease payments	預付土地租賃款項	16	1,506	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	26	24,480	379,289
Tax recoverable	可收回稅款		9,433	9,412
Pledged and restricted bank deposits	已抵押及受限制的銀行存款	27(a)	656,651	616,880
Cash and cash equivalents	現金及現金等值項目	27(b)	35,789	170,878
			1,207,277	1,411,855
Current liabilities	流動負債			
Accounts and bills payables	應付賬款及票據	28	658,132	817,863
Amount due to an associate	應付一間聯營公司款項	21	14,640	–
Amounts due to shareholders	應付股東款項	29	9,135	41,097
Other payables and accruals	其他應付款項及應計費用	30	551,447	458,078
Provision for reclamation obligations	開墾費用撥備	31	100,164	99,480
Bank and other loans	銀行及其他貸款	32	762,200	613,519
			2,095,718	2,030,037
Net current liabilities	流動負債淨值		(888,441)	(618,182)
Total assets less current liabilities	總資產減流動負債		(24,816)	56,382

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
		附註		
Non-current liabilities	非流動負債			
Amount due to an associate	應付一間聯營公司款項	21	–	99,589
Loans from shareholders	來自股東貸款	29	54,491	–
Bank and other loans	銀行及其他貸款	32	78,364	33,381
Deposit received	已收按金	30	2,165	–
Deferred income	遞延收入	33	3,142	–
Deferred tax liabilities	遞延稅項負債	34	489	–
			138,651	132,970
Net liabilities	負債淨值		(163,467)	(76,588)
EQUITY	股本權益			
Share capital	股本	35	104,017	71,267
Deficit in reserves	儲備虧絀	36(a)	(209,671)	(79,933)
Deficiency attributable to the owners of the Company	本公司擁有人應佔之虧絀		(105,654)	(8,666)
Non-controlling interests	非控股權益		(57,813)	(67,922)
Capital deficiency	資本虧絀		(163,467)	(76,588)

The consolidated financial statements on pages 54 to 226 were approved and authorised for issue by the Board of Directors on 30 March 2019 and are signed on its behalf by:

第54至226頁的綜合財務報表經董事會於二零一九年三月三十日批准及授權刊發，並由以下人士代表簽署：

Dong Cunling
董存嶺
Director
董事

Sun Shusheng
孫書生
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔										Total equity/ (capital deficiency)	
		Share capital	Share premium*	Capital redemption reserve*	Other reserves*	Contributed surplus*	Exchange fluctuation reserve*	Capital reserve*	Statutory reserve fund*	Accumulated losses*	Total	Non-controlling interests	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價*	資本贖回儲備*	其他儲備*	繳入盈餘*	匯兌波動儲備*	資本儲備*	法定公積金*	累計虧損*	總計	非控股權益	權益總計/ (資本虧損)
		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
At 1 January 2017	於二零一七年一月一日	71,267	235,334	50	35,430	641	137,371	27,442	133,928	(489,419)	152,044	(51,629)	100,415
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(178,858)	(178,858)	(17,756)	(196,614)
Other comprehensive (loss)/income for the year	年內其他全面(虧損)/收益												
Exchange differences on translation of financial statements of foreign operations	換算境外業務財務報表匯兌差額												
- subsidiaries	- 附屬公司	-	-	-	-	-	(7,613)	-	-	-	(7,613)	810	(6,803)
- a joint venture	- 一間合營企業	-	-	-	-	-	395	-	-	-	395	44	439
- associates	- 聯營公司	-	-	-	-	-	6,533	-	-	-	6,533	725	7,258
Share of other comprehensive loss of an associate	應佔一間聯營公司之其他全面虧損	-	-	-	(1,167)	-	-	-	-	-	(1,167)	(116)	(1,283)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(1,167)	-	(685)	-	-	(178,858)	(180,710)	(16,293)	(197,003)
Cash advanced in relation to subscription of ordinary shares (note 36(a)(iii))	有關認購普通股墊款現金(附註36(a)(iii))	-	-	-	20,000	-	-	-	-	-	20,000	-	20,000
Transfer to other reserves	從其他儲備轉撥	-	-	-	12,303	-	-	-	-	(12,303)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(680,580)	(8,666)	(67,922)	(76,588)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔											
		Share capital	Share premium*	Capital redemption reserve*	Other reserves*	Contributed surplus*	Exchange fluctuation reserve*	Capital reserve*	Statutory reserve fund*	Accumulated losses*	Total	Non-controlling interests	Capital deficiency
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價*	資本贖回儲備*	其他儲備*	繳入盈餘*	匯兌波動儲備*	資本儲備*	法定公積金*	累計虧損*	總計	非控股權益	資本虧蝕
		(附註36(a)(i))	(附註36(a)(i))	(附註36(a)(ii))	(附註36(a)(iii))	(附註36(a)(iv))	(附註36(a)(v))	(附註36(a)(vi))	(附註36(a)(vii))	(附註36(a)(viii))			
		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
Balance at 31 December 2017	於二零一七年十二月三十一日結餘	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(680,580)	(8,666)	(67,922)	(76,588)
Impact on initial application of HKFRS 9 (note 2(b))	初始應用香港財務報告準則第9號之影響 (附註2(b))	-	-	-	-	-	-	-	-	(36,784)	(36,784)	(4,086)	(40,870)
Adjusted balance at 1 January 2018	於二零一八年一月一日經調整結餘	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(717,364)	(45,450)	(72,008)	(117,458)
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(142,747)	(142,747)	(9,885)	(152,632)
Other comprehensive income/(loss) for the year	年內其他全面收益/(虧損)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	換算境外業務財務報表匯兌差額	-	-	-	-	-	-	-	-	-	-	-	-
- subsidiaries	- 附屬公司	-	-	-	-	-	16,550	-	-	-	16,550	(2,441)	14,109
- a joint venture	- 一間合營企業	-	-	-	-	-	(293)	-	-	-	(293)	(33)	(326)
- associates	- 聯營公司	-	-	-	-	-	(4,641)	-	-	-	(4,641)	(515)	(5,156)
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面收益	-	-	-	14,481	-	-	-	-	-	14,481	1,609	16,090
Change in fair value of equity investments at fair value through other comprehensive income	透過其他全面收益按公平值計算之股本投資之公平值變化	-	-	-	8	-	-	-	-	-	8	-	8
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	14,489	-	11,616	-	-	(142,747)	(116,642)	(11,265)	(127,907)
Additions through acquisition of subsidiaries (note 38)	透過收購附屬公司添置 (附註38)	-	-	-	-	-	-	-	-	-	-	20,649	20,649
Capital injection from non-controlling interests	非控股權益之注資	-	-	-	-	-	-	-	-	-	-	4,757	4,757
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	-	-	-	54	54
Deemed capital contribution arising from non-current interest-free shareholders' loan (note 29(b))	視作來自非流動免息股東貸款之出資 (附註29(b))	-	-	-	17,185	-	-	-	-	-	17,185	-	17,185
Shares issued in consideration for the acquisition of subsidiaries (notes 35(a) and 38)	因收購附屬公司而發行代價股份 (附註35(a)及38)	12,750	6,503	-	-	-	-	-	-	-	19,253	-	19,253
Issuance of shares pursuant to the subscriptions** (notes 35(b) and 36(a)(iii))	根據認購事項發行股份** (附註35(b)及36(a)(iii))	20,000	20,000	-	(20,000)	-	-	-	-	-	20,000	-	20,000
Transfer from other reserves	從其他儲備轉撥	-	-	-	(13,628)	-	-	-	-	13,628	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	104,017	261,837	50	64,612	641	148,302	27,442	133,928	(846,483)	(105,654)	(57,813)	(163,467)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

- * These accounts comprise the consolidated deficits of reserves of approximately HK\$209,671,000 (2017: approximately HK\$79,933,000) in the consolidated statement of financial position.
- * 該等賬戶包括綜合財務狀況表中的綜合儲備虧絀約209,671,000港元(二零一七年: 約79,933,000港元)。
- ** Included in the amount represented deposit of approximately HK\$20,000,000 received from Retop International Investment Limited before the year ended 31 December 2017, an entity indirectly wholly owned by Mr. Bao Hongkai (“**Mr. Bao**”), a substantial shareholder of the Company, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Such amount was recorded in “Other reserves”. Upon the completion of the subscription, such amount was reversed and formed part of share capital and share premium.
- ** 該金額包括截至二零一七年十二月三十一日止年度前就認購本公司普通股(於二零一八年一月三日完成)已收瑞拓國際投資有限公司(包洪凱先生(「**包先生**」, 為本公司主要股東)間接全資擁有的實體)的按金約20,000,000港元。該金額計入「其他儲備」。認購完成後, 該金額已撥回, 並構成股本及股份溢價的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
		附註		
Cash flows from operating activities	經營活動之現金流量			
Loss before income tax	除所得稅前虧損		(154,893)	(196,614)
Adjustments for:	調整項目：			
Share of results of associates	應佔聯營公司業績		12,826	1,814
Share of results of a joint venture	應佔一間合營企業業績		(51)	(31)
Finance costs	財務費用	7	101,514	42,336
Discount at inception of deposit received	已收按金之初始折現值	6	(2,458)	–
Amortisation of mining rights	採礦權攤銷	8	7,805	3,205
Amortisation of other intangible assets	其他無形資產攤銷	8	80	–
Amortisation of prepaid land lease payments	預付土地租賃付款攤銷	8	1,569	–
Amortisation of deferred income	遞延收入攤銷	33	(1,115)	–
Write-down of inventories	存貨撇減	8	56	407
Net impairment loss on financial and contract assets	金融及合同資產之減值虧損淨額	43(a)	9,626	455
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15	5,693	15,902
Impairment loss on mining rights	採礦權之減值虧損	18	8,544	11,830
Interest income	利息收入	6	(2,296)	(3,987)
Depreciation	折舊	8	59,332	22,988
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損淨額	8	95	2,466
Gain on bargain purchase arising from acquisition of subsidiaries	收購附屬公司所產生之議價購買得益	6	(2,629)	–
Gain on disposal of a subsidiary	出售一間附屬公司之得益	6	(62)	–
Provision for reclamation obligations	開墾費用撥備	31	6,087	2,345
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	6	(24,533)	(36,915)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
		附註		
Operating profit/(loss) before working capital changes	營運資金變動前經營溢利／(虧損)		25,190	(133,799)
Increase in inventories	存貨增加		(2,300)	(10,188)
Increase in accounts and bills receivables and contract assets	應收賬款及票據及合同資產增加		(224,679)	(30,063)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少		297,350	103,593
Decrease in accounts and bills payables	應付賬款及票據減少		(185,504)	(74,742)
Increase in other payables and accruals	其他應付款項及應計費用增加		64,216	36,820
Deposit received	已收按金		4,554	–
Cash used in operations	經營所用現金		(21,173)	(108,379)
Interest received	已收利息	6	2,296	3,987
Interest paid	已付利息	7	(92,692)	(42,336)
Income tax paid	已付所得稅		(665)	(242)
Net cash used in operating activities	經營活動所用現金淨額		(112,234)	(146,970)
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備	15	(32,613)	(5,390)
Purchases of other intangible assets	購買其他無形資產	20	(730)	–
Proceeds from disposal of property, plant and equipment	出售物業、房產及設備所得款項		55	628
Net cash inflow on acquisition of subsidiaries	收購附屬公司之現金流入淨額	38	19,586	–
Net cash outflow on disposal of a subsidiary	出售一間附屬公司之現金流出淨額		(55)	–
Increase in pledged and restricted bank deposits	已抵押及受限制的銀行存款增加		(74,771)	(51,610)
Net cash used in investing activities	投資活動所用現金淨額		(88,528)	(56,372)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Cash flows from financing activities	融資活動之現金流量		
Capital injection from non-controlling interests	非控股權益之注資	4,757	–
Cash received in relation to the subscription of ordinary shares	有關認購普通股之已收現金	–	20,000
Proceeds from issuance of share capital	發行股本之所得款項	20,000	–
Proceeds from bank loans	銀行貸款之所得款項	207,618	868,290
Repayments of bank loans	償還銀行貸款	(182,704)	(770,295)
Proceeds from other loans	其他貸款所得款項	201,975	34,451
Repayments of other loans	償還其他貸款	(37,584)	(115)
Proceeds from loans from shareholders	來自股東貸款之所得款項	94,800	–
Repayments of loans from shareholders	股東償還貸款之所得款項	(29,660)	–
(Repayment to)/advance from shareholders	(向股東還款)/來自股東墊款	(31,962)	24,577
Repayment to an associate	向一間聯營公司還款	(79,785)	–
Repayments to related parties, net	向關連人士還款，淨額	(109,669)	(242)
Proceeds from a director's loan	向一名董事貸款所得款項	–	8,000
Net cash generated from financing activities	融資活動所得現金淨額	57,786	184,666
Net decrease in cash and cash equivalents	現金及現金等值項目淨額減少	(142,976)	(18,676)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	170,878	178,134
Effect of foreign exchange rate changes	外匯匯率變動之影響	7,887	11,420
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	35,789	170,878

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

1. GENERAL INFORMATION

Rosan Resources Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) include (i) production and sale of coal and the trading of purchased coal and (ii) production and sale of building materials in the People’s Republic of China (the “**PRC**”). The principal activities and other particulars of its subsidiaries are set out in note 14.

The production and sale of building materials operation is related to the acquisition of subsidiaries for the year ended 31 December 2018, details are set out in note 38.

The consolidated financial statements for the year ended 31 December 2018 were approved for issue by the board of directors of the Company on 30 March 2019.

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

(a) Adoption of new and revised HKFRSs effective from 1 January 2018

In the current year, the Group has applied a number of new HKFRSs and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are mandatorily effective for an accounting period that begins on or after 1 January 2018. Of these, the following developments are relevant to the Group’s consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration

1. 一般資料

融信資源控股有限公司(「**本公司**」)為在百慕達註冊成立之有限公司。其註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司及其附屬公司(「**本集團**」)之主要業務包括在中華人民共和國(「**中國**」)從事：(i)生產及銷售煤炭及購入煤炭貿易；及(ii)建築材料(「**建材**」)生產及銷售。其附屬公司之主要業務及其他詳情載於綜合財務報表附註14。

截至二零一八年十二月三十一日止年度，建築材料業務的生產及銷售與收購附屬公司有關，詳情載於附註38。

截至二零一八年十二月三十一日止年度之綜合財務報表經本公司董事會於二零一九年三月三十日批准刊發。

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(a) 採納自二零一八年一月一日生效之新訂及經修訂香港財務報告準則

於本年度，本集團已應用香港會計師公會(「**香港會計師公會**」)頒佈的多項自二零一八年一月一日或之後開始的會計期間強制生效的新訂香港財務報告準則及其修訂本。其中，以下發展與本集團的綜合財務報表相關：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約之收益
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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

(a) Adoption of new and revised HKFRSs effective from 1 January 2018 (continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The directors of the Company concluded that the adoption of HKFRS 15 has not had any changes or material impact on the amounts recognised in the consolidated financial statements. HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses. Details of the changes in accounting policies are discussed in note 2(b) for HKFRS 9.

Except for the HKFRS 9 and HKFRS 15, the application of these new and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納自二零一八年一月一日生效之新訂及經修訂香港財務報告準則(續)

本集團並無應用任何於當前會計期間尚未生效的新準則或詮釋。

本公司董事得出結論認為採納香港財務報告準則第15號不會對綜合財務報表內已確認金額造成任何變動或產生重大影響。香港財務報告準則第15號亦引入額外定性及定量披露規定，旨在讓財務報表使用者更了解客戶合約之性質、金額、時間、收益及現金流的不確定因素。

本集團在金融資產分類以及計量信貸虧損方面受香港財務報告準則第9號的影響。有關香港財務報告準則第9號會計政策政策變動的詳情於附註2(b)內討論。

除香港財務報告準則第9號及香港財務報告準則第15號之外，於本年度應用該等新訂香港財務報告準則及其修訂本概不會對本年度及以往年度本集團的財務表現及狀況及／或該等綜合財務報表內載列的披露造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new and revised HKFRSs effective from 1 January 2018 (continued)

Under the transition methods chosen, the Group has recognised cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. Line items that were not affected by the changes have not been included in the following table. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The following table gives a summary of the opening balance adjustments recognised for the line items in the consolidated statement of financial position that have been impacted by HKFRS 9:

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納自二零一八年一月一日起生效之新訂及經修訂香港財務報告準則(續)

根據所選擇的過渡法，本集團將首次應用香港財務報告準則第9號的累計影響確認為於二零一八年一月一日期初權益餘額的調整。比較資料並未重列，下表亦未加入不受變動影響的項目。因此，所披露的小計及總計不能從所提供的數字重新計算。下表概述就綜合財務狀況表中已受香港財務報告準則第9號影響的項目確認的期初餘額調整：

		At 31 December 2017 HK\$'000 於 二零一七年 十二月 三十一日 千港元	Impact of initial application of HKFRS 9 (note 2(b)) HK\$'000 首次應用香港 財務報告準則 第9號的影響 (附註2(b)) 千港元	At 1 January 2018 HK\$'000 於 二零一八年 一月 一日 千港元
Available-for-sale financial assets	可供出售金融資產	710	(710)	-
Investment in equity instruments designated at fair value through other comprehensive income	指定為按公平值計入其他全面收益的權益工具投資	-	710	710
Total non-current assets	非流動資產總額	674,564	-	674,564
Accounts and bills receivables	應收賬款及票據	221,340	(11,582)	209,758
Deposits and other receivables	按金及其他應收款項	375,594	(29,288)	346,306
Total current assets	流動資產總額	1,411,855	(40,870)	1,370,985
Net current liabilities	流動負債淨額	(618,182)	(40,870)	(659,052)
Total assets less current liabilities	總資產減流動負債	56,382	(40,870)	15,512
Net liabilities	負債淨額	(76,588)	(40,870)	(117,458)
Deficit in reserves	儲備虧絀	(79,933)	(36,784)	(116,717)
Deficiency attributable to the owners of the Company	本公司擁有人應佔虧絀	(8,666)	(36,784)	(45,450)
Non-controlling interests	非控股權益	(67,922)	(4,086)	(72,008)
Capital deficiency	資本虧絀	(76,588)	(40,870)	(117,458)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

(a) Adoption of new and revised HKFRSs effective from 1 January 2018 (continued)

Further details of these changes are set out in subsection (b) of this note.

(b) HKFRS 9 Financial Instruments

HKFRS 9 replaces Hong Kong Accounting Standard (“HKAS”) 39 *Financial Instruments: Recognition and Measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. In accordance with the specific transitional provisions set out in HKFRS 9, the Group has applied the classification and measurement requirements (including requirements relating to impairment under expected credit losses (“ECL”) model) to items that existed as of the date of initial application (i.e. 1 January 2018) on a retrospective basis based on the facts and circumstances that existed as at 1 January 2018. However, the Group has decided not to restate the comparative figures. Accordingly, the comparative information continues to be presented based on the requirements of HKAS 39 and hence may not be comparable with the current year information. The cumulative effect of initial application of HKFRS 9 has been recognised as adjustments to the opening equity.

The following table summarises the impact of transition to HKFRS 9 on deficit in reserves and non-controlling interests at 1 January 2018.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納自二零一八年一月一日生效之新訂及經修訂香港財務報告準則(續)

該等變動的進一步詳情載於本附註第(b)分節。

(b) 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號取代香港會計準則(「香港會計準則」)第39號金融工具：確認及計量。該準則列出確認及計量金融資產、金融負債及若干買賣非金融項目合約的規定。根據香港財務報告準則第9號所載的具體過渡條文，本集團已依據於二零一八年一月一日已存在之事實及情況，對於首次應用日期(即二零一八年一月一日)存在的項目追溯應用有關分類及計量規定(包括有關預期信貸(「預期信貸虧損」)模型下減值的規定)。然而，本集團已決定不重列比較數字。因此，比較資料繼續根據香港會計準則第39號的規定呈列且可能無法與本年度資料比較。首次應用香港財務報告準則第9號的累計影響已確認為期初權益的調整。

下表概述過渡至香港財務報告準則第9號對於二零一八年一月一日的儲備虧絀及非控股權益之影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

(b) HKFRS 9 Financial Instruments (continued)

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

HK\$000
千港元

Deficit in reserves

Net increase in deficit in reserves at 1 January 2018 - Recognition of additional expected credit losses on financial assets measured at amortised cost (note (ii))

儲備虧絀

於二零一八年一月一日的儲備虧絀增加淨額—按攤銷成本計量的金融資產確認額外預期信貸虧損(附註(ii))

36,784

Non-controlling interests

Decrease in non-controlling interests at 1 January 2018 - Recognition of additional expected credit losses on financial assets measured at amortised cost (note (ii))

非控股權益

於二零一八年一月一日的非控股權益減少—按攤銷成本計量的金融資產確認額外預期信貸虧損(附註(ii))

4,086

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

以往會計政策變動的性質及影響以及過渡法的進一步詳情載列如下：

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”) and at fair value through profit or loss (“FVTPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. The Group did not designate or de-designate any financial assets and financial liabilities at FVTPL at 1 January 2018.

(i) 金融資產及金融負債的分類

香港財務報告準則第9號將金融資產分為三個主要分類類別：按攤銷成本計量、按公平值計入其他全面收益(「按公平值計入其他全面收益」)及按公平值計入損益(「按公平值計入損益」)。其取代香港會計準則第39號有關持至到期投資、貸款及應收款項、可供出售金融資產及按公平值計入損益的金融資產的類別。香港財務報告準則第9號項下金融資產的分類基於管理金融資產的業務模式及合約現金流量特點。於二零一八年一月一日，本集團並無指定或解除指定任何按公平值計入損益的金融資產及金融負債。

Accounting policy resulting from application of HKFRS 9 are disclosed in note 3.14.

應用香港財務報告準則第9號所產生之會計政策已於附註3.14中披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) HKFRS 9 Financial Instruments (continued)

(i) Classification of financial assets and financial liabilities (continued)

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39, and how are impacted by HKFRS 9. The table below shows a reconciliation from the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

(i) 金融資產及金融負債的分類(續)

下表列示本集團各類金融資產根據《香港會計準則》第39號的原始計量類別，及受香港財務報告準則第9號所影響。下表列示根據《香港會計準則》第39號釐定的該等金融資產賬面值與根據《香港財務報告準則》第9號釐定者之對賬。

	HKAS 39 carrying amounts at 31 December 2017 HK\$000 香港會計準則 第39號 於二零一七年 十二月三十一日 之賬面值 千港元	Reclassification HK\$000 重新分類 千港元	Remeasurement HK\$000 重新計量 千港元	HKFRS 9 carrying amounts at 1 January 2018 HK\$000 香港財務報告 準則第9號 於二零一八年 一月一日 之賬面值 千港元	
Financial assets carried at amortised cost	按攤銷成本列賬之金融資產				
Accounts and bills receivables (note (ii))	應收賬款及票據 (附註(ii))	221,340	-	(11,582)	209,758
Deposits and other receivables (note (ii))	按金及其他應收款項 (附註(ii))	375,594	-	(29,288)	346,306
		596,934	-	(40,870)	556,064
Financial assets measured at FVTOCI (non-recycling)	按公平值計入其他全面收益(不可劃轉)計量之金融資產				
Unlisted equity securities (note (A))	非上市股本證券 (附註(A))	-	710	-	710
Financial assets classified as available-for-sale under HKAS 39	根據香港會計準則第39號分類為可供出售之金融資產				
Unlisted equity securities (note (A))	非上市股本證券 (附註(A))	710	(710)	-	-

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

(b) HKFRS 9 *Financial Instruments* (continued)

(i) *Classification of financial assets and financial liabilities* (continued)

Note:

- (A) Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVTPL under HKFRS 9, unless they are eligible for and designated at FVTOCI by the Group. At 1 January 2018, the Group designated its investment in unlisted equity instruments at FVTOCI (non-recycling), as the investment is held for long term strategic purposes (note 23).

In the opinion of the directors of the Company, the carrying amount of the unlisted equity securities, which measured at cost less impairment as at 31 December 2017, approximates to its fair value as of 1 January 2018.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

(i) 金融資產及金融負債的分類(續)

附註：

- (A) 根據香港會計準則第39號，並非持作買賣的股本證券分類為可供出售金融資產。該等股本證券根據香港財務報告準則第9號分類為按公平值計入損益，除非符合資格且被本集團指定為按公平值計入其他全面收益。於二零一八年一月一日，本集團將其於非上市權益工具的投資指定為按公平值計入其他全面收益(不可劃轉)，原因是該投資乃為長期戰略目的持有(附註23)。

本公司董事認為，非上市股本證券(於二零一七年十二月三十一日按成本減去減值計量)於二零一八年一月一日的賬面值與其公平值相若。

所有金融負債的計量類別均保持不變。所有金融負債於二零一八年一月一日的賬面值並未受香港財務報告準則第9號的初始應用所影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

(b) HKFRS 9 *Financial Instruments* (continued)

(ii) *Expected credit losses*

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECLs model to the financial assets measured at amortised cost (including pledged and restricted bank deposits, cash and cash equivalents, accounts and bills receivables and contract assets, and deposit and other receivables).

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

(ii) 預期信貸虧損

香港財務報告準則第9號以預期信貸虧損模型取代香港會計準則第39號中的「已產生虧損」模型。預期信貸虧損模型要求持續計量與金融資產有關的信貸風險，因此確認預期信貸虧損的時間早於根據香港會計準則第39號中「已產生虧損」會計模型進行確認。

本集團對按攤銷成本計量的金融資產(包括已抵押及受限制銀行存款、現金及現金等值項目、應收賬款及票據及合約資產以及按金及其他應收款項)應用新預期信貸虧損模型。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) HKFRS 9 Financial Instruments (continued)

(ii) Expected credit losses (continued)

Financial assets measured at fair value, including equity securities designated at FVTOCI (non-recycling) is not subject to the ECLs assessment.

The following table is a reconciliation that shows how the closing loss allowance as at 31 December 2017 determined in accordance with HKAS 39 can be reconciled to the opening loss allowance as at 1 January 2018 determined in accordance with HKFRS 9:

		HK\$000 千港元
Loss allowance recognised as at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號確認的虧損撥備	86,166
Additional loss allowance as a result of the application of the ECL model under HKFRS 9	因應用香港財務報告準則第9號項下預期信貸虧損模型的額外虧損撥備	
– Accounts and bills receivables	– 應收賬款及票據	11,582
– Deposits and other receivables	– 按金及其他應收款項	29,288
Loss allowance recognised as at 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號確認的虧損撥備	127,036

As a result of this change in accounting policy, the Group has recognised additional loss allowance amounting to approximately HK\$40,870,000, which increased deficit in reserves by approximately HK\$36,784,000 and decreased non-controlling interests by approximately HK\$4,086,000 as at 1 January 2018.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

(ii) 預期信貸虧損(續)

按公平值計量的金融資產(包括指定按公平值計入其他全面收益的股本證券(不可劃轉))毋須進行預期信貸虧損評估。

下表列示於二零一七年十二月三十一日根據香港會計準則第39號釐定的期末虧損撥備與於二零一八年一月一日根據香港財務報告準則第9號釐定的期初虧損撥備之對賬：

	HK\$000 千港元
於二零一七年十二月三十一日根據香港會計準則第39號釐定的期末虧損撥備	86,166
於二零一八年一月一日根據香港財務報告準則第9號釐定的期初虧損撥備	127,036
由於該會計政策變動，本集團已確認額外虧損撥備金額約40,870,000港元，於二零一八年一月一日，儲備虧絀增加約36,784,000港元及非控股權益減少約4,086,000港元。	

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

(b) HKFRS 9 Financial Instruments (continued)

(iii) Related deferred tax

In the opinion of the directors of the Company, as the future income stream of the Group is uncertain, it is unlikely the deductible temporary difference can be able to utilise in the short period of time. Therefore, the related deferred tax asset as at 1 January 2018 is not recognised.

(c) New and revised HKFRSs that have been issued but are not yet effective

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 3 (Revised) Amendments	Definition of a Business ²
HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HKAS 1 (Revised) and HKAS 8 Amendments	Definition of Material ²
HKAS 19 Amendments	Plan Amendment, Curtailment or Settlement ¹
HKAS 28 Amendments	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ¹
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments ¹
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ²

¹ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第9號金融工具(續)

(iii) 相關遞延稅項

本公司董事認為，由於本集團之未來收入並不確定，故可扣減的暫時差額不太可能能夠於短時期內動用。因此，不會確認於二零一八年一月一日的有關遞延稅項資產。

(c) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未在綜合財務報表中應用以下已頒佈惟尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 ⁴
香港財務報告準則第3號(經修訂)修訂本	業務之釋義 ²
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號(經修訂)及香港會計準則第8號(修訂本)	材料之釋義 ²
香港會計準則第19號(修訂本)	計劃修訂、削減或結算 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ¹
香港財務報告準則修訂本	香港財務報告準則二零一五年至二零一七年週期之年度改進 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 ¹
二零一八年財務報告的概念框架	經修訂財務報告的概念框架 ²

¹ 於二零一九年一月一日或其後開始的年度期間生效，允許提早應用

² 於二零二零年一月一日或其後開始的年度期間生效，允許提早應用

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2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(c) New and revised HKFRSs that have been issued but are not yet effective (continued)

- ³ Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted
- ⁴ The amendments were original intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred. Early application of the amendments continues to be permitted.

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, based on the preliminary assessment, it has concluded that the above new and revised HKFRSs which will be adopted at the respective effective dates is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sale and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(c) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- ³ 於二零二一年一月一日或其後開始的年度期間生效，允許提早應用
- ⁴ 修訂本原擬於二零一六年一月一日或之後開始的年度期間生效。生效日期已延遲。仍然允許提早應用修訂本。

本集團已評估採納新訂及修訂準則造成的有關影響。迄今為止，基於初步評估，本集團的結論是上述新訂及修訂準則將於各自的生效日期採納，且不大可能對本集團綜合財務報表造成重大影響，惟以下各項除外：

香港財務報告準則第16號租賃

香港財務報告準則第16號就識別租賃安排以及出租人及承租人之會計處理引進一個綜合模式。香港財務報告準則第16號生效後將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

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綜合財務報表附註

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

(c) New and revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 16 Leases (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(c) 已頒佈但尚未生效之新訂及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)

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按租賃付款(非當日支付)之現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將前期預付租賃款項列作與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃付款則列作經營現金流量。於應用香港財務報告準則第16號時，本集團將有關租賃負債的租賃付款分配至本金及利息部分，分別列作融資及經營現金流量。

根據香港會計準則第17號，本集團已就其作為承租人之融資租賃安排及預付土地租賃款項確認一項資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產之分類出現潛在變動，取決於本集團是否分開呈列使用權資產或於將呈列相應有關資產(倘擁有)之同一分列項目內呈列。

除亦適用於出租人的若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求進行廣泛披露。

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

(c) New and revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 16 Leases (continued)

Also, as at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$1,199,000 as disclosed in note 39(b). A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$285,000 and refundable rental deposit received with carrying amount of approximately HK\$2,165,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposit received would be considered as advance lease payments.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(c) 已頒佈但尚未生效之新訂及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)

同時，於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承諾約1,199,000港元(附註39(b))。初步評估顯示，該等安排將符合租賃定義。於應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃符合低值或短期租賃之資格。

此外，本集團目前將已支付的可退還租賃按金約285,000港元以及已收取的可退還租賃按金賬面值約2,165,000港元視為香港會計準則第17號適用的租賃下的權利及義務。根據香港財務報告準則第16號下租賃付款的定義，有關按金並非與相關資產使用權有關的付款，因此，該等按金的賬面值可能會調整為攤銷成本。對已支付的可退還租賃按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中，而對已收取的可退還租賃按金作出的調整則被視為預付租賃款項。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

3. 主要會計政策概要

3.1 編製基準

載於綜合財務報表乃按香港財務報告準則(統稱包括香港會計師公會頒佈一切適用之個別香港財務報告準則、香港會計準則及詮釋、香港公認會計原則及香港公司條例之披露規定編製。綜合財務報表亦遵守聯交所證券上市規則(「**上市規則**」)之適用披露規定。

編製此等綜合財務報表所採用之主要會計政策概述如下。除另有所述外，該等政策已於所有呈列年度貫徹應用。採納新訂或經修訂之香港財務報告準則以及對本集團綜合財務報表之影響(如有)於附註2內披露。

綜合財務報表乃根據歷史成本常規法編製。有關計量準則詳載於下文的會計政策。

務請留意，於編製綜合財務報表時採用了會計估計及假設。儘管該等估計乃基於管理層所知及對當前事件及行動之判斷，實際結果最終卻可能與該等假設有差異。涉及高度判斷或高度複雜性之範圍，或假設及估計對綜合財務報表屬重大之範圍於附註4披露。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis

The Group incurred a consolidated net loss of approximately HK\$152,632,000 during the year ended 31 December 2018 and, as of that date, the Group has net current liabilities of approximately HK\$888,441,000 and a capital deficiency of approximately HK\$163,467,000 among which the outstanding borrowings of approximately HK\$1,393,928,000 (including bank loans of approximately HK\$563,257,000 (note 32), other loans of approximately HK\$198,943,000 (note 32), bills payables of HK\$607,783,000 (note 28), amount due to an associate of approximately HK\$14,640,000 (note 21), amounts due to shareholders of approximately HK\$9,135,000 (note 29) and interest-free loans provided by certain related parties of approximately HK\$170,000 (note 30)) are due for repayment within one year from the end of the reporting period or repayable on demand. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its business.

In order to improve the Group's financial positions, liquidity and cash flows, the directors of the Company have adopted or in the process of adopting the following measures:

- (a) The Group has been taking stringent cost controls in different areas, such as applying cost control measures in the cost of sales and administrative expenses;

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準

截至二零一八年十二月三十一日止年度，本集團產生綜合虧損淨額約152,632,000港元，且截至該日本集團的流動負債淨額約888,441,000港元，資本虧絀約163,467,000港元，其中未償還借貸約1,393,928,000港元(包括銀行貸款約563,257,000港元(附註32)、其他貸款約198,943,000港元(附註32)、應付票據約607,783,000港元(附註28)、應付一間聯營公司款項約14,640,000港元(附註21)、應付股東款項約9,135,000港元(附註29)及若干關連人士提供的免息貸款約170,000港元(附註30))須自報告日期起於一年內償還或按要求償還。該等情況顯示本集團於是否有能力持續經營方面存在重大不明朗因素，因此本集團可能無法於正常業務中變現資產及履行負債。

為改善本集團之財務狀況、流動性及現金流量，本公司董事已採取或正採取以下措施：

- (a) 本集團一直嚴格控制各方面的成本，例如採用有關銷售成本及行政開支的成本控制措施；

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

- (b) The Group has been liaising with certain banks in relation to the renewal of its bank loans amounting to approximately Renmibi (“RMB”) 434,740,000 (equivalent to approximately HK\$494,947,000) as at 31 December 2018, which would be due for repayment within twelve months from the reporting date. Subsequent to the end of the reporting period and up to the date when the consolidated financial statements are authorised for issuance, the Group has renewed certain bank borrowings with an aggregate principal amount of RMB134,820,000 (equivalent to approximately HK\$153,491,000) with a due date before 31 December 2019, and RMB70,000,000 (equivalent to approximately HK\$79,694,000) which will be due for repayment during the period from January 2020 to March 2020, respectively. In the opinion of the directors of the Company, taken into account the long term relationships and also their understanding from the liaison with the banks, the bank borrowings with an aggregate principal amount of RMB364,740,000 (equivalent to approximately HK\$415,253,000) that will be due for repayment within 12 months from the reporting date can be renewed upon their respective maturities;

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

- (b) 本集團一直在就於二零一八年十二月三十一日金額約人民幣434,740,000元(相當於約494,947,000港元)的銀行貸款與若干銀行聯絡,該借貸將於報告日期起12個月內償還。於報告期末後及直至綜合財務報表獲授權刊發日期,本集團已分別續期本金總額人民幣134,820,000元(相當於約153,491,000港元)、到期日為二零一九年十二月三十一日前及本金總額人民幣70,000,000元(相當於約79,694,000港元)、將於二零二零年一月至二零二零年三月期間到期償還的若干銀行借貸。本公司董事認為,考慮到與銀行的長期關係及彼等從銀行聯絡中獲悉,本金總額人民幣364,740,000元(相當於約415,253,000港元)的銀行借貸(將於報告日期起12個月內償還)將能在到期時續期;

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

(c) The Group has entered into three loan agreements with three shareholders of the Company on 14 February 2018, in which two of them are substantial shareholders of the Company who directly/indirectly own 23.27% and 12.26% of the Company's shares respectively as of the date of approval of these consolidated financial statements. Pursuant to the loan agreements, the three shareholders agreed to provide unsecured and interest-free revolving loans with an amount of RMB600,000,000 (equivalent to approximately HK\$683,100,000) for a term of three years. As at 31 December 2018, aggregated amount of RMB55,000,000 (equivalent to approximately HK\$62,617,000) has been advanced to the Group (note 29(b)); and

(d) The Group, from time to time, reviews its investment projects and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary.

Taking into account the above measures and after assessing the Group's current and future cash flow positions, the directors of the Company are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of assets to their estimated recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which may arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

(c) 於二零一八年二月十四日，本集團已與本公司三名股東(其中兩名為本公司主要股東，於該等綜合財務報表獲批准之日分別直接／間接擁有本公司股份的23.27%及12.26%)訂立三份貸款協議。根據該等協議，三名股東同意提供總金額為人民幣600,000,000元(相當於約683,100,000港元)為期三年的無抵押免息循環貸款。截至二零一八年十二月三十一日，總金額為人民幣55,000,000元(相當於約62,617,000港元)的款項已墊付予本集團(附註29(b))；及

(d) 本集團不時檢討其投資項目，並在有需要時可能調整投資策略以改善本集團之現金流狀況。

計及上述措施以及於評估本集團現有及未來現金流狀況後，本公司董事相信本集團有能力履行其到期財務責任。因此，本公司董事認為，按持續經營基準編製綜合財務報表屬適當。

如本集團無法持續經營業務，則須作出調整以將資產價值撇減至估計可收回金額，將非流動資產及非流動負債分別重新分類為流動資產及流動負債，並就日後可能產生之任何負債作出撥備。有關調整之影響並無於綜合財務報表反映。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2018. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below.

Changes in the Group’s ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions.

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 investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The group’s share of components previously recognised in OCI is reclassified to the consolidated income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. 主要會計政策概要(續)

3.2 綜合基準

該等綜合財務報表包括本公司及其附屬公司之截至二零一八年十二月三十一日止年度財務報表。附屬公司與本公司之財務報表為同一報告期，採用一致會計政策。附屬公司的業績自本集團取得控制權日期起合併，並繼續合併直至終止控制日期。

損益及其他全面收益(「其他全面收益」)各組成部分歸因於本集團擁有人及非控制性權益，即使此會導致其非控制性權益結餘赤字。所有集團內部交易、結餘、收入及費用均於綜合時全額抵銷。

倘有事實及情況表明一個或多於三個下述控制權元素出現變化，本集團重新評估是否控制該投資對象。

倘本集團於附屬公司的權益變動並未導致喪失控制權，則作為權益交易入賬。

倘本集團喪失對附屬公司的控制權，則出售產生的損益乃根據(i)已收代價公平值與任何保留投資公平值的總額及(ii)該附屬公司的資產(包括商譽)及負債以及任何非控股權益的過往賬面值兩者間的差額計算。從前於其他全面收益中確認之本集團組成部分之份額，現重新分類至綜合收益表或保留溢利(如適用)，與本集團直接出售相關資產或負債之要求為同一基礎。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated income statement.

3. 主要會計政策概要(續)

3.3 業務合併及商譽

業務合併採用收購法入賬。轉移代價以收購日期的公平值計量，此公平值指本集團於收購當日轉移資產的公平值、本集團向被收購方前擁有人承擔之負債和本集團為獲得被收購企業的控制權所發行的股本權益之和。就每次業務合併而言，本集團選擇將於被收購方擁有的為現時所有權並令持有人在清盤時候有權獲比例獲得資產淨額之非控股權益按公平值或者按比例應佔被收購方可辨識之淨資產計量。非控股權益的所有其他部分按公平值計量。收購相關成本在實際發生時確認為開支。

當本集團收購一項業務時，會根據合約條款以及於收購日期之經濟環境和相關條件，評估將承接的金融資產及所承擔負債之分類及類別，其中包括分開處理於被收購方所訂主合約之內含衍生工具。

若業務合併分階段進行，收購企業須按收購日期的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失應計入綜合收益表。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKFRS 9 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of HKFRS 9, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

In the Company's statement of financial position (note 46), investments in subsidiaries are stated at cost less impairment losses, unless the investments are classified as held for sale.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

若業務合併分階段進行，收購企業須按收購日期(即本集團取得控制權日期)的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失應計入綜合收益表。

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為屬金融工具並處於香港財務報告準則第9號範圍內的資產或負債的或然代價按公平值計量，公平值變動於損益確認或作為其他全面收入的變動確認。如或然代價不屬於香港財務報告準則第9號範圍內，則按照適當的香港財務報告準則計量。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

在本公司財務狀況表(附註46)中，於附屬公司的投資按成本減去減值虧損入賬，除非投資分類為持作出售。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated income statement as a bargain purchase gain.

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the cash-generating units (group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating units (group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of cash-generating units) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

商譽乃指初始計量之成本，乃所轉移的代價、被收購方之非控股權益金額、及收購方先前持有被收購方股本權益之公平值(如有)之總和與所收購之可識別資產及承擔負債之收購日期淨額比較之超出數額。倘經評估後，所收購之可識別資產及承擔負債之收購日期淨額超過所轉移的代價、被收購方之非控股權益金額、及收購方先前持有被收購方股本之公平值(如有)之總和，超出部分立即確認作為議價購買收益計入綜合收益表。

初始確認後，商譽按成本扣除累計減值虧損(如有)列賬，並在綜合財務狀況表中個別列示。

商譽每年進行減值測試，測試或更頻繁倘事件或情況變化顯示賬面價值可能受損。本集團每年於十二月三十一日對商譽作出減值測試。為進行減值測試，商譽分配到本集團有望從合併協同效應中受益之每個現金產生單位(或現金產生單位組別)，不論該現金產生單位或現金產生單位組別是否有本集團其他資產或負債。減值通過評估涉及商譽之現金產生單位(或現金產生單位組別)可收回金額確定。倘現金產生單位(或現金產生單位組別)之可收回金額低於其賬面價值，減值虧損首先予以分配以減少分配到單位(或單位組別)之商譽賬面價值，然後根據單位資產賬面價值按比例再分配至單位的其他資產。確認商譽減值虧損不會於其後期間撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

3.4 Subsidiaries

A subsidiary is an entity (including a structured entity) controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

如商譽分配予現金產生單位(或現金產生單位組別),且該單位內部分經營被出售,則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在此情況下,被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

3.4 附屬公司

附屬公司乃本公司控制之實體(包括結構化實體)。本公司落實控制,倘本集團面對來自參與投資對象可變回報的風險或權利,及對投資對象使用其權力影響投資者回報金額的能力(即現存之權利使本集團有能力指揮投資對象之相關活動)。

倘本公司擁有(直接或間接)低於多數之投票權或與投資對象擁有相似權利,本集團考慮所有相關事實及情況以評估是否對投資對象有權力,包括:

- 與投資對象其他股東之合同安排;
- 從其他合同安排所產生的權利;及
- 本集團之投票權及潛在之投票權。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures

An associate is an entity in which the Group has significant influence, which is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates or a joint venture is accounted for in the consolidated financial statements under the equity method, less any impairment losses, unless it is classified as held for sale. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investees' identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investees net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' OCI is recognised in the consolidated statement of comprehensive income.

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業

聯營公司指本集團對其擁有重大影響力的實體，重大影響力指參與投資對象財務及經營決策的權力，但並非控制或共同控制該等政策。

合營企業指一種合資安排，即各方據此對合營企業的資產淨值擁有權利。共同控制權指按照合約協定而分佔一項安排的控制權，其僅在有關活動要求分佔控制權的各方作出一致同意的決定時存在。

於聯營公司或合營企業的投資根據權益法減任何減值虧損於綜合財務報表內列賬，除非其分類為持有待售。若存有不相近的會計政策，將作相應調整。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值之公平值超出投資成本的部分(如有)作出調整。此後，該投資因應本集團所佔被投資公司資產淨值份額於收購後的變動及與投資有關之任何減值虧損作出調整。收購當日出出成本的任何部分、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合收益表確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合全面收益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associates or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in consolidated income statement. Goodwill arising from the acquisition of associates or joint venture is included as part of the Group's investments in associates or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in consolidated income statement. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When investments in associates or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業(續)

當本集團應佔虧損超過其於聯營公司或合營企業之權益時，本集團的權益將調減至零，及確認進一步虧損折現，惟倘本集團須承擔法定或推定責任，或代表被投資公司付款則除外。就此而言，本集團的權益是按權益法計算的投資賬面值加上實質上屬於本集團對聯營公司或合營企業投資淨額一部分的本集團長期權益。

本集團與其聯營公司及合營企業交易所產生的未變現損益，以本集團所佔被投資公司的權益為限抵銷，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致，則即時於綜合收益表確認。收購聯營公司或合營企業產生的商譽作為本集團於聯營公司或合營企業的投資的一部分入賬。

倘於聯營公司的投資成為於合營企業的投資或相反，則保留權益不予重新計量。反之，有關投資繼續使用權益法入賬。於所有其他情況下，當本集團喪失對聯營公司的重大影響力或對合營企業的共同控制時，視同本集團處置了對該投資對象的所有權益，產生的盈虧計入綜合收益表。於前投資對象保留的任何權益在喪失重大影響力或共同控制權日按照公平值確認，該金額視為初始確認一項金融資產的公平值。

當於聯營公司或合營企業的投資分類為持有待售時，根據香港財務報告準則第5號入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item. The functional currencies of certain overseas subsidiaries, joint venture and associates are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their income and expense items are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要(續)

3.6 外幣換算

綜合財務報表以港元呈列，港元（「港元」）亦為本公司的功能貨幣，除另有指明者外，全部數額均湊整至最接近之千位。

本集團各實體決定其自身的功能貨幣，各實體財務報表中的項目使用該功能貨幣計量。外幣交易初步採用交易日之功能匯率入賬。以外幣計值之貨幣資產及負債，按於報告期末之功能貨幣匯率重新換算。結算或換算貨幣項目產生的差額於綜合全面收益表確認，指定為對沖本集團境外業務投資淨額一部分的貨幣項目除外。按歷史成本列賬並以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按外幣以公平值計量之非貨幣項目，採用釐定公平值當日之匯率換算。因換算按公平值計量的非貨幣項目而產生之收益或虧損按與該項目公平值變動收益或虧損確認一致之方式處理。若干海外附屬公司、合營企業及聯營公司的功能貨幣為港元以外的其他貨幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為本公司呈列貨幣，其收入及開支項目按年內加權平均匯率換算為港元。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation (continued)

The resulting exchange differences are recorded in OCI and the cumulative balance is included in exchange reserve in the consolidated statement of changes in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in exchange reserve relating to that particular foreign operation is recognised in the consolidated income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

3.7 Revenue recognition

Revenue recognition from 1 January 2018

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. 主要會計政策概要(續)

3.6 外幣換算(續)

因此產生的匯兌差額在其他全面收益確認，累計結餘計入綜合權益變動表中匯兌儲備。於出售海外業務時，就特定海外業務在匯兌儲備確認的遞延累計金額於綜合收益表確認。收購海外業務產生的任何商譽以及對收購產生的資產及負債的賬面金額的任何公平值調整被視為海外業務的資產及負債並按收盤匯率進行換算。

就綜合現金流量表而言，海外附屬公司之現金流量按有關日期之匯率換算為港元。海外附屬公司年內經常產生之現金流量按年內之加權平均匯率換算為港元。

3.7 收入確認

自二零一八年一月一日起之收入確認

根據香港財務報告準則第15號，當本集團符合履約責任時(即當(或由於)貨物或服務有關特定履約責任的「控制權」轉移予客戶時)確認收益。

履約責任為與客戶合約中的承諾，即向客戶轉讓(a)不同的貨物或服務(或一組貨物或服務);或(b)一系列不同的貨物或服務，該等貨物或服務大致相同並具有相同的轉讓方式。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

Revenue recognition from 1 January 2018 (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

3. 主要會計政策概要(續)

3.7 收入確認(續)

自二零一八年一月一日起之收入確認(續)

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收益確認會參考一段時間內已完成相關履約責任的進度進行：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益會在當客戶獲得明確商品或服務的控制權時在某一時點確認。

合約資產指本集團就本集團已向客戶轉讓的商品或服務而於交換中收取代價的權利(尚未成為無條件)，根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓商品或服務的責任。

與合約有關的合約資產和合約負債按淨額入賬並列報。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

Revenue recognition from 1 January 2018 (continued)

Further details of the Group's revenue and other income recognition policies are as follows:—

- i) Sales of coal, trading of purchased coal and ancillary materials

The Group is principally engaged in the business of production and sale of coal and trading of purchased coal. The Group also sells ancillary materials to its customers. Revenue are recognised when control of the products has transferred, being when the products are delivered to and accepted by the customer at the agreed predetermined location, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue from these sales is recognised based on the price specified in the contract. The Group typically receives certain deposit on acceptance of coal sales orders, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

No element of financing is deemed present as the sales are made with a credit term from 30 to 180 days for the remaining balance based on the invoice date, which is consistent with market practice.

A receivable is recognised when the goods are accepted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. 主要會計政策概要(續)

3.7 收入確認(續)

自二零一八年一月一日起之收入確認(續)

有關本集團收益及其他收益確認政策的進一步詳情如下：—

- i) 銷售煤、購入煤炭貿易及輔助材料

本集團主要從事煤炭生產及銷售業務以及購入煤炭之貿易業務。本集團亦向其客戶出售輔助材料。收益於產品控制權轉移時確認，即產品在協定的預定地點交付予客戶並由客戶接受，並且概無未履行的責任可能影響客戶對產品的接受。

該等銷售收益根據合約規定的價格確認。本集團通常會於接受煤炭銷售訂單時收取若干按金，會根據具體情況與客戶協商。該等按金於確認收益超過按金金額之前確認為合約負債。

由於根據發票日期的剩餘結餘，信貸期為30至180日，因此不存在任何融資要素，其與市場慣例一致。

於貨物被接受時確認應收款，由於此為代價無條件的時間點，因為在付款到期之前僅需經一段時間。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

Revenue recognition from 1 January 2018 (continued)

- ii) Sales of building materials
The Group is also engaged in the business of production and sale of building materials. Revenue are recognised when control of the products has transferred, being when the products are delivered to and accepted by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transferred to the specific location.

Revenue from these sales is recognised based on the price specified in the contract. The Group typically receives certain deposit on acceptance of building materials orders, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

A receivable is recognised when the goods are accepted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. No element of financing is deemed presented as the sales are made as the Group typically offers a credit term from 30 to 180 days for the remaining balance based on the invoice date.

Certain of the Group's building materials contracts include payment schedules which require stage payments over the contract period once milestones are reached. No element of financing is deemed, as the period between payment and transfer of the associated goods is less than one year, which the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

3. 主要會計政策概要(續)

3.7 收入確認(續)

自二零一八年一月一日起之收入確認(續)

- ii) 銷售建材
本集團亦從事建材生產及銷售業務。收益於產品控制權轉移時確認，即產品交付予客戶並由客戶接受，並且概無未履行的責任可能影響客戶對產品的接受。於產品已轉移到特定位置時發生交付。

該等銷售收益根據合約規定的價格確認。本集團通常會於接受建材訂單時收取若干按金，會根據具體情況與客戶協商。該等按金於確認收益超過按金金額之前確認為合約負債。

於貨物被接受時確認應收款，由於此為代價無條件的時間點，因為在付款到期之前僅需經一段時間。由於根據發票日期的剩餘結餘，本集團通常會提供信貸期為30至180日，因此不存在任何融資要素。

本集團若干建材合約包括付款時間表，一旦進程達標，則需要在合約期內分階段付款。由於相關貨物的支付和轉讓之間期間少於一年，本集團採用可行的權宜之計，並不調整任何重大融資成分的交易價格，因此不會視為融資要素。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

Revenue recognition from 1 January 2018 (continued)

- ii) Sales of building materials (continued)
Certain major building material contracts also include a retention period for 1% to 16% of the contract value, which is entitled by the Group subject to the Group's work satisfactorily passing inspection and is consistent with market practice. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.
- iii) Interest income
Accounting policy of interest income is stated the section headed Amortised cost and interest income in note 3.14.

Revenue recognition prior to 1 January 2018

Revenue comprises the fair value for the sale of goods, net of value-added tax, rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- i) Sales of coal, trading of purchased coal and ancillary materials
Revenue from sale of coal, ancillary materials and consumable tools and trading of purchased coal are recognised upon transfer of significant risks and rewards of ownership to the customers. This is usually taken as the time when goods are delivered and customer has accepted the goods.
- ii) Interest income
Interest income is accrued on time-proportion basis on the principal outstanding using effective interest method.

3. 主要會計政策概要(續)

3.7 收入確認(續)

自二零一八年一月一日起之收入確認(續)

- ii) 銷售建材(續)
若干主要建材合約亦包括合約價值1%至16%的保質期，凡指本集團的工作滿意地通過檢驗，並符合市場慣例。由於本集團對該尾款權利取決於本集團的工作滿意地通過檢驗，因此該金額計入合約資產直至保質期結束。
- iii) 利息收入
利息收入之會計政策載於附註3.14中的攤銷成本和利息收入一節。

二零一八年一月一日之前的收益確認

收益包括銷售貨物的公平值，扣除增值稅、回扣及折扣。惟在可能為本集團帶來經濟利益及視乎情況能可靠計量收益與成本時，則按以下方式確認收益：

- i) 銷售煤、購入煤炭貿易及輔助材料
銷售煤、輔助材料及易耗器材以及對購入煤炭貿易之收益於主要風險及回報轉讓予客戶時確認，一般為貨品交付及客戶收取貨品時。
- ii) 利息收入
利息收入乃按時間比例基準根據實際利率法以未償還本金額得出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

3.9 Intangible assets (other than goodwill and mining rights)

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment loss. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives of two years.

Intangible assets with indefinite useful lives are carried at cost less any subsequent impairment losses. Intangible assets are tested for impairment as described below in note 3.12. Amortisation commences when intangible assets are available for use.

3. 主要會計政策概要(續)

3.8 借貸成本

購買、興建或生產合資格資產(即需經一段長時間方能作擬定用途或出售之資產)而直接產生之借款費用一律列入該資產之成本,直至資產之大部份已可作擬定用途或出售時為止。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於符合資本化之借款費用中扣除。其他借貸成本於產生期間在損益確認。

在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必需之準備工作進行時,借貸成本開始作為合資格資產成本之一部份而資本化。在使合資格資產投入擬定用途或銷售所必須之絕大部份準備工作中斷或完成時,借貸成本便會暫停或停止資本化。

3.9 無形資產(商譽及採礦權除外)

另行收購之無形資產乃按成本初步確認。初步確認後,可使用期有限的無形資產乃按成本減累計攤銷及任何減值虧損列賬。可使用期有限的無形資產攤銷按直線法按其估計可使用期兩年計提。

可使用期無限的無形資產按成本減任何繼後減值虧損列賬。無形資產須按下文附註3.12所述進行減值測試。無形資產於可供使用時開始攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Intangible assets (other than goodwill and mining rights) (continued)

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

All intangible assets are amortised on a straight-line basis over 5 to 10 years.

3.10 Mining rights

Mining rights are stated at cost less accumulated amortisation and any identified impairment losses and are amortised using units-of-production method over the proved and probable reserves of the coal mines.

3.11 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any identified impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

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

3. 主要會計政策概要(續)

3.9 無形資產(商譽及採礦權除外)(續)

因終止確認無形資產而產生的收益或虧損，按出售所得款項淨額與資產賬面值之間的差額計量，並在資產終止確認時於綜合收益表確認。

所有無形資產於5至10年內按直線法攤銷。

3.10 採礦權

採礦權以成本減累計攤銷及任何已識別減值虧損列賬，並依據探明及估計之煤礦儲量使用生產單位法攤銷。

3.11 物業、廠房及設備

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他物業、廠房及設備項目(在建工程(「在建工程」)除外)，按成本減累計折舊及任何已識別減值虧損後列賬。資產成本包括購買價及使資產達至預定用途之運作狀況及場所而產生之任何直接成本。

物業、廠房及設備折舊按直線法於估計可使用期計算折舊，以沖銷成本減其估計餘值，年利率如下：

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Property, plant and equipment (continued)

Buildings and mining structures	The shorter of the lease terms and 5% per annum
Plant and machineries	4% to 33% per annum
Mining related machinery and equipment	10% to 20% per annum
Furniture, fixtures and equipment	10% to 20% per annum
Leasehold improvement	The shorter of the lease terms and 10% to 20% per annum
Motor vehicles	10% to 25% per annum

The asset's estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated income statement.

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. All other costs, such as repairs and maintenance are charged to consolidated income statement during the financial period in which they are incurred.

CIP, which mainly represents construction on buildings and mining structures, is stated at cost less any identified impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. No depreciation is provided on CIP. CIP is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is ready for use.

3. 主要會計政策概要(續)

3.11 物業、廠房及設備(續)

樓宇及煤礦建築物	以租期及每年5%之較短者為準
廠房及機器	每年4%至33%
採礦相關機器及設備	每年10%至20%
傢俬、裝置及設備	每年10%至20%
租賃物業裝修	以租期及每年10%至20%之較短者為準
汽車	每年10%至25%

資產之估計餘值、折舊方法及估計可使用期已視乎情況於各報告日期進行檢討及調整。

報廢或出售盈虧按銷售所得款項與資產賬面值之差額釐定，並於綜合收益表確認。

其後成本僅會在項目相關之未來經濟效益可能會流入本集團及能可靠計量項目成本時，始視乎情況計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之財政期間自綜合收益表扣除。

在建工程(主要指樓宇及煤礦建築物)以成本減去任何已識別減值虧損列賬。成本包括建設、安裝及測試期間產生之直接成本。在建工程無須作出折舊。在建工程於建設完工及資產可使用時重新分類為物業、廠房及設備中的適當類別。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of non-financial assets

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

Goodwill and other intangible assets with an 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 assets 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. The 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 of those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a cash-generating unit ("CGU")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs 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. 主要會計政策概要(續)

3.12 非金融資產之減值

在每個報告期末均會評估是否有跡象表明之前確認之減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產之可收回金額的估計有所改變時，先前就該資產確認之減值虧損(商譽除外)才可轉回，但轉回後之數額不能高於假設以往年度沒有確認減值虧損而原應釐定之賬面值(扣除任何折舊／攤銷)。

商譽及可使用期無限或尚未可供使用的其他無形資產，不論有否出現任何減值跡象，均最少每年進行減值測試。所有其他資產在出現未必能收回有關資產賬面值的跡象時測試減值。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。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折現率折現至其現值，以反映現時市場對金錢時間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不獨立於其他資產，可收回金額則按可獨立產生現金流入的最少資產組合(即現金產生單位(「現金產生單位」))釐定。因此，部份資產個別進行減值測試，另有部份按現金產生單位測試。商譽分配至在預期可受惠於相關業務合併協同效應的現金產生單位，即本集團內為內部管理目的而監控商譽之最小單位。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of non-financial assets

(continued)

Impairment losses recognised for CGUs, 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 CGUs, 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.

3.13 Leasing

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

The Group as lessee

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (note 3.8). Contingent rentals are recognised as expenses in the periods in which they are incurred.

3. 主要會計政策概要(續)

3.12 非金融資產之減值(續)

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。除資產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)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽減值虧損不會於其後期間撥回。

3.13 租賃

當租賃條款將擁有權的絕大部分風險及回報轉移至承租人時，租賃即分類為融資租賃。所有其他租賃乃分類為經營租賃。

本集團作為承租人

根據融資租賃持有之資產按租賃開始時之公平值或(倘為較低者)按最低租賃付款之現值確認為本集團之資產。出租人相應的負債則以融資租賃負債計入綜合財務狀況表內。

租賃付款按比例於融資費用及減少租賃承擔之間作出分配，從而使該等負債應付餘額之息率固定。財務費用即時於損益確認，而直接有關合資格資產的財務費用，則根據本集團對借款費用的一般政策(附註3.8)資本化。或然租金於所產生之期間內確認為開支。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leasing (continued)

The Group as lessee (continued)

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period of which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

The Group as lessor

When assets are leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset.

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

3.14 Financial instruments

Financial instruments from 1 January 2018

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. 主要會計政策概要(續)

3.13 租賃(續)

本集團作為承租人(續)

經營租約租金(包括根據經營租賃持有的土地的購入成本)按有關租期以直線法確認為開支,除非另有系統基準更能代表租賃資產使用經濟利益之時間模式。經營租賃的或然租金於所產生之期間內列作開支。當訂立經營租賃時收到租賃優惠時,該等優惠被確認為負債。各項優惠以直線法遞減經營性租賃支出確認。

本集團作為出租人

於資產根據經營租賃租出時,該資產根據資產的性質計入綜合財務狀況表。

經營租賃的租賃收入於租賃期內按直線法確認。

3.14 金融工具

金融工具(自二零一八年一月一日起)

當集團實體成為該等工具合約條文之訂約方,則確認金融資產及金融負債。所有日常購買或出售之金融資產均按交易日基準確認及終止確認。日常購買或出售指按於市場規則或慣例確立之時限內交付資產之金融資產購買或出售。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018 (continued)

Financial assets and financial liabilities are initially measured at fair value except for accounts and bills receivables and contract assets arising from contracts with customers (that do not have significant financing components) which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

Interest income which are derived from the Group's ordinary course of business are presented as other income.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月 一日起)(續)

金融資產及金融負債初步按公平值計量，惟自客戶合約產生之應收賬款及票據以及合約資產(並無單獨識別融資組成部分)則初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本乃於初步確認時計入金融資產或金融負債之公平值，或從其公平值扣除(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

實際利率法為計算金融資產或金融負債的攤銷成本及按相關期間分配利息收入及利息開支的方法。實際利率為於金融資產或金融負債的預期年期或(如適用)較短期間內將估計未來現金收入及付款(包括構成實際利率不可或缺一部分的所有已付或已收費用及貼息、交易成本以及其他溢價或折讓)準確貼現為於初步確認時的賬面淨值之利率。

本集團日常業務過程中產生之利息收入呈列為其他收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI on initial recognition/as at date of initial application of HKFRS 9 if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 (revised) *Business Combinations* applies.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月
一日起)(續)

金融資產

金融資產之分類及計量

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產乃以目的為收取合約現金流量的業務模式持有；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合下列條件的金融資產其後以按公平值計入其他全面收益計量：

- 金融資產乃以目的透過收取合約現金流量及出售金融資產而達到的業務模式持有；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產其後按公平值計入損益計量，惟於香港財務報告準則第9號的初步應用／初步確認金融資產日期，並該股本投資既非持作買賣亦非由收購方按香港財務報告準則第3號(經修訂)「業務合併」適用之業務合併內確認之或然代價，則本集團不可撤銷地選擇將股本投資公平值之其後變動呈列在其他全面收益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial assets (continued)

Classification and measurement of financial assets
(continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a financial guarantee contract of designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月
一日起)(續)

金融資產(續)

金融資產之分類及計量(續)

倘屬下列情況，金融資產會被分類為持作買賣：

- 購入之目的主要為於近期出售；
- 於初步確認時屬於本集團整體管理之可識別金融工具組合之一部分，並且最近有可短期獲利之實際模式；或
- 屬並非指定及有效作為對沖工具之財務擔保合約之衍生工具。

此外，本集團可不可撤銷地將須按攤銷成本或按公平值計入其他全面收益之金融資產指定為按公平值計入損益計量(倘此舉可消除或顯著減少會計錯配情況)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial assets (continued)

Classification and measurement of financial assets
(continued)

- (i) Amortised cost and interest income
Financial assets are recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Accounting policy of impairment of financial assets measured at amortised cost is stated in note 3.15.

- (ii) Equity instruments designated as at FVTOCI
Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve under other reserves; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月
一日起)(續)

金融資產(續)

金融資產之分類及計量(續)

- (i) 攤銷成本及利息收入
就其後按攤銷成本計量之金融資產以實際利率法確認金融資產。除其後出現信貸減值之金融資產外，利息收入乃透過就金融資產總賬面值應用實際利率計算。就其後出現信貸減值之金融資產而言，利息收入將自下個報告期起就金融資產攤銷成本應用實際利率確認。如信貸減值金融工具之信貸風險改善以使金融資產不再出現信貸減值，則利息收入自釐定資產不再出現信貸減值後之報告期初起就金融資產之總賬面值應用實際利率確認。

有關按攤銷成本計量之金融資產減值之會計政策載述於附註3.15。

- (ii) 指定為按公平值計入其他全面收益之股本工具
指定為按公平值計入其他全面收益之股本工具投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於其他儲備項下公平值儲備中累計；無須作減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將轉撥至保留溢利。

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial assets (continued)

Classification and measurement of financial assets
(continued)

(ii) Equity instruments designated as at FVTOCI
(continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income and gains in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月
一日起)(續)

金融資產(續)

金融資產之分類及計量(續)

(ii) 指定為按公平值計入其他全面收益之股本工具(續)
當本集團確認收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益內之其他收入及收益。

終止確認金融資產

金融資產(或視適用情況而定，一項金融資產之一部分或一組類似金融資產之一部分)主要在下列情況下將予終止確認(即從本集團之綜合財務狀況表中剔除)：

- 自資產收取現金流量之權利已屆滿；或
- 本集團已轉讓自資產收取現金流量之權利，或已根據一項「轉付」安排承擔責任，在無重大延誤情況下，將所收現金流量全數付予第三方；且(a)本集團已轉讓資產絕大部分風險及回報；或(b)本集團雖未轉讓或保留資產之絕大部分風險及回報，但已轉讓資產之控制權。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial assets (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an equity investments designated at FVTOCI, the cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月
一日起)(續)

金融資產(續)

終止確認金融資產(續)

倘本集團已轉讓其自一項資產收取現金流量之權利或已訂立一項轉付安排，會評估其有否保留該資產擁有權之風險及回報，以及其程度。倘本集團並無轉讓或保留該項資產之絕大部分風險及回報，亦無轉讓該資產之控制權，則該轉讓資產會以本集團繼續參與該資產之程度而確認入賬。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留之權利及義務之基準計量。

採取已轉讓資產之擔保形式之持續參與，以該項資產原賬面值與本集團可能須償還最高代價金額兩者中之較低者計量。

當終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之差額於損益內確認。

當終止確認指定為按公平值計入其他全面收益之股權投資時，累計收益或虧損不會重新分類至出售股權投資之損益，並將轉撥至保留溢利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018
(continued)

Financial liabilities

The Group's financial liabilities include bank and other loans, accounts and bills payables, other payables, accruals and deposit received, amount due to an associate and amounts due to and loans from shareholders.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in consolidated income statement.

(i) Borrowings

Borrowings, which include bank and other loans and loans from shareholders, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in consolidated income statement over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月一日起)(續)

金融負債

本集團之金融負債包括銀行及其他貸款、應付賬款及票據、其他應付款項、應計費用及已收按金、應付一間聯營公司款項以及應付股東款項及來自股東貸款。

金融負債於本集團成為工具合約條文之一方時確認。所有利息相關費用根據本集團有關借貸成本之會計政策確認。

金融負債於負債項下之責任獲解除、取消或屆滿時終止確認。

倘一項現有金融負債以來自同一貸款人而條款大部分不同之另一項金融負債取代，或現有負債之條款大幅修改，則有關轉換或修改將視作終止確認原有負債及確認新負債，而兩者各自賬面值之間之差額將於綜合收益表內確認。

(i) 借貸

借貸(包括銀行及其他貸款以及來自股東貸款)初步按公平值(扣除已產生之交易成本)確認。借貸其後按已攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之任何差額使用實際利息法於借貸期間在綜合收益表確認。

借貸分類為流動負債，惟本集團有無條件權利遞延償還負債之期限至報告日期後至少12個月則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments from 1 January 2018 (continued)

Financial liabilities (continued)

- (ii) Accounts and bills payables/other payables, accruals and deposit received/amount due to an associate/amounts due to shareholders.

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Financial instruments prior to 1 January 2018

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

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

Financial assets

Classification and measurement of financial assets

The Group's financial assets are classified, at initial recognition, into loans and receivables and available-for-sale financial assets. The subsequent measurement of financial assets depends on their classification as follows:—

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融工具(自二零一八年一月一日起)(續)

金融負債(續)

- (ii) 應付賬款及票據／其他應付款項、應計費用及已收按金／應付一間聯營公司款項／應付股東款項。

有關款項初步乃按其公平值確認，其後使用實際利息法按攤銷成本計量。

於二零一八年一月一日前之金融工具

所有金融資產及金融負債當集團實體成為工具合約條文之訂約方時確認。日常購買或出售金融資產按交易日基準確認及終止確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本乃於初步確認時計入金融資產或金融負債之公平值，或從其公平值扣除(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

金融資產

金融資產之分類及計量

本集團之金融資產初步確認時分類為貸款及應收款項以及可供出售金融資產。金融資產之後續計量(視乎其分類)如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments prior to 1 January 2018 (continued)

Financial assets (continued)

Classification and measurement of financial assets (continued)

- (i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.
- (ii) Available-for-sale financial assets
Available-for-sale equity investments 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 the reporting period.

Derecognition of financial assets

Derecognition 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.

3. 主要會計政策概要(續)

3.14 金融工具(續)

於二零一八年一月一日前之金融工具(續)

金融資產(續)

金融資產之分類及計量(續)

- (i) 貸款及應收款項
貸款及應收款項為附帶固定或可釐定付款之非衍生金融資產，且並無在活躍市場計算報價。貸款及應收款項其後採用實際利息法以攤銷成本，減任何減值虧損列賬。攤銷成本經考慮任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本的組成部份的各項費用。
- (ii) 可供出售金融資產
於活躍市場並無報價且公平值無法可靠計量之可供出售股本投資，及與該等投資掛鈎且必須透過交付該等無報價股本工具而結算之衍生工具，於報告期末按成本減任何已識別之減值虧損計量。

終止確認金融資產

當收取投資現金流量之權利屆滿或擁有權的絕大部份風險與回報已轉讓時終止確認金融資產。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial instruments prior to 1 January 2018 (continued)

Financial liabilities

The accounting policy of classification and measurement of financial liabilities has no change under the application of HKAS 39 and HKFRS 9. Please refer to above accounting policy in regarding to financial liabilities.

3.15 Impairment of financial assets

Impairment of financial assets from 1 January 2018

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including accounts and bills receivables, contract assets and deposits and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts and bills receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

3. 主要會計政策概要(續)

3.14 金融工具(續)

於二零一八年一月一日前之金融工具(續)

金融負債

根據應用香港會計準則第39號及香港財務報告準則第9號有關金融負債之分類及計量之會計政策並無變動。請參閱上文有關金融負債之會計政策。

3.15 金融資產減值

金融資產減值(自二零一八年一月一日起)

本集團對須根據香港財務報告準則第9號進行減值之金融資產(包括應收賬款及票據、合約資產及其他應收款項)之預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認以來之變動。

全期預期信貸虧損指於相關工具於預計全期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於報告日期後12個月內可能發生的違約事件產生的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、一般經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團始終確認並無重大融資組成部分之應收賬款及票據以及合約資產之全期預期信貸虧損。該等資產之預期信貸虧損乃就具有重大結餘的債務人進行個別評估及使用合適分組的撥備矩陣進行整體評估。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets from 1 January 2018 (continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk
- In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

金融資產減值(自二零一八年一月一日起)(續)

就所有其他工具而言，本集團計量虧損撥備等於12個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自初始確認以來發生違約的可能性或風險顯著上升。

- (i) 信貸風險大幅增加
- 於評估信貸風險是否自初始確認以來大幅增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及無須花費不必要成本或努力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets from 1 January 2018 (continued)

- (i) Significant increase in credit risk (continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor; or
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

金融資產減值(自二零一八年一月一日起)(續)

- (i) 信貸風險大幅增加(續)
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
 - 債務人經營業績的實際或預期重大惡化；或
 - 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已大幅增加，除非本集團有合理及可靠資料證明則當別論。

本集團定期監控用以識別信用風險有否大幅增加之標準之效力，並修訂標準(如適當)以確保標準能在金額逾期前識別信用風險大幅增加。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets from 1 January 2018 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

金融資產減值(自二零一八年一月一日起)(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約(如違約或逾期事件)；
- 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets from 1 January 2018 (continued)

- (iii) Credit-impaired financial assets (continued)
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy
- The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts and bills receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.
- (v) Measurement and recognition of ECL
- The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

金融資產減值(自二零一八年一月一日起)(續)

- (iii) 信貸減值金融資產(續)
- 借款人將可能陷入破產或其他財務重組；或
 - 該金融資產的活躍市場因財務困難而消失。
- (iv) 撇銷政策
- 倘有資料顯示對手方面對嚴重財務困難，且實際上並無收回款項的前景(如對手方被清盤或進入破產程序，或(如為應收賬款及票據)金額已逾期超過一年(以較早發生者為準))，則本集團會撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷之金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回於損益中確認。
- (v) 預期信貸虧損的計量及確認
- 預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的預估乃無偏概率加權平均金額，以發生違約的風險為權重確定。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets from 1 January 2018 (continued)

(v) Measurement and recognition of ECL (continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

- Nature of financial instruments (i.e. the Group's accounts and bills receivables together with contract assets and deposits and other receivables are each assessed as a separate group.);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts and bills receivables, contract assets and deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

金融資產減值(自二零一八年一月一日起)(續)

(v) 預期信貸虧損的計量及確認(續)

一般而言，預期信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預計收取的所有現金流量的差額估計，並按初始確認時釐定的實際利率貼現。

倘預期信用虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質(即本集團應收賬款及票據連同合約資產及按金及其他應收款項各項評為獨立組別)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

歸類工作由管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟應收賬款及票據、合約資產及按金及其他應收款項除外，其相應調整乃透過虧損撥備賬予以確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets prior to 1 January 2018

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the Group.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

於二零一八年一月一日之前金融資產之減值

於各報告日期，本集團審閱並非按公平值計入損益之金融資產，以釐定是否有任何客觀減值證據。

個別金融資產減值之客觀證據包括本集團得悉下列一項或多項虧損事件之明顯數據：

- 債務人出現重大財政困難；
- 違約，例如逾期支付或拖欠利息或本金；
- 債務人有可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境產生之重大改變對債務人帶來的不利影響；及
- 股本工具投資之公平值大幅或長期下跌至低於其成本。

有關金融資產組別之虧損情況包括有可觀察數據顯示該金融資產組別之估計未來現金流量出現可計量減幅。該可觀察數據包括但不限於該組別債務人之付款情況以及與該組別資產有關之國家及本地經濟狀況出現不利變動。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

Impairment of financial assets prior to 1 January 2018 (continued)

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of loss is recognised in consolidated income statement of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in consolidated income statement of the period in which the reversal occurs.

(ii) Available-for-sale financial assets

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

於二零一八年一月一日之前金融資產之減值(續)

倘存在任何該等證據，減值虧損計量及確認如下：

(i) 按攤銷成本列賬之金融資產

倘有客觀證據顯示貸款及應收款項已出現減值虧損，有關虧損金額以該資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)按原先實際利率(即初步確認時用以計算之實際利率)折現為其現有價值兩者間之差額計量。有關虧損金額乃於產生減值期間之綜合收益表中確認。

倘其後減值虧損金額減少，而有關減少客觀上可與確認減值後發生之某一事項有關，則回撥過往確認之減值虧損，惟金融資產之賬面值不得超過假設回撥減值當日並無確認減值之原有攤銷成本。回撥金額於回撥期間於綜合收益表中確認。

(ii) 可供出售金融資產

就按成本列賬之可供出售股本投資而言，減值虧損金額按該資產賬面值與該資產估計未來現金流量按類似金融資產之現行市場回報率折現之現值之間的差額計算。有關減值虧損不得撥回。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Inventories comprise coal, spare parts and consumable store for trading and own consumption purposes. Costs of coal is determined using weighted average basis whereas costs of spare parts and consumables are stated at first-in, first-out or weighted average basis as appropriate, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.17 Income taxes

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in OCI or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

3. 主要會計政策概要(續)

3.16 存貨

存貨按成本及可變現淨值兩者之較低者列賬。存貨包括用作買賣及本身消耗之煤、零件及其他耗材。煤之成本按加權平均成本列賬，而零件及耗材之成本則按先入先出或加權平均兩者之適當者為基準列賬，在製品及製成品之成本包括直接材料、直接工資及按適當比例計算之間接費用。

可變現淨值是減去估計完工成本及銷售估計必須費用後於日常業務過程中的估計售價。

當存貨出售，該等存貨之賬面值確認為相關收入確認期間之費用。存貨可變現淨值及所有存貨損失之任何撇減金額確認為撇減或損失發生期間之費用。任何撥回之存貨撇減金額確認為發生撥回期間存貨金額減少之費用。

3.17 所得稅

所得稅代表本期所得稅項及遞延稅項之總和。與於損益外確認項目有關的所得稅於損益外的其他全面收入或直接於權益確認。

本期所得稅項資產及負債以頒佈或實質頒佈的稅率(及稅法)為基礎，同時考慮本集團經營之國家解釋及做法，從預期收回或支付給稅務機關之金額計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:—

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策概要(續)

3.17 所得稅(續)

遞延稅項採用負債法，對所有於報告期末就資產及負債之計稅基礎與用於財務報告的賬面值之不同而引致之暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時差異予以確認，除非：—

- 遞延稅項負債是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關應課稅暫時性差異而言，倘撥回臨時差異之時間可予控制，臨時差異可能不會於可見將來撥回。

遞延稅項資產乃按所有可扣稅暫時性差異、結轉未用稅項抵免及任何未用稅損予以確認，惟將可扣稅暫時性差異、未用稅項抵免及未用可稅損的結轉確認為遞延資產的最高上限應以可供抵銷的應課稅利潤總額為限，除非：

- 遞延稅項資產是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時性差異而言，遞延稅項資產確認是以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策概要(續)

3.17 所得稅(續)

遞延稅項資產的賬面值乃於每一報告期末審核，並將減少至不再可能有充裕應課稅利潤使全部或部分遞延稅項資產可動用。如有充裕應課稅利潤使全部或部分遞延稅項資產可動用，未確認之遞延資產於報告期末可重新評估及可予確認。

遞延稅項乃按於報告期末已執行或實質上已執行的稅率(及稅務法例)為基礎，根據預期適用於變現資產或償還債項期間的稅率計量(無折扣)。

倘涉及由相同之稅務機關徵收之所得稅，而本集團有意以淨額方式解決本期稅項資產和負債，遞延稅項資產及負債將被抵消。

- 遞延稅項資產是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時差異而言，遞延稅項資產確認是以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits

Retirement benefit obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated income statement 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 employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3. 主要會計政策概要(續)

3.18 僱員福利

退休福利責任

本集團根據強制性公積金計劃條例向所有香港僱員提供定額供款退休福利計劃(「強積金計劃」)。根據強積金計劃，供款乃根據僱員之基本薪金之百分比計算及於應付時於綜合收益表扣除。強積金計劃之資產與本集團之其他資產分開處理及以獨立管理之基金形式持有。

本集團於中國經營之附屬公司之僱員須參加由地方市政府設立之中央退休金計劃。該等中國附屬公司須按其薪資成本之若干比例向當地市政府指定之中央退休金計劃供款。根據地方退休金計劃之條例須支付有關供款時，從綜合收益表扣除該供款。

短期僱員福利

薪金、年度花紅、帶薪年假及非貨幣福利成本，均於僱員提供有關服務的年度計算。如付款或結算被推遲，且影響重大，該等金額則按其現值入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits (continued)

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees and its directors.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in consolidated income statement with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the share issued are reallocated to share capital with any excess being recorded as share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in equity will be transferred to retained profits.

3. 主要會計政策概要(續)

3.18 僱員福利(續)

以股份為基礎支付僱員報酬

本集團就其僱員及董事之薪酬設立以股本結算的以股份為基礎的報酬計劃。

本集團以股份為基礎的報酬獲得的所有相關服務均按公平值計算價值，以所授出購股權的價值間接釐定。計價以授出日期為準，須扣除與市場無關的歸屬條件影響的價值。

所有以股份為基礎的報酬在綜合收益表中確認為開支，同時在購股權儲備計入相應的數額。倘若有歸屬期或其他歸屬條件的規定，則基於對預期歸屬的購股權數目的最佳估計，將開支在歸屬期內分期確認。在有關預期可行使購股權數目的假設中會包括與市場無關的歸屬條件。如其後有跡象顯示預期歸屬的購股權數目與之前所估計數目不同，則會修改估計。如最終行使的購股權數目少於原來所歸屬，亦不會對以往期間所確認的開支作出調整。

行使購股權後，所得款項減去任何直接應佔交易成本(以已發行股份面值為上限)將重新分配至股本，而任何多出差額入賬為股份溢價。倘已歸屬之購股權失效、被沒收或於屆滿日期仍未行使，則先前在權益確認的數額將轉撥至保留溢利。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.21 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策概要(續)

3.19 現金及現金等值項目

現金及現金等值包括手頭現金及活期存款，及易於轉換為已知金額現金之短期高流動性投資，其價值變動風險低，並自購入後時限一般在三個月內。

3.20 股本

普通股分類為權益。發行新股份或購股權直接應佔的新增成本，於權益中列為所得款項的減項（扣除稅項）。

3.21 撥備及或然負債

倘本集團因過往事件須承擔現時責任（法定或推定），且承擔該責任可能導致經濟利益外流，倘責任數額能夠可靠地估計，則確認為撥備。倘金錢之時間價值重大，則撥備會以承擔責任預期所需支出之現值入賬。

所有撥備均於各報告日期審閱並經調整以反映當期之最佳估計。

倘若導致經濟利益外流之可能性不大，或未能可靠預計該責任之金額，則該責任會披露為或然負債，除非導致經濟利益外流之可能性極低。潛在責任（須視乎日後是否發生一宗或多宗不確定事件且完全不在本集團控制範圍內而確定其會否實現）亦會披露為或然負債，除非導致經濟利益外流之可能性極低。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Provisions and contingent liabilities

(continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts from 1 January 2018

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount determined in accordance with the expected credit loss model as described in note 3.15; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial guarantee contracts prior to 1 January 2018

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

3. 主要會計政策概要(續)

3.21 撥備及或然負債(續)

財務擔保合約

財務擔保合約乃規定發行人在由於某債務人未能按照某債務工具的條款在到期時付款而出現虧損時向持有人作出具體償付的合約。

自二零一八年一月一日起之財務擔保合約

本集團發出的財務擔保合約初步按公平值計量，如並非指定為按公平值計入損益，則於隨後按以下各項中的較高者計量：

- 該金額按照附註3.15所述預期信貸虧損而釐定；及
- 初步確認的金額減去(如適用)按照收入確認政策確認的累計攤銷。

二零一八年一月一日前之財務擔保合約

財務擔保合約本集團發出的財務擔保合約初步按公平值計量，如並非指定為按公平值計入損益，則於隨後按以下各項中的較高者計量：

- 根據合約所須承擔的責任涉及的金額，有關金額根據香港會計準則第37號「撥備、或然負債及或然資產」釐定；及
- 初步確認的金額減去(如適用)按照收入確認政策確認的累計攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Segment reporting

The Group identifies operating segment 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 product and service lines.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

3.23 Provision for reclamation obligations

The Group is required to make payments for reclamation of the land after the underground sites have been mined. Provision for reclamation obligation is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimation of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

3.24 Fair value measurement

A number of assets and liabilities included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

3. 主要會計政策概要(續)

3.22 分部報告

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部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

本集團根據香港財務報告準則第8號報告分部業績使用之計量政策與根據香港財務報告準則編製綜合財務報表時使用者相同。

3.23 開墾費用撥備

本集團須就地下場地開採以後土地之復墾支付款項。當本集團因過往事件而擁有現時責任以及倘本集團可能須清償該責任時，須計提復墾責任撥備。該等撥備按於報告期末董事對須清償責任所需開支之最佳估計計量，並折現至現值(倘有關影響屬重大)。

3.24 公平值計量

本集團財務綜合報表中包括的多項資產及負債需要按公平值計量及／或披露公平值。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Fair value measurement (continued)

The fair value measurement of the Group's financial and non-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. The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

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.

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

3.25 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.

or

3. 主要會計政策概要(續)

3.24 公平值計量(續)

本集團之金融及非金融資產及負債之公平值計量盡可能利用可觀察市場資料輸入及數據。釐定公平值計量時使用之資料輸入按照估值技術使用可觀察資料之方式分為不同級別。該等級別定義如下：

第1級：公平值計量使用相同金融工具於活躍市場之報價(未作調整)。

第2級：公平值計量使用第2級資料輸入(即可觀察資料輸入未達到第1級，並且未使用重要的難以觀察資料輸入)。難以觀察資料輸入為無法獲得市場數據的資料輸入。

第3級：公平值計量使用重要的難以觀察資料輸入。

項目基於對項目公平值計量具有重大影響之最低資料輸入級別，分類至上述級別。不同級別之間之項目轉移於產生期間確認。

有關上述項目公平值計量之更詳細資料，請參閱適用附註。

3.25 關連人士

- (a) 該名人士於符合以下條件時，該名人士或其家族之近親即與本集團有關連：
- (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本公司母公司之主要管理層人員。

或

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (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 Company.

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.

3. 主要會計政策概要(續)

3.25 關連人士(續)

(b) 實體於適用以下任何條件時，即與本集團有關連：

- (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。
- (ii) 某一實體為另一實體之聯營公司或合營企業，或為另一實體所屬集團成員之聯營公司或合營企業。
- (iii) 實體均為同一第三方之合營企業。
- (iv) 實體為第三實體之合營企業，而另一實體為第三實體之聯營公司。
- (v) 實體乃為本集團或與本集團有關之實體之僱員福利而設之離職後福利計劃。
- (vi) 實體受(a)所界定人士控制或共同控制。
- (vii) (a)(i)所界定人士對實體擁有重大影響力或為實體或該名實體母公司之主要管理層人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本公司之母公司提供主要管理人員服務。

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

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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.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. However, other than the judgement made by the directors in respect of going concern as disclosed in note 3.1 above, the 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.

(i) Depreciation

Other than CIP, the Group depreciates property, plant and equipment using straight-line method over the estimated useful lives ranging between 3 to 25 years, starting from the date on which the assets are ready for productive use. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The carrying amount of property, plant and equipment, other than CIP, as at 31 December 2018 was approximately HK\$393,650,000 (2017: approximately HK\$239,133,000). Further details are disclosed in note 15.

(ii) Amortisation of mining rights

The Group amortises its mining rights using a units-of-production method, utilising only proved and probable coal reserves as the depletion base. The estimated coal reserves and the related future economic benefits were estimated by the directors of the Company. Accounting policy on mining rights is set out in note 3.10. The carrying amount of mining rights as at 31 December 2018 was approximately HK\$293,917,000 (2017: approximately HK\$326,535,000). Further details are disclosed in note 18.

4. 重大會計估計及判斷

估計及判斷將按過往經驗及其他因素（包括相信在當時情況下合理發生的未來事項預期）作出持續評估。

重大會計估計及假設

本集團作出有關未來的估計及假設。定義上，會計估計與相關實際結果甚少相同。然而，除上文附註3.1所披露董事就持續經營作出的判斷外，存在可能導致下一財政年度之資產及負債賬面值重大調整之重大風險的估計及假設載列如下。

(i) 折舊

除在建工程外，本集團使用直線法由資產可用作具生產力之用途當日起計3至25年之估計可使用期內就物業、廠房及設備計算折舊。估計可使用期為董事估計本集團計劃透過使用本集團之物業、廠房及設備衍生未來經濟利益之期間。於二零一八年十二月三十一日，物業、廠房及設備（除在建工程外）之賬面值約393,650,000港元（二零一七年：約239,133,000港元）。進一步詳情披露於附註15。

(ii) 採礦權攤銷

本集團僅以探明及估計礦產儲量為基準，利用單位生產法攤銷採礦權。估計礦產儲量及相關未來經濟利益由本公司董事估計。採礦權的會計政策載於附註3.10。於二零一八年十二月三十一日，採礦權之賬面值約293,917,000港元（二零一七年：約326,535,000港元）。進一步詳情披露於附註18。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iii) Provision of ECL for accounts and bills receivables, contract assets and deposits and other receivables

The Group estimated the amounts of ECL on these types of receivables/assets based on (i) market borrowing rates for these debts grouped based on their risks and characteristics, less risk-free rate; and (ii) the expected settlement dates taking into account for the Group's historical experience in relation to these types of receivables/assets. The Group also takes into account forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the estimated default rates are reassessed and changes in the forward-looking information are considered. In addition, accounts and bills receivables and contract assets which are significant and credit impaired and deposits and other receivables are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts and bills receivables, contract assets and deposits and other receivables are disclosed in note 43(a).

The impairment loss of (1) accounts and bills receivables, (2) contract assets, and (3) deposits and other receivables provided during the year ended 31 December 2018 were approximately HK\$9,156,000 (2017: Nil), approximately HK\$470,000 (2017: Nil) and Nil (2017: approximately HK\$455,000) respectively. Further details are disclosed in note 43(a).

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(iii) 應收賬款及票據、合約資產及按金及其他應收款之預期信貸虧損撥備

本集團根據(i)該等債務的市場借款利率，根據其風險及特徵分組，減無風險利率；(ii)計及本集團與該等類型應收款項／資產有關的過往經驗的預期結算日期，估計該等類型應收款項／資產的預期信貸虧損金額。本集團亦以無須不必要的成本或努力，考慮可獲得的合理及可支持的前瞻性資料。於各報告日期，重新評估估計違約率，並考慮前瞻性資料變動。此外，重大及信貸減值的應收賬款及票據及合約資產以及按金及其他應收款項將分別對預期信貸虧損進行評估。

預期信貸虧損撥備對估計的變動敏感。有關預期信貸虧損及本集團應收賬款及票據、合約資產及按金及其他應收款之資料於附註43(a)披露。

截至二零一八年十二月三十一日止年度，(1)應收賬款及票據、(2)合約資產及(3)按金以及其他應收款的減值虧損分別約9,156,000港元(二零一七年：無)、約470,000港元(二零一七年：無)及零(二零一七年：約455,000港元)。進一步詳情於附註43(a)披露。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that non-financial assets with definite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in note 3.12. In assessing whether there is any indication that non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions and economic environment. These assessments are subjective and require management's judgements and estimations.

During the year ended 31 December 2018, impairment loss on property, plant and equipment of approximately HK\$5,693,000 (2017: approximately HK\$15,902,000) was recognised by the Group and details of this impairment are set in notes 15 and 19.

During the year ended 31 December 2018, impairment loss on mining rights of approximately HK\$8,544,000 (2017: approximately HK\$11,830,000) was recognised by the Group and details of this impairment are set out in notes 18 and 19.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(iv) 非金融資產之減值

本集團於每個報告日期評估是否有任何跡象表明具有確定年期的非金融資產可能已減值。如存在任何相關跡象，本集團按照附註3.12所述會計政策估計資產的可收回金額。在評估是否有任何跡象表明非金融資產可能已減值時，本集團考慮內部及外部來源的跡象，如資產過時或經濟表現下降的證據、市況及經濟環境變動。該等評估具有主觀性，需要管理層作出判斷及估計。

截至二零一八年十二月三十一日止年度，本集團確認物業、廠房及設備的減值虧損約5,693,000港元(二零一七年：約15,902,000港元)，減值詳情載於附註15及19。

截至二零一八年十二月三十一日止年度，本集團確認採礦權的減值虧損約8,544,000港元(二零一七年：約11,830,000港元)，減值詳情載於附註18及19。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(v) Provision for reclamation obligations

The provision is reviewed regularly to verify that it properly reflects the remaining obligation arising from current and past mining activities. Provision for land reclamation is determined by management based on their best estimates of the current and future costs, latest government policies and past experiences. The carrying amount of provision for reclamation obligations as at 31 December 2018 was approximately HK\$100,164,000 (2017: approximately HK\$99,480,000). Further details are disclosed in note 31.

Management determined that the probability to make payment of such liability within twelve months after the reporting period is remote taking into account the industry practice and the Group's scenario, facts and circumstances. However, management also considered that the relevant government authorities have the sole discretion to request payment of such liability. As the Group does not have unconditional right to defer settlement of such liability for at least twelve months after the reporting period, accordingly, the provision for reclamation obligations is classified as current liabilities in accordance with HKAS 1 (Revised).

(vi) Central pension scheme

Certain subsidiaries of the Group in PRC are required to contribute certain percentage on their payroll costs for employees to the central pension scheme. However, the implementation and settlement of the contribution to the central pension scheme varies among various Social Security Bureaus in cities of the PRC, and the Group has not finalised its contribution calculation and payments with the local Social Security Bureau in the PRC. Accordingly, significant judgement is required in determining the amount of the contribution. The Group recognised the contribution based on management's best estimates according to the understanding of the rules of the central pension scheme.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(v) 開墾費用撥備

撥備定期檢討，以核實及恰當反映現時及過去開採活動產生之餘下承擔責任。土地開墾撥備由管理層按目前及未來成本、最新政府政策及過往經驗之最佳估計而釐訂。於二零一八年十二月三十一日，開墾費用撥備之賬面值約為100,164,000港元(二零一七年：約99,480,000港元)。進一步詳情披露於附註31。

經考慮行業慣例及本集團的情形、事實及情況，管理層認為，於報告期後十二個月內支付該負債的可能性很低。然而，管理層亦認為，相關政府部門可全權酌情要求支付該負債。由於本集團並無將負債遞延至報告期後至少十二個月結算的無條件權利，因此開墾費用撥備按照香港會計準則第1號(經修訂)分類為流動負債。

(vi) 中央退休金計劃

本集團若干於中國的附屬公司須按僱員薪酬的若干百分比向中央退休金計劃供款。然而，於中國城市多個社會保障部門向中央退休金計劃實行及結算供款大相逕庭，及本集團尚未落實其供款計算及向中國社會保障部門作出付款。因此，釐定供款金額須作出重大判斷。本集團根據管理層的最佳估計及對中央退休金計劃規則的理解確認供款金額。

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5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company (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 product and service lines.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Executive Directors in order to allocate resources and assess performance of the segment. During the year ended 31 December 2017, the Executive Directors determined that the Group had only one operating and reportable segment under HKFRS 8 *Operating Segments*, which is Coal Business. On 3 January 2018, the Group completed the acquisition of subsidiaries which are principally engaged in production and sale of building materials (note 38). After the acquisition, the Executive Directors have determined that the Group’s operating and reportable segments under HKFRS 8 are as follows:

- Coal Business – Production and sale of coal and trading of purchased coal
- Building Materials Business – Production and sale of building materials

The measure used for reporting segment profit/(loss) is adjusted profit/(loss) before income tax expense. Items not specifically attributable to individual segments, such as share of results of associates and a joint venture, finance costs, unallocated head office and corporate expenses are further adjusted.

Segment assets include all tangible assets, prepaid land lease payments, mining rights, other intangible assets and current assets with the exception of other corporate assets. Segment liabilities include accounts and bills payables, other payables and accruals attributable to activities of the individual segments, provision for reclamation obligations and deposit received.

5. 分部資料

本集團根據定期向本公司執行董事（「**執行董事**」）呈報之內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

經營分部指本集團從事可賺取收益及產生開支之業務活動之組成部分，並按內部管理報告資料之基準確定經營分部，而執行董事定期審閱所提供之內部管理報告資料以分配資源及評估分部表現。截至二零一七年十二月三十一日止年度，執行董事釐定本集團根據香港財務報告準則第8號「經營分部」僅有一個經營及可報告分部，即煤炭業務。於二零一八年一月三日，本集團完成收購從事建材生產及銷售的附屬公司（附註38）。於收購之後，執行董事認為本集團根據香港財務報告準則第8號的經營及可報告分部如下：

- 煤炭業務 – 煤炭生產及銷售以及購入煤炭貿易
- 建材業務 – 建材生產及銷售

報告分部溢利／（虧損）使用的計量為扣除所得稅開支前之經調整溢利／（虧損）。並無指明各分部應佔的項目，如應佔聯營公司及合營公司業績、財務費用、未分配總部及企業開支將進一步進行調整。

分部資產包括所有有形資產、預付土地租賃款項、採礦權、其他無形資產及流動資產，惟其他公司資產除外。分部負債包括各分部活動應佔的應付賬款及票據、其他應付款項及應計費用、開墾義務撥備及已收按金。

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5. SEGMENT INFORMATION (continued)

Revenue and expenses are allocated to the operating and reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

(a) Segment revenue and results

The following is an analysis of the Group's disaggregation of revenue from contracts with customers by the timing of revenue recognition and results from operating and reportable segments:

5. 分部資料(續)

收益及支出乃經參考該等分部產生之銷售額及招致之支出分配予經營及可報告分部。

(a) 分部收益及業績

以下為按收益確認之時間以及經營及可呈報分部之業績劃分來自客戶合約之收益分拆分析：

		Coal Business HK\$'000 煤炭業務 千港元	Building Materials Business HK\$'000 建材業務 千港元	Total HK\$'000 總計 千港元
For the year ended 31 December 2018	截至二零一八年 十二月三十一日 止年度			
Disaggregated by timing of revenue recognition Point in time	按收益確認 時間拆分 時間點	763,432	198,008	961,440
Revenue from external customers	外部客戶收益	763,432	198,008	961,440
Segment (loss)/profit	分部(虧損)/溢利	(40,364)	14,886	(25,478)
Reversal of provision for central pension scheme	撥回中央退休金計劃 撥備	23,189	1,344	24,533
Depreciation and amortisation	折舊及攤銷	(44,649)	(23,885)	(68,534)
Net reversal of/ (impairment loss) on financial and contract assets	金融資產及 合約資產之撥回/ (減值虧損)淨額	2,412	(12,038)	(9,626)
Impairment loss on property, plant and equipment	物業、廠房及設備 之減值虧損	(5,693)	–	(5,693)
Impairment loss on mining rights	採礦權之減值虧損	(8,544)	–	(8,544)

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5. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

		Coal	Building	Total
		Business	Materials	
		HK\$'000	HK\$'000	HK\$'000
		煤炭業務	建材業務	總計
		千港元	千港元	千港元
For the year ended	截至二零一七年			
31 December 2017	十二月三十一日			
	止年度			
Revenue from external customers	來自外部客戶的收益	529,884	–	529,884
Segment loss	分部虧損	(134,632)	–	(134,632)
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	36,915	–	36,915
Depreciation and amortisation	折舊及攤銷	(26,078)	–	(26,078)
Net impairment loss on financial assets	金融資產之減值虧損淨額	(455)	–	(455)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(15,902)	–	(15,902)
Impairment loss on mining rights	採礦權之減值虧損	(11,830)	–	(11,830)
			2018	2017
			HK\$'000	HK\$'000
			二零一八年	二零一七年
			千港元	千港元
Reconciliation of segment profit or loss:	分部溢利或虧損對賬：			
Reportable segment loss from the Group's external customers	來自本集團外部客戶的可報告分部虧損		(25,478)	(134,632)
Share of results of associates	應佔聯營公司業績		(12,826)	(1,814)
Share of results of a joint venture	應佔一間合營企業業績		51	31
Finance costs	財務費用		(101,514)	(42,336)
Unallocated head office and corporate expenses	未分配總部及企業開支		(15,126)	(17,863)
Loss before income tax	除所得稅前虧損		(154,893)	(196,614)

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5. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

5. 分部資料(續)

(b) 分部資產及負債

以下為按經營及可報告分部劃分的本集團資產及負債分析：

		Coal Business HK\$'000 煤炭業務 千港元	Building Materials Business HK\$'000 建材業務 千港元	Total HK\$'000 總計 千港元
At 31 December 2018	於二零一八年 十二月三十一日			
Segment assets	分部資產	1,354,909	549,715	1,904,624
Additions to non-current segment assets during the year	年內非流動分部 資產添置	10,865	300,622	311,487
Segment liabilities	分部負債	(1,215,714)	(94,028)	(1,309,742)
At 31 December 2017	於二零一七年 十二月三十一日			
Segment assets	分部資產	1,796,110	–	1,796,110
Additions to non-current segment assets during the year	年內非流動分部 資產添置	4,921	–	4,921
Segment liabilities	分部負債	(1,362,440)	–	(1,362,440)
			2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Reconciliation of segment assets:	分部資產對賬：			
Reportable segment assets	可報告分部資產		1,904,624	1,796,110
Interests in associates	於聯營公司之權益		100,046	101,938
Interest in a joint venture	於一間合營企業之權益		5,973	6,248
Available-for-sale financial assets	可供出售金融資產		–	710
Financial assets at FVTOCI	按公平值計入其他全面收益 的金融資產		682	–
Tax recoverable	可收回稅項		9,433	9,412
Restricted bank deposits	受限制的銀行存款		1,621	–
Cash and cash equivalents	現金及現金等值項目		35,789	170,878
Unallocated corporate assets	未分配企業資產		12,734	1,123
Consolidated total assets	綜合資產總值		2,070,902	2,086,419

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5. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Reconciliation of segment liabilities:	分部負債對賬：		
Reportable segment liabilities	可報告分部負債	1,309,742	1,362,440
Amount due to an associate	應付一間聯營公司款項	14,640	99,589
Amounts due to and loans from shareholders	應付股東款項及來自股東貸款	63,626	41,097
Bank and other loans	銀行及其他貸款	840,564	646,900
Deferred tax liabilities	遞延稅項負債	489	-
Unallocated corporate liabilities	未分配企業負債	5,308	12,981
Consolidated total liabilities	綜合負債總額	2,234,369	2,163,007

(c) Geographical information

The Group's revenue from external customers is all derived from the PRC and most of its non-current assets are located in the PRC. The Company is an investment holding company incorporated in Bermuda, in where the Group does not have any activities. The Group has the majority of its operations and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of disclosures as required by HKFRS 8.

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the location of assets.

5. 分部資料(續)

(b) 分部資產及負債(續)

(c) 地區資料

本集團來自外部客戶之收益全部來自中國，而其大部份非流動資產位於中國。本公司為一間於百慕達註冊成立之投資控股公司，而本集團於當地並無任何業務。本集團之主要業務及員工均位於中國，故按香港財務報告準則第8號之規定，就披露目的而言，中國被視為本集團之所在國家。

客戶之所在地區按提供服務或交付貨品之地區而定。非流動資產之所在地區按資產位置而定。

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5. SEGMENT INFORMATION (continued)

(d) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group.

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Customer A ¹	客戶甲 ¹	357,446	75,228
Customer B ¹	客戶乙 ¹	249,974	412,543
Customer C ¹	客戶丙 ¹	99,375	N/A不適用 ²

¹ Revenue from Coal Business

² Revenue from this customer contributing less than 10% of the total revenue during the year ended 31 December 2017

5. 分部資料(續)

(d) 有關主要客戶之資料

來自貢獻本集團總收益超過10%的客戶之收益。

¹ 收益來自於煤炭業務

² 於截至二零一七年十二月三十一日止年度來自此客戶的收益對總收益的貢獻低於10%

6. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income arising from the Group's principal activities which include (i) production and sale of coal; (ii) trading of purchased coal; and (iii) production and sale of building materials.

Revenue and other income and gains recognised during the year are as follows:

6. 收益及其他收入及得益

收益指本集團主要業務(包括(i)煤炭生產及銷售；(ii)購入煤炭貿易；及(iii)建材生產及銷售)產生之收入。

年內確認之收益及其他收入及收益如下：

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6. REVENUE AND OTHER INCOME AND GAINS (continued)

6. 收益及其他收入及得益(續)

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Revenue from contract with customers within the scope of HKFRS 15, types of goods:	香港財務報告準則第15號範圍內客戶的合約收入，貨品種類：		
Production and sale of coal	煤炭生產及銷售	324,515	117,987
Trading of purchased coal	購入煤炭貿易	438,917	411,897
Production and sale of building materials	建材生產及銷售	198,008	-
		961,440	529,884
Gross (loss)/profit derived from:	來自以下各項的(毛損)/毛利：		
Production and sale of coal	煤炭生產及銷售	(4,712)	(100,291)
Trading of purchased coal	購入煤炭貿易	(330)	(198)
Production and sale of building materials	建材生產及銷售	64,582	-
		59,540	(100,489)
		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Other income and gains	其他收入及得益		
Bank interest income	銀行利息收入	2,296	3,987
Discount at inception of deposit received (note 30(c))	已收按金之初始折現值(附註30(c))	2,458	-
Government subsidies (note)	政府補貼(附註)	16,372	-
Gain on bargain purchase arising from acquisition of subsidiaries (note 38)	收購附屬公司產生之議價購買的得益(附註38)	2,629	-
Gain on disposal of a subsidiary (note 14)	出售附屬公司的得益(附註14)	62	-
Rental income	租金收入	1,210	-
Reversal of provision for central pension scheme	撥回中央退休金計劃撥備	24,533	36,915
Others	其他	6,183	250
		55,743	41,152

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6. REVENUE AND OTHER INCOME AND GAINS (continued)

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales of coal and building materials contracts that regarding the performance obligation that has an original expected duration of one year or less, the Group does not make disclosure in accordance with paragraph 120 of HKFRS 15, that is the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the Group expects to recongised as revenue.

Note: The Group received unconditional subsidies from local government during the year as recognition of the Group's sale of building materials which considered as the environmental-friendly products in the PRC.

6. 收益及其他收入及得益(續)

本集團已將香港財務報告準則第15號第121段的可行權宜之計用於涉及履約責任及擁有一年或以下原預期期限之銷售煤炭及建材合約，本集團並無按照香港財務報告準則第15號第120段披露，即於報告期末分配至尚未履行(或部分尚未履行)之履約責任之總交易額及本集團預期確認收入之時間之闡釋。

附註：年內，本集團獲得當地政府的無條件補貼，作為認可本集團於中國銷售視為環保產品的建材。

7. FINANCE COSTS

An analysis of finance costs is as follows:

Unwinding of imputed interest on loans from shareholders (note 29(b))

Unwinding of imputed interest on deposit received (note 30(c))

Interests on bank and other loans

Bank charges on discounted bills receivable

財務費用之分析如下：

來自股東貸款之估算利息回撥 (附註29(b))

已收按金之估算利息回撥 (附註30(c))

銀行及其他貸款之利息開支

已貼現應收票據之銀行收費

7. 財務費用

2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
8,750	—
72	—
60,527	39,976
32,165	2,360
101,514	42,336

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8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

8. 除所得稅前虧損

除所得稅前虧損已扣除：

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Amortisation of mining rights** (note 18)	採礦權攤銷** (附註18)	7,805	3,205
Amortisation of other intangible assets** (note 20)	其他無形資產攤銷** (附註20)	80	-
Amortisation of prepaid land lease payments** (note 16)	預付土地租賃款項攤銷** (附註16)	1,569	-
Auditor's remuneration**	核數師酬金**		
– Auditor services	– 審核服務	1,030	875
– Non-audit services	– 非審核服務	360	915
Cost of inventories recognised as expenses#	確認為開支之存貨成本#	895,813	628,028
Write-down of inventories included in cost of inventories	計入存貨成本之存貨撇減	56	407
Depreciation* (note 15)	折舊* (附註15)	59,332	22,988
Employee benefits expense (including directors' remuneration) (note 11)	僱員福利開支 (包括董事薪酬) (附註11)	206,528	98,318
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損 淨額	95	2,466
Minimum lease payments under operating leases on land, buildings and office equipment**	有關土地、樓宇及辦公室設備之 經營租賃項下最低租賃 付款**	1,593	1,363
Provision for reclamation obligations (note 31)	開墾費用撥備 (附註31)	6,087	2,345
Research expenses	研究開支	1,963	-

* Depreciation of approximately HK\$50,626,000 (2017: approximately HK\$20,688,000), HK\$8,607,000 (2017: approximately HK\$2,300,000) and HK\$99,000 (2017: Nil) has been included in cost of sales, administrative expenses and selling and distribution expenses respectively.

** Included in administrative expenses in the consolidated income statement.

Cost of inventories included approximately HK\$221,513,000 (2017: approximately HK\$97,527,000) relating to employee benefits expense and depreciation which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.

* 約50,626,000港元 (二零一七年：約20,688,000港元) · 8,607,000港元 (二零一七年：約2,300,000港元) 及 99,000港元 (二零一七年：無) 之折舊已分別計入銷售成本、行政開支及銷售及分銷開支。

** 已計入綜合收益表的行政開支內。

存貨成本包括與僱員福利開支及折舊相關的221,513,000港元 (二零一七年：約97,527,000港元) · 有關金額亦已計入就各該等開支類別於上文單獨披露的相關總金額。

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9. INCOME TAX CREDIT

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in Bermuda and the BVI (2017: Nil).

No Hong Kong Profits Tax has been provided for the year in the consolidated financial statements as the Group has tax losses brought forward from previous years (2017: Nil).

Corporate income tax arising from operations in the PRC was calculated at the statutory income tax rate of 25% (2017: 25%) of the estimated assessable profits as determined in accordance with the relevant income tax rules and regulations in the PRC. No corporate income tax arising from operations in the PRC has been provided for the year ended 31 December 2017 as the Group did not generate any estimated assessable profits during the year ended 31 December 2017.

9. 所得稅抵免

百慕達及英屬處女群島(「英屬處女群島」)的規則及法規，本集團於百慕達及英屬處女群島毋須繳納任何所得稅(二零一七年：無)。

鑒於本集團有自以往年度結轉之稅項虧損，故年內並無就香港利得稅於綜合財務報表作出撥備(二零一七年：無)。

根據中國相關所得稅規則及規例，中國經營業務產生之企業所得稅乃按估計應課稅溢利之法定所得稅稅率25%(二零一七年：25%)計算。截至二零一七年十二月三十一日止年度，由於本集團並無產生任何估計應課稅溢利，故截至二零一七年十二月三十一日止年度並無就中國業務產生之企業所得稅計提撥備。

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Current tax – PRC corporate income tax	即期稅項 – 中國企業所得稅		
– Current year	– 本年度	375	–
Deferred tax	遞延稅項抵免		
– Current year (note 34)	– 本年度 (附註34)	(2,636)	–
Income tax credit	所得稅抵免	(2,261)	–

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9. INCOME TAX CREDIT (continued)

A reconciliation between income tax credit to loss before income tax at applicable tax rates is as follows:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Loss before income tax	除所得稅前虧損	(154,893)	(196,614)
Tax on loss before income tax, calculated at the applicable rates in the tax jurisdictions concerned	按相關稅務司法權區適用稅率計算有關除所得稅前虧損之稅項	(35,479)	(45,762)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	15,887	27,986
Tax effect of deductible temporary differences not recognised	未確認可抵扣暫時性差異的稅務影響	(537)	(249)
Tax losses not recognised	未確認稅項虧損	21,731	18,067
Effect of tax reduction (note)	減稅之影響(附註)	(4,046)	-
Utilisation of previously unrecognised tax losses	動用過往未確認稅項虧損	(32)	(42)
Under-provision in respect of prior year	過往年度撥備不足	215	-
Income tax credit	所得稅抵免	(2,261)	-

As the associates and the joint venture did not generate any assessable profits during the year, no income tax expense arising from their operations has been provided for the year (2017: Nil). There is no share of income tax expense attributable to associates and a joint venture (2017: Nil).

Note:

Pursuant to relevant pronouncement issued by the State Administration of Taxation of the PRC, Xingan (as defined in note 14), the newly acquired subsidiary, is eligible to reduce its assessable profit by 10% of the revenue generated from the sales of certain building material products, for tax reporting purpose. The list of approved building material products is issued by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and National Development and Reform Commission of the PRC.

9. 所得稅抵免(續)

所得稅抵免與除所得稅前虧損按適用稅率之對賬如下：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Loss before income tax	(154,893)	(196,614)
Tax on loss before income tax, calculated at the applicable rates in the tax jurisdictions concerned	(35,479)	(45,762)
Tax effect of non-deductible expenses	15,887	27,986
Tax effect of deductible temporary differences not recognised	(537)	(249)
Tax losses not recognised	21,731	18,067
Effect of tax reduction (note)	(4,046)	-
Utilisation of previously unrecognised tax losses	(32)	(42)
Under-provision in respect of prior year	215	-
Income tax credit	(2,261)	-

由於該等聯營公司及該合營企業於年內並無產生任何應課稅溢利，故並無就該等業務產生任何所得稅開支(二零一七年：無)。並無歸屬於該等聯營公司及該合營企業的所得稅開支份額(二零一七年：無)。

附註：

根據國家稅務總局發佈之相關聲明，新收購附屬公司興安(定義見附註14)有資格將其銷售若干建材產品產生之收益的應課稅溢利降低10%，用於稅項申報目的。獲准的建材產品清單是由中國財政部、國家稅務總局和國家發展和改革委員會頒佈。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

10. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

10. 本公司擁有人應佔每股虧損

本公司擁有人應佔之每股基本及攤薄虧損乃按以下數據計算：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share	(142,747)	(178,858)
	2018 Number of Shares '000 二零一八年 股份數目	2017 Number of shares '000 二零一七年 股份數目
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share	1,038,379	712,674

There were no dilutive potential ordinary shares during the years ended 31 December 2018 and 2017 and therefore, the amount of diluted loss per share is same as the amount of basic loss per share.

截至二零一八年及二零一七年十二月三十一日止年度並無潛在攤薄普通股，因此每股攤薄虧損金額與每股基本虧損金額相同。

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11. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' REMUNERATION)

11. 僱員福利開支(包括董事酬金)

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Short-term benefits:		
Fees, salaries, allowances and other benefits in kind	149,252	71,921
Post-employment benefits:		
Retirement benefit scheme contributions (defined contribution plans)	57,276	26,397
	206,528	98,318

At 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2017: Nil).

於二零一八年十二月三十一日，本集團並無可用於削減未來年度退休金計劃供款之已沒收供款(二零一七年：無)。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to the directors, disclosed pursuant to the Listing Rules and section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

12. 董事及主要行政人員酬金

已付或應付董事酬金(根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部之規定予以披露)如下:

		Fees HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金及津貼 千港元	退休福利 計劃供款 千港元	總計 千港元
For the year ended	截至二零一八年				
31 December 2018	十二月三十一日止年度				
Executive directors	執行董事				
Mr. Dong Cunling	董存嶺先生	-	1,042	-	1,042
Mr. Yang Hua ¹	楊華先生 ¹	-	26	-	26
Mr. Sun Shusheng ^{1, 5}	孫書生先生 ^{1, 5}	-	653	-	653
Mr. Chen Xu ¹	陳旭先生 ¹	-	26	-	26
Mr. Li Xiangfei ("Mr. Li") ⁵	李翔飛先生(「李先生」) ⁵	-	7	-	7
Mr. Wu Jiahong ³	巫家紅先生 ³	-	450	14	464
Mr. Zhang Yi ⁴	張毅先生 ⁴	-	11	-	11
Mr. Zhou Guangwen	周廣文先生	-	300	-	300
Non-executive director	非執行董事				
Mr. Li Chunyan	李春彥先生	300	-	-	300
Independent non-executive directors	獨立非執行董事				
Dr. Chen Renbao	陳仁寶博士	150	-	-	150
Mr. Jiang Xiaohui ²	蔣曉輝先生 ²	69	-	-	69
Mr. Ma Wai Tong ⁶	馬煒堂先生 ⁶	45	-	-	45
Mr. Ma Yueyong	馬躍勇先生	150	-	-	150
		714	2,515	14	3,243

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

12. 董事及主要行政人員酬金(續)

		Fees HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金及津貼 千港元	退休福利 計劃供款 千港元	總計 千港元
For the year ended 31 December 2017	截至二零一七年十二月 三十一日止年度				
Executive directors	執行董事				
Mr. Dong Cunling	董存嶺先生	–	1,038	–	1,038
Mr. Yang Hua ¹	楊華先生 ¹	–	247	7	254
Mr. Chen Xu ¹	陳旭先生 ¹	–	240	–	240
Mr. Wu Jiahong ³	巫家紅先生 ³	–	650	18	668
Mr. Zhou Guangwen	周廣文先生	–	300	–	300
Non-executive director	非執行董事				
Mr. Li Chunyan	李春彥先生	300	–	–	300
Independent non-executive directors	獨立非執行董事				
Dr. Chen Renbao	陳仁寶博士	150	–	–	150
Mr. Jiang Xiaohui ²	蔣曉輝先生 ²	150	–	–	150
Mr. Ma Yueyong	馬躍勇先生	150	–	–	150
		750	2,475	25	3,250

¹ Mr. Yang Hua and Mr. Chen Xu resigned as executive directors of the Company with effect from 8 February 2018. Mr. Yang Hua remained as chief executive of the Company until 31 December 2018. Mr. Sun Shusheng was appointed as the chief executive of the Company with effect from 1 January 2019.

² Mr. Jiang Xiaohui resigned as independent non-executive director of the Company with effect from 15 June 2018.

³ Mr. Wu Jiahong resigned as executive director of the Company with effect from 14 September 2018.

⁴ Mr. Zhang Yi was appointed as executive director of the Company with effect from 8 February 2018.

⁵ Mr. Li and Mr. Sun Shusheng were appointed as executive directors of the Company with effect from 15 June 2018.

⁶ Mr. Ma Wai Tong was appointed as independent non-executive director of the Company with effect from 14 September 2018.

¹ 楊華先生及陳旭先生於二零一八年二月八日辭任本公司執行董事。楊華先生仍為本公司行政總裁，直至二零一八年十二月三十一日。孫書生先生於二零一九年一月一日獲委任為本公司行政總裁。

² 蔣曉輝先生於二零一八年六月十五日辭任本公司獨立非執行董事。

³ 巫家紅先生於二零一八年九月十四日辭任本公司執行董事。

⁴ 張毅先生於二零一八年二月八日獲委任為執行董事。

⁵ 李先生及孫書生先生於二零一八年六月十五日獲委任為本公司執行董事。

⁶ 馬煒堂先生於二零一八年九月十四日獲委任為本公司獨立非執行董事。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

During the year, no emoluments were paid by the Group to the directors or chief executive as an inducement to join or upon joining the Group, or as compensation for loss of office (2017: Nil).

During the year, no share options were granted to the directors or chief executive in respect of their services to the Group (2017: Nil).

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during the year (2017: Nil).

13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included three (2017: four) directors whose emoluments are reflected in the analysis presented in note 12. The emoluments paid or payable to the remaining two (2017: one) individuals, during the year were as follows:

12. 董事及主要行政人員酬金(續)

年內，本集團概無付予董事或主要行政人員任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一七年：無)。

年內，並無就董事或主要行政人員為本集團提供服務而授出購股權(二零一七年：無)。

年內，並無訂立任何有關董事或主要行政人員放棄或同意放棄任何酬金的安排(二零一七年：無)。

13. 五名最高薪人士及高級管理層酬金

年內，本集團五名最高薪人士包括三名(二零一七年：四名)董事，彼等之酬金已於附註12呈列之分析反映。年內已付或應付餘下兩名(二零一七年：一名)人士酬金如下：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Salaries, allowances and other benefits in kind 薪金、津貼及其他實物利益	2,518	2,080
Retirement benefit scheme contributions 退休福利計劃供款	36	18
	2,554	2,098

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13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

(continued)

The emoluments paid or payable to the remaining two (2017: one) individuals with the highest emoluments were within the following bands:

Emolument band	酬金範圍
Nil – HK\$1,000,000	零至1,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2017: Nil).

During the year, no share options were granted to the five highest paid individuals in respect of their services to the Group (2017: Nil).

The emoluments paid or payable to members of senior management were within the following bands:

Emolument band	酬金範圍
Nil – HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元

13. 五名最高薪人士及高級管理層酬金(續)

已付或應付餘下兩名(二零一七年：一名)最高薪人士之酬金介乎以下範圍：

2018 No. of individuals 二零一八年 人數	2017 No. of individuals 二零一七年 人數
1	–
1	1

年內，本集團並無向五名最高薪人士支付任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一七年：無)。

年內，並無就五名最高薪人士為本集團提供服務而授出購股權(二零一七年：無)。

已付或應付高級管理層成員之酬金介乎以下範圍：

2018 No. of individuals 二零一八年 人數	2017 No. of individuals 二零一七年 人數
12	8
1	1
1	1

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14. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2018 and 2017, the Company had direct and indirect interests in the following subsidiaries:

14. 於附屬公司之投資

於二零一八年及二零一七年十二月三十一日，本公司於以下附屬公司有直接及間接權益：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2018 二零一八年 %	2017 二零一七年 %	
Directly held 直接持有					
(1) Beat World Limited 弘中有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	100 100	Management service in Hong Kong 於香港從事管理服務
(2) Clear Interest Limited ("CIL")	BVI, limited liability company 英屬處女群島·有限責任公司	United States Dollars ("US\$") 200 200美元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股
(3) Star Central Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	100 100	Investment holding in Hong Kong 於香港從事投資控股
(4) Rosan Clean Energy Development Company Limited ("Rosan Clean Energy") (note) 融信清潔能源發展有限公司 (「融信清潔能源」)(附註)	Hong Kong, limited liability company 香港·有限責任公司	HK\$10,000 10,000港元	– –	51 51	Investment holding in Hong Kong 於香港從事投資控股
(5) Xinfra Investments Limited ("Xinfra") 新發投資有限公司(「新發」)	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	100 100	Investment holding in Hong Kong 於香港從事投資控股
(6) Bermnsa Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	100 100	Management service in Hong Kong 於香港從事管理服務
(7) Goal Getter Ventures Limited ("Goal Getter") (note 38) 志達創投有限公司 (「志達」)(附註38)	BVI, limited liability company 英屬處女群島·有限責任公司	US\$50,000 50,000美元	100 100	– –	Investment holding in the PRC 於中國從事投資控股

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2018 二零一八年 %	2017 二零一七年 %	
Indirectly held 間接持有					
(8) Popular Sky Coal Industrial Limited 普天煤業有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股
(9) Hong Kong Zhongyuan Energy Co., Limited 香港中原能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股
(10) Hong Kong Zhongzhou Energy Co., Limited 香港中州能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股
(11) Highlink Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	100 100	Investment holding in Hong Kong 於香港從事投資控股
(12) Alive Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100 100	100 100	Investment holding in Hong Kong 於香港從事投資控股
(13) Dynamic Coal Company Limited 合動煤業有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100 100	100 100	Investment holding in Hong Kong 於香港從事投資控股
(14) Dynamic Energy Development (Shenzhen) Company Limited# 合動能源開發(深圳)有限公司	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	HK\$20,000,000 20,000,000港元	100 100	100 100	Investment holding in the PRC 中國從事投資控股
(15) Beijing Zhong Yue Heneng Technology Company Limited# 北京中岳和能科技有限公司	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	HK\$160,000,000 160,000,000港元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2018 二零一八年 %	2017 二零一七年 %	
Indirectly held 間接持有					
(16) Henan Jinfeng Coal Industrial Group Company Limited [#] ("Jinfeng") 河南金豐煤業集團有限公司 (「金豐」)	PRC, limited liability company 中國·有限責任公司	RMB118,000,000 人民幣118,000,000元	90 90	90 90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(17) Shenzhen Zhongzhou Energy Company Limited [#] 深圳市中州能源有限公司	PRC, limited liability company 中國·有限責任公司	RMB10,000,000 人民幣10,000,000元	90 90	90 90	Investment holding in the PRC 於中國從事投資控股
(18) Xingyun Coal Industry Company Limited [#] 登封市向陽煤業有限公司	PRC, limited liability company 中國·有限責任公司	RMB60,000,000 人民幣60,000,000元	90 90	90 90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(19) Xiangyang Coal Industry Company Limited [#] 登封市興運煤業有限責任公司	PRC, limited liability company 中國·有限責任公司	RMB50,000,000 人民幣50,000,000元	90 90	90 90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(20) Zhengzhou Huirui Shangmo Company Limited [#] 鄭州輝瑞商貿有限公司	PRC, limited liability company 中國·有限責任公司	RMB125,000,000 人民幣125,000,000元	96 96	96 96	Trading of purchased coal in the PRC 於中國從事購入煤炭貿易
(21) Henan Zhongyuan JiuAn Foundation & Investment Co., Ltd. [#] 河南中原久安創業投資有限公司	PRC, sino-foreign equity joint venture 中國·中外合資企業	RMB272,387,000 人民幣272,387,000元	100 100	100 100	Investment holding in the PRC 於中國從事投資控股

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2018 二零一八年 %	2017 二零一七年 %	
Indirectly held 間接持有					
(22) Beijing Kaisheng Guanhua Investment Company Limited* ("Kaisheng")	PRC, sino-foreign equity joint venture	RMB80,000,000	91	91	Project investment, asset management and consultation of investment in the PRC
北京凱盛冠華投資有限公司 ("凱盛")	中國·中外合資企業	人民幣80,000,000元	91	91	於中國從事項目投資、資產管理及投資諮詢
(23) Winkin Construction Materials Company Limited 榮建建材有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$10,000 10,000港元	100	–	Investment holding in the PRC 於中國從事投資控股
(24) Rong Jian (Shenzhen) Consulting Company Limited* 榮建(深圳)諮詢有限公司	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	US\$500,000 500,000美元	100	–	Investment holding in the PRC 於中國從事投資控股
(25) Zhengzhou Shen Zhi Rong Construction Materials Company Limited* 鄭州深之榮建材有限公司	PRC, limited liability company 中國·有限責任公司	RMB2,000,000 人民幣2,000,000元	100	–	Investment holding in the PRC 於中國從事投資控股
(26) Henan Xingan New Construction Materials Company Limited* ("Xingan") 河南興安新型建築材料有限公司 ("興安")	PRC, limited liability company 中國·有限責任公司	RMB20,000,000 人民幣20,000,000元	51	–	Production and sale of building materials in the PRC 於中國從事建築材料生產及銷售

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及 法律實體類型	Issued and paid up capital 已發行及 繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人 權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及 主要業務
			2018 二零一八年 %	2017 二零一七年 %	
Indirectly held 間接持有					
(27) Zhengzhou Tairun Aluminum Mold Technology Company Limited* ("Tairun") 鄭州泰潤鋁模科技有限公司 (「泰潤」)	PRC, limited liability company 中國·有限責任公司	RMB10,000,000 人民幣10,000,000元	60 60	– –	Production and sale of aluminum building materials in the PRC 於中國從事鋁及建材生 產及銷售

* For identification purpose only

僅供識別

Note:

During the year ended 31 December 2018, the Group disposed of all equity interest in Rosan Clean Energy, a 51% directly owned subsidiary, that is an investment holding company in Hong Kong, for a consideration of approximately HK\$5,000 to an independent third party. The disposal was completed on 26 November 2018, since then, the Group has no equity interest in and control over Rosan Clean Energy. Gain on disposal of this subsidiary of approximately HK\$62,000 was recognised as other income and gains in the consolidated income statement (note 6).

附註：

截至二零一八年十二月三十一日止年度，本集團出售51%直接擁有附屬公司融信清潔能源（於香港之投資控股公司）之全部股權予一名獨立第三方，代價為約5,000港元。出售事項已於二零一八年十一月二十六日完成，自此，本集團對融信清潔能源並無股權及控制權。出售該附屬公司之得益約62,000港元已於綜合收益表確認為其他收入及得益（附註6）。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

	Buildings and mining structures HK\$'000 樓宇及煤礦建築物 千港元	Plant and machineries HK\$'000 廠房及機器 千港元	Mining related machinery and equipment HK\$'000 採礦相關機器及設備 千港元	Furniture, fixtures, equipment and leasehold improvement HK\$'000 傢俬、裝置、設備及租賃物業裝修 千港元	Motor vehicles HK\$'000 汽車 千港元	CIP HK\$'000 在建工程 千港元	Total HK\$'000 總計 千港元
Year ended 31 December 2017 截至二零一七年十二月三十一日止年度							
Opening net carrying amount 年初賬面淨值	197,195	4,800	43,613	2,386	-	9,805	257,799
Exchange realignment 匯兌調整	14,269	379	2,772	185	-	323	17,928
Additions 添置	214	334	1,489	374	97	2,882	5,390
Transfer 轉讓	12,161	298	551	-	-	(13,010)	-
Disposal 出售	(1,243)	(2)	(1,755)	-	(94)	-	(3,094)
Impairment loss 減值虧損	(13,187)	(68)	(2,601)	(46)	-	-	(15,902)
Depreciation 折舊	(12,406)	(147)	(10,229)	(203)	(3)	-	(22,988)
Closing net carrying amount 年終賬面淨值	197,003	5,594	33,840	2,696	-	-	239,133
As at 31 December 2017 於二零一七年十二月三十一日							
Cost 成本	542,792	28,683	206,903	11,770	23,804	-	813,952
Accumulated depreciation 累計折舊	(145,240)	(18,600)	(121,869)	(7,093)	(23,478)	-	(316,280)
Accumulated impairment loss 累計減值虧損	(200,549)	(4,489)	(51,194)	(1,981)	(326)	-	(258,539)
Net carrying amount 賬面淨值	197,003	5,594	33,840	2,696	-	-	239,133
Year ended 31 December 2018 截至二零一八年十二月三十一日止年度							
Opening net carrying amount 年初賬面淨值	197,003	5,594	33,840	2,696	-	-	239,133
Exchange realignment 匯兌調整	(12,916)	(3,183)	(1,419)	(163)	(75)	(28)	(17,784)
Additions 添置	3,352	7,532	5,660	729	473	14,867	32,613
Additions through acquisition of subsidiaries (note 38) 透過收購附屬公司添置(附註38)	108,289	86,669	-	443	2,670	9,329	207,400
Transfer in/(out) 轉入/(轉出)	12,596	9,035	-	-	-	(21,631)	-
Disposal 出售	-	-	-	-	(150)	-	(150)
Impairment loss 減值虧損	(4,193)	(790)	(665)	(12)	(33)	-	(5,693)
Depreciation 折舊	(31,525)	(13,442)	(13,301)	(529)	(535)	-	(59,332)
Closing net carrying amount 年終賬面淨值	272,606	91,415	24,115	3,164	2,350	2,537	396,187
As at 31 December 2018 於二零一八年十二月三十一日							
Cost 成本	634,745	126,964	201,609	12,287	24,354	2,537	1,002,496
Accumulated depreciation 累計折舊	(167,963)	(30,535)	(128,316)	(7,233)	(21,663)	-	(355,710)
Accumulated impairment loss 累計減值虧損	(194,176)	(5,014)	(49,178)	(1,890)	(341)	-	(250,599)
Net carrying amount 賬面淨值	272,606	91,415	24,115	3,164	2,350	2,537	396,187

Provision for impairment of approximately HK\$5,693,000 (2017: approximately HK\$15,902,000) has been made during the year for those property, plant and equipment within the Coal Production CGU (note 19).

於本年度，已於生產煤炭的現金產生單位就該等物業、廠房及設備作出減值撥備約5,693,000港元(二零一七年：約15,902,000港元)(附註19)。

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

The Group entered into agreements with financing companies to transfer the ownership of certain property, plant and equipment with net carrying amount of approximately HK\$64,639,000 (2017: approximately HK\$20,967,000) as at 31 December 2018, and lease back the respective property, plant and equipment to the Group for 1 to 3 years (2017: 3 years). Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement. Thus, as at 31 December 2018, property, plant and equipment with net carrying amount of approximately HK\$64,639,000 (2017: approximately HK\$20,967,000) was considered to be pledged to secure other loans (note 32(b)).

The Group does not have the title certificates for certain items of buildings with an aggregate net carrying amount of approximately HK\$105,544,000 (2017: approximately HK\$21,912,000) as at 31 December 2018. The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use the above mentioned properties and therefore the aforesaid matter does not affect the ownership rights of the Group over these assets and hence did not have any significant impact on the Group's financial position as at 31 December 2018.

One of the subsidiaries of the Company entered into a rental agreement with an independent third party to lease certain of its property, plant and equipment with net carrying amount of approximately HK\$19,941,000 (2017: Nil) for a lease term of 10 years. As the insignificant portion of the land use right and building leased out could not be sold separately and significant remaining portion is held for use in production, the respective land use right and building are classified and recognised as prepaid land lease payment, and building and plant and machineries under property, plant and equipment.

15. 物業、廠房及設備(續)

本集團與融資公司訂立協議，於二零一八年十二月三十一日，轉讓若干物業、廠房及設備的擁有權，賬面淨值約為64,639,000港元(二零一七年：約20,967,000港元)，並將有關物業、廠房及設備租回本集團1至3年(二零一七年：3年)。儘管協議涉及租賃的法律形式，但本集團根據該協議的實際內容將該協議列賬為抵押貸款。因此，於二零一八年十二月三十一日，賬面淨值約為64,639,000港元(二零一七年：約20,967,000港元)的物業、廠房及設備被視為抵押以擔保其他貸款(附註32(b))。

於二零一八年十二月三十一日，本集團並無擁有總賬面淨值約為105,544,000港元(二零一七年：約21,912,000港元)的若干樓宇項目的房地產權證。本公司董事認為本集團有權合法及有效地佔用和使用上述物業，因此上述事項不影響本集團對該等資產的擁有權，從而對本集團於二零一八年十二月三十一日的財務狀況並無任何重大影響。

本公司其中一間附屬公司與一名獨立第三方訂立一份租賃協議，以租賃其若干物業、廠房及設備，賬面淨值約為19,941,000港元(二零一七年：無)，租期為10年。由於土地使用權和租出樓宇的非重大部分不能單獨出售，剩餘的重大部分持作用於生產，各自土地使用權和樓宇被分類並確認為預付土地租賃款，以及樓宇和廠房和物業、廠房和設備下的機械。

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16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃付款

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Cost	成本		
At 1 January	於一月一日	-	-
Additions through acquisition of subsidiaries (note 38)	透過收購附屬公司添置 (附註38)	71,530	-
Exchange realignment	匯兌調整	(2,321)	-
At 31 December	於十二月三十一日	69,209	-
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	-	-
Amortisation for the year	年內攤銷	(1,569)	-
Exchange realignment	匯兌調整	63	-
At 31 December	於十二月三十一日	(1,506)	-
Net carrying amount at 31 December	於十二月三十一日之賬面淨值	67,703	-
Less: Current portion	減：流動部分	(1,506)	-
Non-current portion	非流動部分	66,197	-

The balance represented the amount paid to the PRC government authorities for the land use rights of lands situated in the Mainland China, which are amortised on the straight-line basis over the lease periods of 50 years.

As at 31 December 2018, the land use rights of the Group with net carrying amount of approximately HK\$66,197,000 (2017: Nil) have been pledged for the bank loans (note 32).

該結餘指就位於中國大陸的土地之土地使用權已向中國政府機關支付的款項，於50年租期內按直線法攤銷。

於二零一八年十二月三十一日，本集團賬面淨值約66,197,000港元(二零一七年：零)的土地使用權已抵押於銀行貸款(附註32)。

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17. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
At 1 January and 31 December	於一月一日及十二月三十一日		
Gross carrying amount	賬面總值	246,227	259,690
Accumulated impairment loss	累計減值虧損	(246,227)	(259,690)
Net carrying amount	賬面淨值	-	-

Goodwill arising in prior years related to the acquisitions of CIL and its subsidiaries for the Coal Production CGU and Huirui for the CGU of trading of purchase coal, respectively. Goodwill arise from these acquisitions have been fully impaired in the previous years and the differences between the years solely represents the realignment of exchange differences.

17. 商譽

商譽賬面淨值可分析如下：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
At 1 January and 31 December		
Gross carrying amount	246,227	259,690
Accumulated impairment loss	(246,227)	(259,690)
Net carrying amount	-	-

過往年度產生的商譽分別涉及就煤炭生產現金產生單位及其附屬公司以及就購入煤炭貿易收購輝瑞。因該等收購產生的商譽已於過往年度完全減值，各年度之間的差異完全為匯兌差額調整。

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18. MINING RIGHTS

18. 採礦權

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Cost	成本		
At 1 January	於一月一日	709,796	659,940
Exchange realignment	匯兌調整	(36,798)	49,856
At 31 December	於十二月三十一日	672,998	709,796
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(130,026)	(117,791)
Amortisation for the year	年內攤銷	(7,805)	(3,205)
Exchange realignment	匯兌調整	7,056	(9,030)
At 31 December	於十二月三十一日	(130,775)	(130,026)
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	(253,235)	(223,996)
Impairment loss for the year	年內減值虧損	(8,544)	(11,830)
Exchange realignment	匯兌調整	13,473	(17,409)
At 31 December	於十二月三十一日	(248,306)	(253,235)
Net carrying amount	賬面淨值	293,917	326,535

As of 31 December 2017, the Group has 5 coal mining rights in Dengfeng City, Zhengzhou, the PRC. Amongst these mining rights, one coal mine had been fully impaired in 2015. During the year ended 31 December 2018, the Group has not applied to renew one of its mining rights ("Xiaohe Coal Mine No. 3") since the expiry date, taken into account that its productivity is low and scale is small, full impairment amounting to approximately HK\$7,831,000 has been provided by the Group for the year ended 31 December 2017. Impairment loss was also recognised on the related property, plant and equipment of Xiaohe Coal Mine No. 3 amounting to approximately HK\$12,982,000 as at 31 December 2017. As of 31 December 2018, the Group has 4 coal mining rights remained in Dengfeng City.

於二零一七年十二月三十一日，本集團在中國鄭州登封市有5項採煤權。該等採礦權中，一個煤礦已於二零一五年完全減值。截至二零一八年十二月三十一日止年度，其中一項採礦權（「小河三礦」）到期後，本集團未申請續期。鑒於其生產效率低、規模小，截至二零一七年十二月三十一日止年度本集團已就其計提全部減值約7,831,000港元。於二零一七年十二月三十一日，亦就小河三礦的相關物業、廠房及設備確認約12,982,000港元的減值虧損。於二零一八年十二月三十一日，本集團在登封市仍有4項採煤權。

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18. MINING RIGHTS (continued)

Excluded the fully impaired coal mine as mentioned above, the remaining 3 coal mining rights with the aggregate net carrying amount of approximately HK\$293,917,000 will expire from June 2019 to September 2020. In the opinion of the directors of the Company, with reference to the legal opinion received by the management in March 2019, there should be no legal barrier for the Group to renew such mining rights and that renewals can be obtained for indefinite times period at minimal cost.

For the year ended 31 December 2018, provision for impairment of mining rights amounting to approximately HK\$8,544,000 (2017: approximately HK\$11,830,000) has been made by the Group's management. Particulars of impairment testing of mining rights are set out in note 19.

As at 31 December 2018, mining rights with net carrying amount of approximately HK\$293,917,000 (2017: approximately HK\$326,535,000) have been pledged to banks to secure the Group's bank loans as included in the asset-backed financing (note 32).

19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND MINING RIGHTS

For the purpose of impairment assessment as at 31 December 2018, property, plant and equipment, prepaid land lease payments and mining rights set out in notes 15, 16 and 18 respectively have been allocated to two individual CGUs, (i) Building Materials Business CGU, which represents Xingan, a subsidiary under Goal Getter which acquired by the Group on 3 January 2018; and (ii) Coal Production CGU, which in the opinion of the directors of the Company, all coal mines owned by the Group are collectively regard as a single CGU. Property, plant and equipment and mining rights had been allocated to Coal Production CGU for the purpose of impairment assessment as at 31 December 2017.

18. 採礦權(續)

除上述全面減值煤礦外，餘下3份採煤權，總賬面淨值約為293,917,000港元，將於二零一九年六月至二零二零年九月到期。參考管理層於二零一九年三月收到的法律意見，本公司董事認為，本集團續期其開採礦權應該不存在法律障礙，且能按極低成本無限取得續期。

截至二零一八年十二月三十一日止年度，本集團管理層已作出採礦權減值撥備約8,544,000港元(二零一七年：約11,830,000港元)。採礦權減值測試的詳情載於附註19。

於二零一八年十二月三十一日，賬面淨值約為293,917,000港元(二零一七年：約326,535,000港元)的採礦權已抵押予銀行以擔保本集團的銀行貸款(包括在資產支持融資內)(附註32)。

19. 物業、廠房及設備、預付土地租賃款項及採礦權之減值測試

就於二零一八年十二月三十一日的減值評估而言，分別於附註15、16及18所載的物業、廠房及設備、預付土地租賃款項及採礦權已分配至兩個單獨的現金產生單位，(i)建材業務現金產生單位指興安，於二零一八年一月三日由本集團收購的志達下的附屬公司；(ii)煤炭生產現金產生單位，本公司董事認為，本集團擁有的所有煤礦共同被視為單一現金產生單位。於二零一七年十二月三十一日，物業、廠房及設備及採礦權已分配至煤炭生產現金產生單位以進行減值評估。

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19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND MINING RIGHTS

(continued)

Building Materials Business CGU

In the opinion of the directors of the Company, there is no impairment indication identified in this CGU. There is no impairment of property, plant and equipment and prepaid land lease payments in respect of this CGU as at 31 December 2018.

Coal Production CGU

As the Group depletes its coal reserves, the recoverable amount of Coal Production CGU will also decrease. Also, Coal Production CGU suffered operating loss during these years, as a result, the Group assessed the recoverable amount of Coal Production CGU by using fair value less costs of disposal (2017: fair value less costs of disposal), which was based on income approach using a cash flow projection covering a detailed five-year budget plan, followed by an extrapolation of discounted cash flows, by reference to the actual selling price and the average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences. In determining the recoverable amount of Coal Production CGU, the directors of the Company have taken account of the coal reserves of the mines after deducting the cumulative amounts of coal already extracted and sold.

The recoverable amount of Coal Production CGU is less than the carrying amount of Coal Production CGU as at 31 December 2018. As a result, the Group made an impairment loss of approximately HK\$5,693,000 and approximately HK\$8,544,000 on property, plant and equipment and mining rights respectively associated with Coal Production CGU (notes 15 and 18 respectively) during the year. The impairment loss is allocated to net carrying amounts of property, plant and equipment and mining rights associated with Coal Production CGU.

For the year ended 31 December 2017, taking into account that the low productivity and small scale of Xiaohu Coal Mine No.3, full impairment losses of approximately HK\$12,982,000 and HK\$7,831,000 were recognised on the related property, plant and equipment and mining rights respectively.

19. 物業、廠房及設備、預付土地租賃款項及採礦權之減值測試 (續)

建材業務現金產生單位

本公司董事認為，該現金產生單位並無識別減值跡象。於二零一八年十二月三十一日，有關該現金產生單位的物業、廠房及設備及預付土地租賃款項並無減值。

煤炭生產現金產生單位

隨著本集團耗用其煤儲量，就煤炭生產之現金產生單位之可收回金額亦會減少。此外，於該等年度煤炭生產之現金產生單位面對經營虧損，故本集團根據收入法以按照公平值減出售成本(二零一七年：公平值減出售成本)，其參考中國類似熱能之煤炭之實際售價及平均市場價格(並作出必要調整以反映差別)，基於收入法並使用涵蓋一項詳盡之五年預算計劃的現金流預測，然後就折現現金流量作出推算而釐定。於釐定煤炭生產之現金產生單位之可收回金額時，本公司董事已考慮到煤礦之煤儲量，並減去已開採及出售之累計煤量。

煤炭生產現金產生單位的可收回金額低於二零一八年十二月三十一日煤炭生產現金產生單位的賬面值。因此，年內本集團就與煤炭生產現金產生單位有關的物業、廠房及設備及採礦權(分別見附註15及18)作出減值虧損分別約5,693,000港元及約8,544,000港元。減值虧損分配至與煤炭生產現金產生單位有關的物業、廠房及設備及採礦權的賬面淨值。

截至二零一七年十二月三十一日止年度，鑒於小河三礦生產效率低且規模小，已就相關物業、廠房及設備以及採礦權計提全部減值虧損分別約12,982,000港元及約7,831,000港元。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND MINING RIGHTS

(continued)

Coal Production CGU (continued)

In addition, the recoverable amount of Coal Production CGU was less than the carrying amount of Coal Production CGU as at 31 December 2017. As a result, the Group made further impairment loss of approximately HK\$2,920,000 and HK\$3,999,000 on the property, plant and equipment and the mining rights respectively associated with Coal Production CGU (notes 15 and 18 respectively) during the year ended 31 December 2017. The impairment loss was allocated according to net carrying amounts of property, plant and equipment and mining rights associated with Coal Production CGU.

Fair value hierarchy

An independent valuation was performed by the valuer, Asset Appraisal Limited (2017: Asset Appraisal Limited), to determine the fair value less costs of disposal of the Coal Production CGU as at 31 December 2018. The impairment losses are included in consolidated income statement. The fair value measurement of Coal Production CGU is classified as a Level 3 fair value measurement.

Valuation processes of the Group

Coal Production CGU was valued as at 31 December 2018 and 2017 by independent professionally qualified valuer, Asset Appraisal Limited, who have among their staff fellows of the Hong Kong Institute of Surveyors and have recent experience in the valuation of mining industries.

The Group's finance department, which directly reports to the chief financial officer, reviewed the valuations performed by the independent valuer for financial reporting purposes, which is determined based on the cash flow projection prepared by the management. The finance department holds discussions with the independent valuer on the valuation assumptions and valuation results.

19. 物業、廠房及設備、預付土地租賃款項及採礦權之減值測試 (續)

煤炭生產現金產生單位(續)

此外，於二零一七年十二月三十一日，煤炭生產現金產生單位的可收回金額低於煤炭生產現金產生單位的賬面值。因此，截至二零一七年十二月三十一日止年度，本集團就與該現金產生單位相關的物業、廠房及設備及採礦權(分別見附註15及18)進一步作出減值虧損分別約2,920,000港元及約3,999,000港元。減值虧損根據與煤炭生產之現金產生單位有關之物業、廠房及設備及採礦權的賬面值分配。

公平值級別

估值師中誠達資產評估顧問有限公司(二零一七年：中誠達資產評估顧問有限公司)已進行一次獨立估值，以釐定生產煤炭之現金產生單位於二零一八年十二月三十一日之公平值減出售成本。減值虧損已計入綜合收益表內。煤炭生產之現金產生單位的公平值計量分類為第三級公平值計量。

本集團之估值程序

本集團之煤炭生產現金產生單位於二零一八年及二零一七年十二月三十一日由獨立專業合資格估值師中誠達資產評估顧問有限公司進行估值，該公司職員為香港測量師學會成員，且具備採礦行業評估之近期經驗。

就財務報告目的而言，本集團之財務部門(直接向財務總監匯報)審閱獨立估值師進行之估值(基於管理層編製的現金流預測釐定)。財務部就估值假設及估值結果與獨立估值師進行討論。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND MINING RIGHTS

(continued)

Coal Production CGU (continued)

Valuation processes of the Group (continued)

Management's key assumptions were used in the determination of recoverable amount of Coal Production CGU for the years ended 31 December 2018 and 2017. The following described each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Net profit margins – Management determined net profit margin based on past experience in this market and its expectations for market development.

Discount rate – The discount rate reflects specific risks relating to the mining industry.

Forecast price of coal are based on the actual selling price and average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences.

Sales and production volumes – Estimated production volumes are based on detailed life-of-mine plans and take into account development plans for the mines established by management as part of the long-term planning process. Production volumes are dependent on a number of variables, such as the recoverable quantities, the production profile, the cost of the development of the infrastructure necessary to extract the reserves, the production costs, the contractual duration of mining rights and the selling price of coal.

The discount rate and growth rates on the estimated selling price used to extrapolate in the cash flow projection of Coal Production CGU are shown as below:

19. 物業、廠房及設備、預付土地租賃款項及採礦權之減值測試 (續)

煤炭生產現金產生單位(續)

本集團之估值程序(續)

釐定截至二零一八年及二零一七年十二月三十一日止年度煤炭生產之現金產生單位之可收回金額減出售成本時，管理層已採用主要假設。下文描述管理層在進行商譽減值測試時對其現金流量預測採用之各項主要假設。

淨利潤率 – 管理層按過往市場經驗及其對市場發展之預期釐定淨利潤率。

折現率 – 折現率反映有關煤礦業之特定風險。

煤炭預測價格基於實際售價及中國類似熱能的平均市場煤炭價格，並在必要時作出調整，以反映差異。

銷量及產量 – 估計產量基於詳細的礦山壽命計劃，考慮管理層作為長期規劃程序一部分而制定的煤礦發展計劃。產量取決於多項可變因素，如可開採數量、生產狀況、開採儲量所需基礎設施的開發成本、生產成本、採礦權的合約期限及煤炭售價。

煤炭生產現金產生單位之現金流量預測中推斷使用之折現率及增長率如下：

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19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND MINING RIGHTS

(continued)

Coal Production CGU (continued)

Valuation processes of the Group (continued)

19. 物業、廠房及設備、預付土地租賃款項及採礦權之減值測試 (續)

煤炭生產現金產生單位(續)

本集團之估值程序(續)

		2018 二零一八年	2017 二零一七年
Growth rate on the estimated selling price of coal	估計售價的增長率	2.3% Per annum 每年	2.6% Per annum 每年
Growth rate on sales and production volumes of coal	煤炭銷售及生產量增長率	4.3% Per annum 每年	3.3% Per annum 每年
Discount rate	折現率	13.17% Per annum 每年	13.93% Per annum 每年

20. OTHER INTANGIBLE ASSETS

20. 其他無形資產

Computer software licence
電腦軟件使用權

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Cost	成本		
At 1 January	於一月一日	1,891	1,891
Additions	添置	730	-
Exchange realignment	匯兌調整	(30)	-
At 31 December	於十二月三十一日	2,591	1,891
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(1,891)	(1,891)
Amortisation for the year	年內攤銷	(80)	-
Exchange realignment	匯兌調整	3	-
At 31 December	於十二月三十一日	(1,968)	(1,891)
Net carrying amount	賬面淨值	623	-

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

21. 於聯營公司之權益及應付一間聯營公司款項

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Interests in associates – Share of net assets	於聯營公司之權益 – 應佔資產淨值	100,046	101,938
Amount due to an associate*	應付一間聯營公司款項*	(14,640)	(99,589)

* As at 31 December 2017, amount due to an associate was unsecured, interest-free and repayable after twelve months from the reporting date and were therefore shown in the consolidated statement of financial position as non-current. During the year ended 31 December 2018, the associate demanded for settlement and the Group paid to approximately HK\$79,785,000 to the associate. In the opinion of the directors of the Company, the Group does not have an unconditional right to defer settlement of the amount due to the associate at least twelve months after 31 December 2018. The balance is therefore considered as repayable on demand and shown in the consolidated statement of financial position as current as at 31 December 2018.

* 於二零一七年十二月三十一日，應付一間聯營公司款項為無抵押、免息及須於報告日期起十二個月後償還，因此在本綜合財務狀況表中列為非流動。截至二零一八年十二月三十一日止年度，該聯營公司要求結算，本集團向該聯營公司支付約79,785,000港元。本公司董事認為，本集團並無無條件權利於二零一八年十二月三十一日後至少十二個月推遲結算應付聯營公司款項。餘額因此被視為按需求償還並載於截至二零一八年十二月三十一日的綜合財務狀況表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The particulars of the associates of the Group as at 31 December 2018 and 2017 were as follows:

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Particulars of registered capital 註冊資本詳情		Percentage of voting right held by the Group 本集團所持投票權百分比		Attributable equity interests to the Group 本集團應佔之股本權益		Place of operation and principal activities 經營地點及主要業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
(1) Beijing Zhaohua Hefu Investment Management Limited# (“Zhaohua Hefu”) 北京兆華合富投資管理有限公司 (「兆華合富」)	PRC, limited liability company 中國·有限責任公司	RMB2,000,000 人民幣 2,000,000元	RMB2,000,000 人民幣 2,000,000元	25.00% 25.00%	25.00% 25.00%	25.00% 25.00%	25.00% 25.00%	Investment management, asset management and consultation of investment in the PRC 於中國從事投資管理、資產管理 及投資諮詢
(2) Beijing ShuoZhan Zhongfu Investment Centre(Limited Partnership)# (the “Partnership”) (Note) 北京碩展中富投資中心(有限合伙) (「合夥企業」) (附註)	PRC, limited partnership 中國·有限責任公司	RMB100,000,000 人民幣 100,000,000元	RMB100,000,000 人民幣 100,000,000元	33.33% 33.33%	33.33% 33.33%	99.25% 99.25%	99.25% 99.25%	Project investment, investment management, assets management and consultation service in the PRC 於中國從事項目投資、投資管理、 資產管理及諮詢服務

For identification purpose only

Note:

Pursuant to the partnership agreements entered into in May 2012 and June 2012, the general partner of the Partnership is Zhaohua Hefu (the “General Partner”), which is an associate of the Group, owns 1% of the equity interest of the Partnership. The General Partner is responsible for management and control of the business of the Partnership through the power to appoint two-third of the committee member of the investment committee while Kaisheng, a subsidiary of the Company and the limited partner of the Partnership, possesses significant influence over the operating and financial policies of the Partnership through the power to appoint the remaining one-third of committee member of the investment committee. As abovementioned, although the Group owned 99% equity interest in the Partnership, the Group only possess significant influence over the operating and financial policies of the Partnership, therefore, the investment has been classified as interests in associates in the consolidated statement of financial position as at the reporting date.

21. 於聯營公司之權益及應付一間聯營公司款項(續)

本集團於二零一八年及二零一七年十二月三十一日的聯營公司詳情如下：

僅供識別

附註：

根據於二零一二年五月及二零一二年六月訂立之合夥協議，合夥企業之普通合夥人為兆華合富(「普通合夥人」)，其為本集團之聯營公司並擁有合夥企業1%股權。普通合夥人須透過委任投資委員會三分之二成員的權力負責管理及監控合夥企業之業務，而凱盛(本公司之附屬公司及合夥企業之有限合夥人)則通過委任投資委員會餘下三分之一成員的權力。對合夥企業之經營及財務政策產生重大影響力。如上所述，儘管本集團擁有合夥企業99%股權，本集團僅對合夥企業之經營及財務政策擁有重大影響力，故此，投資於報告日期於綜合財務狀況表內歸類為於聯營公司之權益。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The following illustrates the summarised financial information of the Group's material associate, the Partnership, extracted from its management accounts which have been adjusted to ensure consistency in accounting policies adopted by the Group.

21. 於聯營公司之權益及應付一間聯營公司款項(續)

以下為本集團重大聯營公司(即合夥企業)之財務資料概要,乃摘錄自其管理賬目(已作調整以確保與本集團採納之會計政策一致)。

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
As at 31 December	於十二月三十一日		
Non-current assets	非流動資產	24,452	109,016
Current assets	流動資產	83,608	-
Current liabilities	流動負債	(10,255)	(8,702)
Net assets	資產淨額	97,805	100,314
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	-	-
Loss for the year	年內虧損	(13,366)	(2,341)
OCI for the year	年內其他全面收益	10,857	5,871
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	(2,509)	3,530

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associates recognised in the consolidated financial statements:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Net assets of the associate	聯營公司之資產淨額	97,805	100,314
Group's interest in the associate	本集團於聯營公司之權益	99.25%	99.25%
Carrying amount of the Group's interest in the associate	本集團於聯營公司之權益之賬面值	97,071	99,562

The financial information of Zhaohua Hefu, which is an immaterial associate of the Group is set out below:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Year ended 31 December	截至十二月三十一日止年度		
The Group's share of profit for the year	本集團應佔年內溢利	438	504
The Group's share of other comprehensive loss for the year	本集團應佔年內其他全面虧損	(91)	(4)
The Group's share of total comprehensive income for the year	本集團應佔年內全面收益總額	347	500

21. 於聯營公司之權益及應付一間聯營公司款項(續)

以上概述的財務資料與綜合財務報表所確認於聯營公司的權益賬面值的對賬如下：

有關兆華合富(為本集團之不重要聯營公司)之財務資料載列如下：

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

22. INTEREST IN A JOINT VENTURE

22. 於一間合營企業之權益

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Share of net assets	應佔資產淨值	5,973	6,248

The particulars of the joint venture of the Group as at 31 December 2018 and 2017 were set out as below:

於二零一八年及二零一七年十二月三十一日，本集團合營企業之詳情如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Particulars of registered capital 註冊資本詳情		Percentage of issued capital held by the Group 本集團所持已發行股本百分比		Place of operation and principal activities 經營地點及主要業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
(1) Henan Chalco Li Chuang Resources Company Limited* ("Henan Chalco") (note) 河南中鋁立創礦業有限公司 (「河南中鋁」) (附註)	PRC, other limited liability company 中國·其他有限責任公司	RMB10,000,000 人民幣 10,000,000元	RMB10,000,000 人民幣 10,000,000元	51%	51%	Sale of alumina in the PRC 於中國銷售氧化鋁

For identification purpose only

僅供識別

Note: Although the Group owned 51% equity interest in Henan Chalco, the Group and the other shareholder of Henan Chalco have joint control over Henan Chalco and none of the participating parties have unilateral control over the economic activity pursuant to the joint venture agreement entered into in July 2012. Therefore, the Group classified the investment in Henan Chalco as a joint venture as at the reporting date.

附註：儘管本集團擁有河南中鋁51%權益，但本集團及河南中鋁之其他股東對河南中鋁有共同控制權，根據二零一二年七月訂立之合營協議，概無參與方就經濟活動有單方面控制權。因此，於報告日期，本集團將河南中鋁之投資分類為合營企業。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

22. INTEREST IN A JOINT VENTURE (continued)

Set out below is the summarised financial information for Henan Chalco which was accounted for using the equity method:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
As at 31 December	於十二月三十一日		
Cash and cash equivalents	現金及現金等值項目	7,810	8,137
Other current assets	其他流動資產	3,901	4,114
Current assets	流動資產	11,711	12,251
Year ended 31 December	截至十二月三十一日止年度		
Interest income	利息收入	101	74
Profit for the year	年內溢利	99	61
Other comprehensive (loss)/income for the year	年內其他全面(虧損)/收益	(639)	859
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	(540)	920

There were no contingent liability or other commitments relating the Group's interest in its joint venture.

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Net assets of the joint venture	合營企業資產淨額	11,711	12,251
Group's interest in the joint venture	本集團於合營企業之權益	51%	51%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益之賬面值	5,973	6,248

22. 於一間合營企業之權益(續)

河南中鋁(以權益法入賬)之財務資料概述如下:

本集團並無就其合營企業產生任何或然負債或其他承諾。

以上概述的財務資料與綜合財務報表所確認於一間合營企業的權益賬面值的對賬如下:

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23. AVAILABLE-FOR-SALE FINANCIAL ASSETS/ FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

23. 可供出售金融資產／按公平值 計入其他全面收入之金融資產

		31 December 2018 HK\$'000 於 二零一八年 十二月三十一日 千港元	1 January 2018 HK\$'000 於 二零一八年 一月一日 千港元	31 December 2017 HK\$'000 於 二零一七年 十二月三十一日 千港元
Non-current	非流動			
Available-for-sale financial assets	可供出售金融資產			
– Unlisted equity securities in the PRC, Beijing Baiyitong Technology Co., Ltd.#	– 於中國非上市股本證券·北京佰鑑通科技有限公司	–	–	710
Financial assets at FVTOCI	按公平值計入其他全面收益之金融資產			
– Unlisted equity securities in the PRC, Beijing Baiyitong Technology Co., Ltd.#	– 於中國非上市股本證券·北京佰鑑通科技有限公司	682	710	–

As at 31 December 2017, the above unlisted equity securities were stated at cost less any identified impairment.

The Group designated the unlisted equity securities at FVTOCI (non-recycling), as the investment is held for long-term strategic purposes. Available-for-sale financial assets were reclassified to financial assets measured at FVTOCI (non-recycling) upon the initial application of HKFRS 9 at 1 January 2018 (note 2(b)).

No dividends were received on this investment during the year (2017: Nil).

For identification purpose only

於二零一七年十二月三十一日，上述非上市股本證券按成本減任何識別減值列示。

本集團指定非上市股本證券按公平值計入其他全面收益(不可劃轉)，因為該投資為持作長期戰略目的。於二零一八年一月一日首次應用香港財務報告準則第9號(附註2(b))後，可供出售金融資產重新分類至按公平值計入其他全面收益計量的金融資產(不可劃轉)。

年內並無就該投資收取任何股息(二零一七年：無)。

僅供識別

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24. INVENTORIES

24. 存貨

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Coal	煤	2,999	12,013
Building materials	建材		
– Raw materials	– 原材料	5,327	–
– Finished goods	– 製成品	13,762	–
Spare parts and consumables	零件及耗材	2,761	2,043
		24,849	14,056

As at 31 December 2018, provision for inventories amounting to approximately HK\$2,021,000 (2017: approximately HK\$1,350,000) were made against those inventories which aged over one year (2017: one year).

於二零一八年十二月三十一日，就賬齡超過一年(二零一七年：一年)的該等存貨計提存貨撥備約2,021,000港元(二零一七年：約1,350,000港元)。

25. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS

25. 應收賬款及票據及合約資產

		31 December 2018 HK\$'000 二零一八年 十二月三十一日 千港元	1 January 2018 HK\$'000 二零一八年 一月一日 千港元	31 December 2017 HK\$'000 二零一七年 十二月三十一日 千港元
Accounts receivable	應收賬款	254,529	257,700	257,700
Bills receivable	應收票據	259,433	–	–
		513,962	257,700	257,700
Less: Allowance for credit losses (note 43(a))	減：信貸虧損撥備 (附註43(a))	(61,313)	(47,942)	(36,360)
Accounts and bills receivables, net of loss allowance (note (a))	應收賬款及票據，扣除 虧損撥備(附註(a))	452,649	209,758	221,340

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

25. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

25. 應收賬款及票據及合約資產 (續)

		31 December 2018 HK\$'000 二零一八年 十二月三十一日 千港元	1 January 2018 HK\$'000 二零一八年 一月一日 千港元	31 December 2017 HK\$'000 二零一七年 十二月三十一日 千港元
Contract assets	合約資產	2,371	-	-
Less: Allowance for credit losses (note 43(a))	減：信貸虧損撥備 (附註43(a))	(451)	-	-
Contract assets, net of loss allowance (note (b))	合約資產，扣除虧損撥備 (附註(b))	1,920	-	-
Total	總計	454,569	209,758	221,340

Upon the initial application of HKFRS 9, an opening adjustment as at 1 January 2018 was made to recognise additional ECLs on accounts receivable (note 2(b)).

於首次應用香港財務報告準則第9號後，已作出於二零一八年一月一日之期初調整以確認應收賬款之額外預期信貸虧損(附註2(b))。

Notes:

附註：

(a) Accounts and bills receivables
During the prior and the current years, the Group discounted part of its trade debtors with full recourse to a financial institution. In the event of default by the debtors, the Group is obliged to pay the financial institution the amount in default. Interest is charged at a range from 3.3% to 4.57% (2017: 3.2% to 4.4%) per annum on the proceeds received from the financial institution until the day the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the discounted debts.

(a) 應收賬款及票據
於本年度及過往年度，本集團將其具有追索權的應收賬款部分貼現予一家金融機構。如債務人違約，本集團有義務向該金融機構支付違約金額。利息就從該金融機構收到的款項按介乎每年3.3%至4.57%（二零一七年：3.2%至4.4%）收取，直至債務人還款為止。因此，本集團就已貼現債務面臨信貸損失及逾期風險。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

25. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Notes: (continued)

(a) Accounts and bills receivables (continued)

The discounting transactions do not meet the requirements in HKFRS 9 (2017: HKAS 39) for derecognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 December 2018, trade debts of approximately HK\$205,500,000 (2017: approximately HK\$195,740,000) continue to be recognised in the Group's consolidated financial statements even though they have been legally transferred to the financial institution. The proceeds of the discounting transactions are included in borrowings as asset-backed financing (note 32) until the trade debts are collected or the Group settles any losses suffered by the financial institution. At 31 December 2018, the asset-backed financial liability amounted to approximately HK\$153,400,000 (2017: approximately HK\$167,925,000).

Because the trade debts have been transferred to the financial institution legally, the Group did not have the authority to determine the disposition of the trade debts.

The Group's sales are billed to customers according to the terms of the relevant agreements. Normally, credit periods for Coal Business ranging from 30 to 180 days (2017: 30 to 180 days) are allowed to certain customers. While relatively longer credit period will be granted to customers of Building Materials Business depending on the completion of the contract.

The ageing analysis of the accounts receivable of the Group, net of loss allowance, based on the invoice dates as at 31 December 2017 is as follows:

25. 應收賬款及票據及合約資產 (續)

附註：(續)

(a) 應收賬款及票據 (續)

貼現交易不符合香港財務報告準則第9號(二零一七年：香港會計準則第39號)終止確認金融資產的規定，原因是本集團保留已貼現應收賬款的絕大部分風險及回報。於二零一八年十二月三十一日，應收賬款約205,500,000港元(二零一七年：約195,740,000港元)繼續於本集團綜合財務報表中確認，儘管在法律上已轉讓予該金融機構。貼現交易所得款項作為資產支持融資計入借貸(附註32)，直到應收賬款已收回或本集團結算該金融機構受到的任何損失為止。於二零一八年十二月三十一日，資產支持金融負債約153,400,000港元(二零一七年：約167,925,000港元)。

由於應收賬款已合法轉讓予該金融機構，本集團不再有權決定應收賬款的狀況。

本集團根據有關協議條款向客戶開具銷售發票。就煤炭業務向若干客戶授予之信貸期一般介乎30日至180日(二零一七年：30日至180日)。而視乎合約完成情況授予建材業務客戶之信貸期相對較長。

於二零一七年十二月三十一日，本集團之應收賬款(扣除減值撥備)按發票日期計算之賬齡分析如下：

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25. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Notes: (continued)

(a) Accounts and bills receivables (continued)

0 – 90 days	0至90日
91 – 180 days	91至180日
181 – 365 days	181至365日
Over 365 days	超過365日

25. 應收賬款及票據及合約資產 (續)

附註：(續)

(a) 應收賬款及票據 (續)

2017
HK\$'000
二零一七年
千港元

0 – 90 days	0至90日	88,074
91 – 180 days	91至180日	109,332
181 – 365 days	181至365日	–
Over 365 days	超過365日	23,934
		221,340

Details of impairment assessment of accounts and bills receivables for the year ended 31 December 2018 are set out in note 43(a).

The ageing analysis of the accounts and bills receivables and contract assets of the Group, net of loss allowance, based on the due dates is as follows:

截至二零一八年十二月三十一日止年度的應收賬款及票據減值評估詳情載於附註43(a)。

本集團於到期日期應收賬款及票據及合約資產(扣除虧損撥備)之賬齡分析如下：

		31 December 2018 HK\$'000 二零一八年 十二月三十一日 千港元	1 January 2018 HK\$'000 二零一八年 一月一日 千港元	31 December 2017 HK\$'000 二零一七年 十二月三十一日 千港元
Neither past due nor impaired	未逾期且未減值	295,396	186,428	195,221
Past due for less than 3 months	逾期少於三個月	85,354	2,081	2,184
Past due for more than 3 months but less than 6 months	逾期三個月以上但少於六個月	47,297	–	–
Past due for more than 6 months but less than 1 year	逾期六個月以上但少於一年	26,522	17,246	19,353
Past due for more than 1 year	逾期一年以上	–	4,003	4,582
		454,569	209,758	221,340

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25. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Notes: (continued)

(a) Accounts and bills receivables (continued)

Accounts and bills receivables that were neither past due nor impaired related to customers for whom there was no recent history of default.

Accounts and bills receivables that were past due but not impaired related to customers that had been the Group's customers for more than 1 year and had a good track record of credit with the Group with no history of default in the past. Based on past credit history, 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 to be fully recoverable. The Group did not hold any collateral in respect of accounts and bills receivables past due but not impaired.

(b) Contract assets

Typical payment terms which impact on the amount of contract assets recognised are as follows:

– **Building materials contracts**

Certain of the Group's building materials contracts include payment schedules which require stage payments over the construction period once milestones are reached. For major building materials contracts, the Group general receives certain deposits payable up front, which is negotiated on a case by case basis with customers, and this has resulted in a contract liability at early stages of the projects. However, for major building materials contracts the Group also typically agrees to a retention period for 1% to 16% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

Significant increase in contract assets is the result of the acquisition of Building Materials Business on 3 January 2018.

Details of impairment assessment of contract assets for the year ended 31 December 2018 are set out in note 43(a).

25. 應收賬款及票據及合約資產 (續)

附註：(續)

(a) 應收賬款及票據 (續)

未逾期且未減值之應收賬款及票據與近期無欠款記錄之客戶有關。

已逾期但未減值之應收賬款及票據涉及為本集團客戶超過1年、與本集團有良好往績信用記錄，且過往並無拖欠歷史之客戶。根據過往信用記錄，鑑於信用質素並無發生重大變動，且結餘仍被視為將可全額收回，管理層相信無須就該等結餘作出任何減值撥備。本集團未就該等已逾期但未減值之應收賬款及票據持有任何抵押。

(b) 合約資產

對經確認合約資產金額構成影響的一般支付條款如下：

– **建材合約**

本集團的若干建材合約包括建築期間要求分階段付款的付款進度（一旦進程達標）。就主要建材合約而言，本集團一般收取若干先期應付按金，乃通過逐個項目與客戶磋商而定，及由此導致於項目初期產生合約負債。然而，對於主要建材合約，本集團亦通常同意就1%至16%的合約價值設有一個保留期。因本集團取得此最終款項的權利於本集團工程完滿通過檢測後方可作實，故此金額計入合約資產，直至保留期結束為止。

合約資產大幅增長乃因於二零一八年一月三日收購建材業務。

截至二零一八年十二月三十一日止年度的合約資產減值評估詳情載於附註43(a)。

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

26. 預付款項、按金及其他應收款項

		31 December 2018 HK\$'000 於 二零一八年 十二月三十一日 千港元	1 January 2018 HK\$'000 於 二零一八年 一月一日 千港元	31 December 2017 HK\$'000 於 二零一七年 十二月三十一日 千港元
Prepayments	預付款項	10,107	3,695	3,695
Deposits	已付按金	11,775	334,933	334,933
Other receivables	其他應收款項	8,127	90,467	90,467
		30,009	429,095	429,095
Provision for impairment (note 43(a))	減值撥備(附註43(a))	(5,529)	(79,094)	(49,806)
		24,480	350,001	379,289

Upon the initial application of HKFRS 9, an opening adjustment as at 1 January 2018 was made to recognise additional ECLs on other receivables (note 2(b)).

於首次應用香港財務報告準則第9號後，已作出於二零一八年一月一日之期初調整以確認其他應收款之額外預期信貸虧損(附註2(b))。

As at 31 December 2017, the balances of deposits included approximately HK\$282,085,000 and HK\$52,568,000 paid to Henan Jiatio Coal Trading Company Limited# (河南嘉拓煤炭運銷有限公司), the major supplier under the “trading of purchased coal” operation (the “Major Supplier”), and Henan Yulian Energy Group Company Limited# (河南豫聯能源集團有限公司) as deposits for purchase of trading coal in the subsequent period. Since no transaction with these suppliers carried out eventually as the Group sourced the coal supplies from other suppliers and accordingly, the deposits were fully refunded to the Group during the year ended 31 December 2018.

於二零一七年十二月三十一日，按金餘額包括已分別支付予河南嘉拓煤炭運銷有限公司(為「購入煤炭貿易」業務的主要供應商(「主要供應商」))及河南豫聯能源集團有限公司，作為隨後期間購買貿易煤炭的按金約282,085,000港元及約52,568,000港元。自最終並無與該等供應商進行交易，原因是本集團已從其他供應商採購煤炭供應，因此，按金已於截至二零一八年十二月三十一日止年度悉數退還予本集團。

Details of impairment assessment of deposits and other receivables for the year ended 31 December 2018 are set out in note 43(a).

截至二零一八年十二月三十一日止年度的按金及其他應收款項減值評估詳情載於附註43(a)。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

27. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Pledged and restricted bank deposits

The effective interest rates of the pledged bank deposits are at 0.31% (2017: 3.95%) per annum. As at 31 December 2018, pledged bank deposits are used to secured bills payables (note 28) and letter of credit (note 32(b)) (2017: bills payables) of the Group as at 31 December 2018.

Certain bank deposits of approximately HK\$1,621,000 (2017: Nil) were restricted for use in relation to the administrative proceedings.

(b) Cash and cash equivalents

As at 31 December 2018, included in cash and cash equivalents of the Group is approximately HK\$33,377,000 (2017: approximately HK\$150,321,000) of bank balances denominated in RMB placed with the banks in the PRC. RMB is not a freely convertible currency; however, under the PRC'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 the banks authorised to conduct foreign exchange business in the PRC.

27. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料

(a) 已抵押及受限制銀行存款

已抵押銀行存款的實際利率為每年0.31% (二零一七年：3.95%)。於二零一八年十二月三十一日，已抵押銀行存款用於擔保本集團於二零一八年十二月三十一日的應付票據(附註28)及信用證(附註32(b))(2017：應付票據)。

若干銀行存款約1,621,000港元(二零一七年：無)因行政程序其使用受到限制。

(b) 現金及現金等值項目

於二零一八年十二月三十一日，本集團現金及現金等值項目包括以人民幣列賬並存放於國內銀行之銀行結餘約33,377,000港元(二零一七年：約150,321,000港元)。人民幣並非可自由匯兌之貨幣；然而，根據中國之外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准許透過中國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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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

27. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

27. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料(續)

(c) Reconciliation of liabilities from financing activities

(c) 融資活動所產生的負債對賬

The table below details changes in the Group's major liabilities from financing activities, including both cash and non-cash changes.

下表詳述本集團融資活動所產生的主要負債變動，包括現金流量及非現金流量導致的變動。

		Bank and other loans (note 32) HK\$'000	Amounts due to and loans from shareholders (note 29) HK\$'000	Amounts due to related parties included in other payables and accruals (note 30) HK\$'000	Amount due to an associate (note 21) HK\$'000	Total HK\$'000
		銀行及其他貸款 (附註32) 千港元	應付股東款項及來自股東貸款 (附註29) 千港元	包括於其他應付款項及應計費用之應付其他關連方款項 (附註30) 千港元	應付一間聯營公司款項 (附註21) 千港元	總計 千港元
At 1 January 2017	於二零一七年一月一日	473,221	7,951	6,835	92,593	580,600
Changes from financing activities:	融資活動產生的變動:					
Proceeds from bank loans	銀行貸款之所得款項	868,290	-	-	-	868,290
Repayments of bank loans	償還銀行貸款	(770,295)	-	-	-	(770,295)
Proceeds from other loan	其他貸款所得款項	34,451	-	-	-	34,451
Repayments of other loan	償還其他借款	(115)	-	-	-	(115)
Proceeds from a director's loan	一名董事貸款所得款項	-	8,000	-	-	8,000
Proceeds from loans of Mr. Bao	包先生貸款所得款項	-	24,577	-	-	24,577
Advance from a family member of Mr. Bao	包先生家庭成員提供的墊款	-	-	208	-	208
Repayments to a family member of Mr. Bao	償還包先生近親屬款項	-	-	(450)	-	(450)
Total changes from financing cash flows	融資現金流量產生的變動總額	132,331	32,577	(242)	-	164,666
Other change:	其他變動:					
Exchange realignment	匯兌調整	41,348	569	506	6,996	49,419
At 31 December 2017	於二零一七年十二月三十一日	646,900	41,097	7,099	99,589	794,685

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27. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

27. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料(續)

(c) Reconciliation of liabilities from financing activities (continued)

(c) 融資活動所產生的負債對賬(續)

		Bank and other loans (note 32) HK\$'000	Amounts due to and loans from shareholders (note 29) HK\$'000	Amounts due to related parties included in other payables and accruals (note 30) HK\$'000 包括於其他應付款項及應計費用之應付其他關連方款項 (附註30)	Amount due to an associate (note 21) HK\$'000 應付一間聯營公司款項 (附註21)	Total HK\$'000 總計 千港元
At 1 January 2018	於二零一八年一月一日	646,900	41,097	7,099	99,589	794,685
Changes from financing activities:	融資活動產生的變動:					
Proceeds from bank loans	銀行貸款之所得款項	207,618	-	-	-	207,618
Repayments of bank loans	償還銀行貸款	(182,704)	-	-	-	(182,704)
Proceeds from other loans	其他貸款所得款項	201,975	-	-	-	201,975
Repayments of other loans	償還其他貸款	(37,584)	-	-	-	(37,584)
Proceeds from loans from shareholders	來自股東貸款之所得款項	-	94,800	-	-	94,800
Repayments of loans from shareholders	股東償還貸款之所得款項	-	(29,660)	-	-	(29,660)
Repayment to shareholders	向股東還款	-	(31,962)	-	-	(31,962)
Repayments to related parties	向關連人士還款	-	-	(109,669)	-	(109,669)
Repayment to an associate	向一間聯營公司還款	-	-	-	(79,785)	(79,785)
Total changes from financing cash flows	融資現金流量產生的變動總額	189,305	33,178	(109,669)	(79,785)	33,029
Other changes:	其他變動:					
Exchange realignment	匯兌調整	(42,701)	(2,214)	(330)	(5,164)	(50,409)
Addition through acquisition of subsidiaries (note 38)	透過收購附屬公司添置(附註38)	47,060	-	103,070	-	150,130
Discount at inception of loans from shareholders	來自股東貸款之初始折現值	-	(17,185)	-	-	(17,185)
Imputed interest of loans from shareholders	來自股東貸款估算利息	-	8,750	-	-	8,750
Total other changes	其他變動總額	4,359	(10,649)	102,740	(5,164)	91,286
At 31 December 2018	於二零一八年十二月三十一日	840,564	63,626	170	14,640	919,000

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28. ACCOUNTS AND BILLS PAYABLES

Accounts payable 應付賬款
Bills payable 應付票據

The bills payable were mainly issued to the Major Supplier for the “trading of purchased coal” operation.

The Group was granted by its certain suppliers with credit periods normally ranging from 30 to 90 days (2017: 30 to 90 days). The ageing analysis of accounts payable of the Group presented based on the invoice dates was as follows:

0 – 90 days 0至90日
91 – 180 days 91至180日
181 – 365 days 181至365日
Over 365 days 超過365日

As at 31 December 2018, bills payable of approximately HK\$485,851,000 (2017: approximately HK\$694,928,000) were secured by the pledged bank deposits of the Group amounting to approximately HK\$461,487,000 (2017: approximately HK\$616,880,000) (note 27(a)).

28. 應付賬款及票據

2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
50,349	10,665
607,783	807,198
658,132	817,863

應付票據主要因「購入煤炭貿易」業務而向主要供應商河南嘉拓煤炭運銷有限公司發出。

若干供應商向本集團授予一般介乎30至90日(二零一七年: 30至90日)之賒賬期。於報告日期, 按發票日期呈報之本集團應付賬款之賬齡分析如下:

2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
21,493	1,995
3,779	1,162
19,299	145
5,778	7,363
50,349	10,665

於二零一八年十二月三十一日, 應付票據約485,851,000港元(二零一七年: 約694,928,000港元)以本集團已抵押銀行存款約461,487,000港元(二零一七年: 約616,880,000港元)作為抵押(附註27(a))。

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28. ACCOUNTS AND BILLS PAYABLES

(continued)

As at 31 December 2018, bills payable of approximately HK\$152,387,000 (2017: approximately HK\$164,802,000) were guaranteed by Henan Zhongfu Industrial Company Limited* (河南中孚實業股份有限公司) or its subsidiaries (collectively referred to as “**Zhongfu Group**”), the major customer under the “trading of purchased coal” operation (the “**Major Customer**”).

As at 31 December 2017, bills payable of approximately HK\$72,044,000 were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and/or the Major Customer, which were fully settled during the year ended 31 December 2018.

* For identification purpose only

28. 應付賬款及票據(續)

於二零一八年十二月三十一日，應付票據約152,387,000港元(二零一七年：約164,802,000港元)由河南中孚實業股份有限公司或其附屬公司(統稱「中孚集團」)(為「購入煤炭貿易」業務的主要客戶(「主要客戶」))擔保。

於二零一七年十二月三十一日，應付票據約72,044,000港元由包先生、包先生的配偶及／或該主要客戶共同擔保，且於截至二零一八年十二月三十一日止年度悉數結償。

29. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS

29. 應付股東款項及來自股東貸款

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Current	流動		
Amounts due to shareholders (note (a))	應付股東款項(附註(a))	9,135	41,097
Non-current	非流動		
Loans from shareholders (note (b))	來自股東貸款(附註(b))	54,491	–
		63,626	41,097

Notes:

(a) Current portion of amounts due to shareholders
The balance of current portion of amounts due to shareholders as at 31 December 2018 included the followings:–

- (i) Balances amounting to approximately HK\$1,297,000 (2017: approximately HK\$16,047,000) were advanced from Mr. Yang Hua, a shareholder of the Company, who was also a director of the Company till 8 February 2018 and chief executive of the Company till 31 December 2018; and

附註：

(a) 應付股東款項之流動部分
於二零一八年十二月三十一日，應付股東款項的流動部分餘額包括以下各項：–

- (i) 楊華先生(為本公司股東，於二零一八年二月八日前亦為本公司董事及於二零一八年十二月三十一日止為本公司行政總裁)提供的餘額約1,297,000港元(二零一七年：約16,047,000港元)；及

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29. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS (continued)

Notes: (continued)

- (a) Current portion of amounts due to shareholders (continued)
- (ii) Balance amounting to approximately HK\$7,838,000 (2017: approximately HK\$25,050,000) were advanced from Mr. Bao.

These balances are unsecured, interest-free and repayable on demand.

- (b) Non-current portion of loans from shareholders
- On 14 February 2018, the Group entered into loan agreements with Mr. Bao, Mr. Zhang and Mr. Li, all of them are shareholders of the Company in which Mr. Bao and Mr. Li are also directors of the Company. Pursuant to the loan agreements, these shareholders agreed to provide unsecured and interest-free loan with an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$683,100,000) for a term of three years to the Group. The loans are repayable in full or by instalment to further negotiations, within 36 months of the drawdown date. During the year, aggregate loans amounting to RMB80,000,000 (equivalent to approximately HK\$94,800,000) have been advanced from Mr. Bao, Mr. Zhang and Mr. Li, these loans will be repayable in full within 36 months since the drawdown date. The effective interest rate at 6.90% for imputed interest expense for these interest-free loans is determined based on the cost-of-funds of the Group per annum. Movement has shown as below:

29. 應付股東款項及來自股東貸款 (續)

附註：(續)

- (a) 應付股東款項之流動部分 (續)
- (ii) 約7,838,000港元 (二零一七年：約25,050,000港元)的餘額由包先生提供。

該等餘額為無抵押、免息及須按的要求償還。

- (b) 來自股東貸款之非流動部分
- 於二零一八年二月十四日，本集團與包先生、張先生及李先生 (均為本公司股東，包先生及李先生亦為本公司董事) 訂立貸款協議。根據貸款協議，該等股東同意向本集團提供總額人民幣600,000,000元 (相當於約683,100,000港元) 的無抵押免息貸款，為期三年。貸款須於提取日期起36個月內全部償還或分期償還 (須進一步磋商)。於本年度，貸款總額約人民幣80,000,000元 (相當於約94,800,000港元) 的貸款由包先生、張先生及李先生提供，該等貸款須於提取日期起36個月內悉數償還。該等免息貸款的估算利息開支之實際利率按6.90%基於本集團每年的資金成本釐定。變動列於下文：

		HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	-
Proceeds from shareholders' loans	股東貸款所得款項	94,800
Discount at inception (note (i))	初始折現值 (附註(i))	(17,185)
Early settlement by the Group (note (ii))	本集團提早結算 (附註(ii))	(29,660)
Unwinding of imputed interest (note (i))	估算利息回撥 (附註(i))	8,750
Exchange realignment	匯兌調整	(2,214)
At 31 December 2018	於二零一八年十二月三十一日	54,491

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29. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS (continued)

Notes: (continued)

(b) Non-current portion of loans from shareholders (continued)

Notes:

- (i) The discount of the loans from shareholders at inception was recognised as deemed capital contribution from shareholders as other reserves in the equity of the Group (note 36(a)(iii)). The corresponding unwinding of imputed interest is recognised as finance costs in the consolidated income statement of the Group (note 7).
- (ii) During the year, the Group voluntary repaid RMB25,000,000 (equivalent to approximately HK\$29,660,000) to the shareholders.

29. 應付股東款項及來自股東貸款 (續)

附註：(續)

(b) 來自股東貸款之非流動部分 (續)

附註：

- (i) 於股東貸款之初的折讓確認為股東作為本集團權益中的其他儲備所作資本貢獻(附註36(a)(iii))。估算利息的相應解除於本集團綜合收益表確認為融資成本(附註7)。
- (ii) 年內，本集團自願向股東償還人民幣25,000,000元(相當於約29,660,000港元)。

30. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED

30. 其他應付款項、應計費用及應收按金

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Current	流動		
Accruals	應計費用	293,640	198,757
Other payables (note (a))	其他應付款項(附註(a))	243,774	216,068
Contract liabilities/receipts in advance (note (b))	合約負債/預收款項(附註(b))	13,247	43,253
Deferred income (note 33)	遞延收入(附註33)	786	-
		551,447	458,078
Non-current	非流動		
Deposit received (note (c))	已收按金(附註(c))	2,165	-
		553,612	458,078

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30. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes:

(a) The balances of other payables as of 31 December 2018 included the followings:-

- (i) The balance amounting to approximately HK\$170,000 (2017: approximately HK\$7,099,000) was advanced from a family member of Mr. Bao;
- (ii) As at 31 December 2017, the balance amounting to approximately HK\$22,814,000 was advanced from Gongyi Hotel Company Limited# (鞏義市賓館有限公司) (“Gongyi”). In the opinion of the directors of the Company, Gongyi is an independent third party. During the year ended 31 December 2018, the balance was fully settled;
- (iii) The balance amounting to approximately HK\$6,986,000 (2017: Nil) was advanced from an individual. In the opinion of the directors of the Company, the individual is an independent third party; and
- (iv) The remaining balances of approximately HK\$236,618,000 (2017: approximately HK\$186,155,000) mainly comprises accrued coal mines related removal and relocation expenses, payables to suppliers for acquisition of property, plant and equipment and certain miscellaneous expenses payables.

These balances are unsecured, interest-free and repayable on demand or within one year.

(b) At 31 December 2018, receipts in advance from customers are contract liabilities and the Group is required to refund to the customers if the customers cancel the orders. However, the Group does not expect to refund any of the advance payments. The Group does not separately presented this item on the consolidated statement of financial position as, in the opinion of directors of the Company, the amount involved was not material.

30. 其他應付款項、應計費用及應收按金(續)

附註:

(a) 截至二零一八年十二月三十一日，其他應收款項餘額包括以下各項：—

- (i) 約170,000港元(二零一七：約7,099,000港元)的餘額由包先生的一名家庭成員提供；
- (ii) 於二零一七年十二月三十一日，約22,814,000港元的餘額由鞏義市賓館有限公司(「鞏義」)提供。本公司董事會認為，鞏義為獨立第三方。截至二零一八年十二月三十一日止年度，餘額已悉數結償；
- (iii) 約6,986,000港元(二零一七年：零港元)的餘額由一名個人提供。本公司董事會認為，該個人為獨立第三方；及
- (iv) 餘額約236,618,000港元(二零一七年：約186,155,000港元)主要包括就應計煤礦相關拆除及搬遷開支、收購物業、廠房及設備應付供應商款項及若干應付雜項開支。

該等餘額為無抵押、免息及須按要求償還或於一年內償還。

(b) 於二零一八年十二月三十一日，預收客戶款項為合約負債及本集團須於客戶取消訂單時退還予客戶。然而，本集團預期並無退還任何預收款項。由於本公司董事認為，所涉金額並不重大，故本集團並未於綜合財務狀況表內單獨呈列該項目。

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30. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes: (continued)

(b) (continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

- Coal business contracts
When the Group receives a deposit before the customers obtain the coal from the predetermined location, this will give rise to contract liabilities, until the revenue recognised exceeds the amount of the deposit. The Group typically receives certain deposit on acceptance of coal sales orders, which is negotiated on a case by case basis with customers.
- Building materials contracts
For major building materials contracts, the Group generally receives certain deposit from customers when they sign the building materials contracts, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

The significant decrease in contract liabilities in the year ended 31 December 2018 was mainly due to more advances received from customers in prior year which was recognised as revenue during the year.

Movements in contract liabilities

		HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	43,253
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	計入年初合約負債的年內確認收入產生的合約負債減少	(36,470)
Increase of receipts in advance from customers	客戶預收款項增加	1,575
Addition through acquisition of subsidiaries	透過收購附屬公司添置	7,131
Exchange realignment	匯兌調整	(2,242)
At 31 December 2018	於二零一八年十二月三十一日	13,247

30. 其他應付款項、應計費用及應收按金(續)

附註：(續)

(b) (續)

對已確認合約負債金額構成已更新的一般付款條款載列如下：

- 煤炭業務合約
當本集團於客戶自預定地點收到煤炭前收到按金時，這將產生合約負債，直至已確認收入超過按金款項。本集團一般於接納煤炭銷售訂單後收取若干按金，且按個案基準與客戶磋商。
- 建材合約
就主要建材合約而言，本集團一般客戶簽訂建材合約時收取若干按金，且按個案基準與客戶磋商。該等按金確認為合約負債，直至所確認收入超過按金金額。

於二零一八年十二月三十一日止年度，合約負債大幅減少主要是由於上年度收到的客戶預付款更多，並於年內確認為收入。

合約負債的變動

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30. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes: (continued)

- (c) One of the subsidiaries of the Company entered into a rental agreement with an independent third party to lease its certain property, plant and equipment for a lease term of 10 years. Pursuant to the rental agreement, the independent third party paid RMB4,000,000 (equivalent to approximately HK\$4,554,000) to that subsidiary as a deposit. The deposit is refundable at the end of the lease term. The effective interest rate at 7.91% for imputed interest expense for this deposit is determined based on the cost-of-funds of that subsidiary per annum.

30. 其他應付款項、應計費用及應收按金(續)

附註：(續)

- (c) 本公司一間附屬公司與一名獨立第三方訂立租賃協議，以出租其若干物業、廠房及設備，租期為10年。根據租賃協議，獨立第三方已向該附屬公司支付人民幣4,000,000元（相當於約4,554,000港元），作為按金。該按金可於租期結束時退還。該按金的估算利息開支的實際利率7.91%基於該附屬公司每年的資金成本釐定。

		HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	-
Deposit received	已收按金	4,554
Discount at inception (note 6)	初始折現值(附註6)	(2,458)
Unwinding of imputed interest (note 7)	估算利息回撥(附註7)	72
Exchange realignment	匯兌調整	(3)
At 31 December 2018	於二零一八年十二月三十一日	2,165

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僅供識別

31. PROVISION FOR RECLAMATION OBLIGATIONS

31. 開墾費用撥備

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
At 1 January	於一月一日	99,480	90,222
Provision made during the year	年內撥備	6,087	2,345
Exchange realignment	匯兌調整	(5,403)	6,913
At 31 December	於十二月三十一日	100,164	99,480

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

31. PROVISION FOR RECLAMATION OBLIGATIONS (continued)

Provision for land restoration, environmental restoration and safety costs pursuant to the relevant PRC regulations and current mining activities are determined by management based on their best estimates. However, the estimate of the associated costs may be subject to change in the near term in view of the effect of land and the environment from current mining activities becomes apparent in future periods. The amounts provided in relation to restoration and safety costs are reviewed regularly based upon the facts and circumstances available at the time and the provisions are updated accordingly.

31. 開墾費用撥備(續)

根據相關中國規例及現時採礦業務所作之土地復原、環境復原及安全成本之撥備由管理層按最佳估計而釐訂。然而，鑒於現時之採礦活動對土地及環境影響之程度於未來期間變得明顯，相關成本之估計在短期內或會有變動。有關復原及安全成本之撥備金額按當時所知事實及情況定期進行撥備，並相應地更新撥備。

32. BANK AND OTHER LOANS

32. 銀行及其他貸款

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Current	流動		
Bank loans (note (a))	銀行貸款(附註(a))	563,257	610,998
Other loans (note (b))	其他貸款(附註(b))	198,943	2,521
		762,200	613,519
Non-current	非流動		
Bank loans (note (a))	銀行貸款(附註(a))	51,232	–
Other loans (note (b))	其他貸款(附註(b))	27,132	33,381
		78,364	33,381
		840,564	646,900

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

32. BANK AND OTHER LOANS (continued)

Detail annual effective contractual interest rate and maturity is as below:

		2018 二零一八年			2017 二零一七年		
		Annual effective contractual interest rate 實際合約 年利率 (%)	Maturity 到期	HK\$'000 千港元	Annual effective contractual interest rate 實際合約 年利率 (%)	Maturity 到期	HK\$'000 千港元
Current	流動						
Secured	有抵押	3.30% – 4.57%	on demand 須按要求	153,400	3.20% – 4.35%	on demand 須按要求	119,895
Secured	有抵押	5.87% – 8.00%	2019 二零一九年	295,715	4.35% – 8.00%	2018 二零一八年	110,588
Unsecured	無抵押	4.85% – 10.43%	on demand 須按要求	170,774	4.79% – 10.68%	on demand 須按要求	204,126
Unsecured	無抵押	1.20% – 12.80%	2019 二零一九年	142,311	4.79% – 13.64%	2018 二零一八年	178,910
				762,200			613,519
Non-current	非流動						
Secured	無抵押	5.87% – 8.00%	2020 – 2021 二零二零年 至二零二一年	78,364	8.00%	2019 – 2020 二零一九年 至二零二零年	33,381
				840,564			646,900

Notes:

- (a) As at 31 December 2018, bank loans of approximately HK\$153,400,000 (2017: approximately HK\$167,925,000) were secured by certain accounts receivable (note 25) and certain mining rights of the Group (note 18). A bank loan of approximately HK\$56,925,000 (2017: approximately HK\$60,037,000) was secured by a mining right of the Group (note 18).

As at 31 December 2018, bank loans of approximately HK\$273,238,000 (2017: approximately HK\$256,959,000) were guaranteed by the Major Customer.

附註:

- (a) 於二零一八年十二月三十一日，銀行貸款約153,400,000港元（二零一七年：約167,925,000港元）以若干應收賬款（附註25）及本集團若干採礦權（附註18）抵押。銀行貸款約56,925,000港元（二零一七年：約60,037,000港元）以本集團的採礦權抵押（附註18）。

於二零一八年十二月三十一日，銀行貸款約273,238,000港元（二零一七年：約256,959,000港元）由該主要客戶擔保。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

32. BANK AND OTHER LOANS (continued)

Notes: (continued)

(a) (continued)

As at 31 December 2018, no bank loans (2017: approximately HK\$96,059,000) were jointly guaranteed by Mr. Bao directly/indirectly and the Major Customer.

As at 31 December 2018, bank loans of approximately HK\$142,015,000 (2017: approximately HK\$149,914,000) were jointly guaranteed by Mr. Bao, the spouse of Mr. Bao and the Major Customer.

As at 31 December 2018, bank loans of approximately HK\$96,772,000 (2017: Nil) were secured by land use rights (note 16) and jointly guaranteed by Mr. Zhang and Henan Minan Real Estate Development Company Limited* (河南民安房地產開發有限公司), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang.

(b) On 25 and 26 June 2018, the Group entered into agreements with a financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain machinery and equipment under production of building materials (the "Machinery and Equipment I") to the financing company as disclosed in note 15, at an aggregate consideration of approximately RMB169,660,000 (equivalent to approximately HK\$193,140,000) and lease back the Machinery and Equipment I for a period of 1 year, subject to the terms and conditions of the agreements. The transaction was completed in June 2018. The financing company will return the ownership of the Machinery and Equipment I to the Group if all the rental fee has been settled fully. Despite the agreements involve a legal form of a lease, the Group accounted for the agreements as collateralised loan according with the actual substance of such agreements. This loan was secured by stand by letter of credit issued by a bank for RMB170,000,000 (equivalent to approximately HK\$193,543,000).

32. 銀行及其他貸款(續)

附註：(續)

(a) (續)

於二零一八年十二月三十一日，銀行貸款零港元(二零一七年：約96,059,000港元)由包先生直接/間接及該主要客戶共同擔保。

於二零一八年十二月三十一日，銀行貸款約142,015,000港元(二零一七年：約149,914,000港元)由包先生、包先生的配偶及該主要客戶共同擔保。

於二零一八年十二月三十一日，銀行貸款約96,772,000港元(二零一七年：無)以土地使用權(附註16)抵押，並由張先生與河南民安房地產開發有限公司(為於中國註冊成立並由張先生實益擁有及控制的實體)共同擔保。

(b) 於二零一八年六月二十五日及二十六日，本集團與一間融資公司(為獨立第三方)訂立協議，據此，本集團已同意將若干生產建材的機器及設備(「機器及設備一」)的所有權轉讓予該融資公司(如附註15所披露)，總代價為約人民幣169,660,000元(相當於約193,140,000港元)，並租回機器及設備一，期限一年(受限於該協議的條款及條件)。該交易於二零一八年六月完成。倘所有租賃費用已悉數結清，融資公司將機器和設備一的擁有權歸還予本集團。儘管該協議涉及租賃的法律形式，但本集團根據該等協議的實質將該協議列賬為抵押貸款。該貸款以銀行簽發的人民幣170,000,000元(相當於約193,543,000港元)之備用信用證作抵押。

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32. BANK AND OTHER LOANS (continued)

Notes: (continued)

(b) (continued)

On 6 July 2017, the Group entered into an agreement with another financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain mining machinery and equipment (the “**Machinery and Equipment II**”) to the financing company as disclosed in note 15, at a consideration of RMB30,000,000 (equivalent to approximately HK\$34,155,000) and lease back the Machinery and Equipment II for a period of 3 years, subject to the terms and conditions of the agreement. The transaction was completed in July 2017. Upon discharging all the Group’s obligations under the agreement, the financing company will return the ownership of the Machinery and Equipment II to the Group for a nominal amount of RMB1. Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement.

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33. DEFERRED INCOME

32. 銀行及其他貸款(續)

附註：(續)

(b) (續)

於二零一七年七月六日，本集團與另一間融資公司（為獨立第三方）訂立一份協議，據此，本集團已同意將若干採礦機器及設備（「**機器及設備二**」）的所有權轉讓予該融資公司（如附註15所披露），代價為人民幣30,000,000元（相當於約34,155,000港元），並租回機器及設備二，期限三年（受限於該協議的條款及條件）。該交易於二零一七年七月完成。在本集團於該協議項下所有義務履行後，該融資公司將以人民幣1元的名義金額將機器及設備的擁有權歸還予本集團。儘管該協議涉及租賃法律形式，但本集團根據該協議的實質將該協議作為抵押貸款入賬。

僅供識別

33. 遞延收入

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Net carrying amount at 1 January	於一月一日之賬面淨值	—	—
Additions through acquisition of subsidiaries (note 38)	透過收購附屬公司添置（附註38）	5,164	—
Amortisation for the year	年內攤銷	(1,115)	—
Exchange realignment	匯兌調整	(121)	—
Net carrying amount at 31 December	於十二月三十一日之賬面淨值	3,928	—
Less: Current portion (included in other payables and accruals (note 30))	減：流動部分（包括於其他應付款項及應計費用（附註30））	(786)	—
Non-current portion	非流動部分	3,142	—

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33. DEFERRED INCOME (continued)

The Group received government subsidies for capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

34. DEFERRED TAX

As at 31 December 2018, all tax losses and deductible temporary differences of the Group have no expiry dates under the current tax legislation except for the tax losses amounting to approximately HK\$349,624,000 (2017: approximately HK\$448,582,000) incurred by three subsidiaries in the PRC, which will expire after 5 years from the year in which the losses were incurred. The Group has taxable losses arising in Hong Kong of approximately HK\$1,080,000 (2017: approximately HK\$1,252,000). The unused tax losses are subject to the approval by the respective local tax authorities. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profits streams.

Movement in deferred tax liabilities/(assets) during the year is as follows:

33. 遞延收入(續)

本集團就所產生的有關廠房及機器的資本開支收取政府補貼。該款項已於各資產的估計可使用年期內遞延及攤銷。

34. 遞延稅項

於二零一八年十二月三十一日，根據現時稅務條例，本集團所有稅項虧損及可扣減暫時性差異並無屆滿期，三家中國附屬公司產生的金額約349,624,000港元(二零一七年：約448,582,000港元)的稅項虧損除外，其將於虧損產生年度起計五年後屆滿。本集團於香港產生應課稅虧損約1,080,000港元(二零一七年：約1,252,000港元)。未動用稅項虧損須獲各當地稅務部門批准。由於未能預計未來溢利來源，因此並無就該等虧損確認遞延稅項資產。

年內遞延稅項負債/(資產)之變動如下：

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34. DEFERRED TAX (continued)

34. 遞延稅項(續)

		Impairment of mining rights and property, plant and equipment HK\$'000	Amortisation allowance on mining rights for tax purpose in excess of related amortisation for accounting purpose HK\$'000	Fair value adjustments on property, plant and equipment, prepaid land lease payments and inventories arising from the acquisition of subsidiaries HK\$'000	ECL on accounts receivables and contract assets HK\$'000	Others HK\$'000	Total HK\$'000
		採礦權及物業、廠房及設備減值 千港元	就稅務用途而言的採礦權攤銷撥備(超過就會計用途而言的相關攤銷) 千港元	就物業、廠房及設備、預付土地租賃付款及因收購附屬公司而產生之存貨之公平值調整 千港元	就應收賬款及票據及合約資產之預期信貸虧損 千港元	其他 千港元	總計 千港元
At 1 January 2017	於二零一七年一月一日	(28,079)	28,079	-	-	-	-
(Credited)/charged to profit or loss (note 9)	(貸記)/借記入損益(附註9)	(1,640)	1,640	-	-	-	-
Exchange realignment	匯兌調整	(2,189)	2,189	-	-	-	-
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及於二零一八年一月一日	(31,908)	31,908	-	-	-	-
Additions through acquisition of subsidiaries (note 38)	透過收購附屬公司添置(附註38)	-	-	2,719	-	400	3,119
Charged/(credited) to profit or loss (note 9)	借記/(貸記)入損益(附註9)	1,005	(1,005)	(509)	(2,406)	279	(2,636)
Exchange realignment	匯兌調整	1,614	(1,614)	(67)	97	(24)	6
At 31 December 2018	於二零一八年十二月三十一日	(29,289)	29,289	2,143	(2,309)	655	489

As at 31 December 2018, deferred tax liabilities amounted to approximately HK\$2,488,000 (2017: approximately HK\$3,632,000) in respect of the aggregate amount of temporary differences of approximately HK\$24,877,000 (2017: approximately HK\$36,319,000) associated with the undistributed earnings of certain of the Group's subsidiaries have not been recognised. No deferred tax liabilities have been recognised in respect of the differences because it is considered that the Group's subsidiaries in the PRC will not pay any dividend to their overseas holding companies in the foreseeable future and the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not reverse in the foreseeable future.

於二零一八年十二月三十一日，本集團若干附屬公司未分配盈利之暫時性差異總額約24,877,000港元(二零一七年：約36,319,000港元)，相關之本集團遞延稅項負債達約2,488,000港元(二零一七年：約3,632,000港元)款項未確認。未就差異確認遞延稅項負債乃由於本集團於中國之附屬公司被視為於可見將來不會向海外控股公司支付任何股息，且本集團可控制該等附屬公司之股息政策，且該等差異或不會於可見之將來撥回。

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35. SHARE CAPITAL

35. 股本

Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	Number of shares '000 股份數目 千股	HK\$'000 千港元
Authorised:	法定：		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	30,000,000	3,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零 一七年十二月三十一日及二零 一八年一月一日	712,674	71,267
Shares issued in consideration for the acquisition of subsidiaries (note (a))	因收購附屬公司而發行代價股份 (附註(a))	127,500	12,750
Issuance of shares pursuant to the subscriptions (note (b))	根據認購事項發行股份 (附註(b))	200,000	20,000
At 31 December 2018	於二零一八年十二月三十一日	1,040,174	104,017

Notes:

附註：

(a) Pursuant to the SPA (as defined in note 38) in relation to the acquisition of the entire equity interest in Goal Getter, the Company had issued 127,500,000 new ordinary shares at a market price of HK\$0.151 at the date of issuance for settlement of the consideration. The fair value of the consideration was approximately to HK\$19,253,000, out of which approximately HK\$12,750,000 and HK\$6,503,000 were recorded in share capital and share premium account respectively. Further details are set out in the note 38.

(a) 根據有關收購志達全部股本權益之買賣協議(定義見附註38)，本公司已於發行日期按市價0.151港元發行127,500,000股新普通股，用以結算代價。代價之公平值約19,253,000港元，其中約12,750,000港元及約6,503,000港元分別記錄於股本及股份溢價賬目。進一步詳情載於附註38。

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35. SHARE CAPITAL (continued)

Notes: (continued)

- (b) Pursuant to the two subscription agreements dated 31 October 2017 entered into between 1) the Company and Retop International Investment Limited, a company which is wholly owned by Mr. Bao, a substantial shareholder of the Company; and 2) the Company and Mr. Li, an executive director and substantial shareholder of the Company, respectively (the “**Subscription Agreements**”), in which Retop International Investment Limited and Mr. Li had conditionally agreed to subscribe for and the Company had conditionally agreed to allot and issue of an aggregate of 100,000,000 new ordinary shares to Retop International Investment Limited and an aggregate of 100,000,000 new ordinary shares to Mr. Li at the subscription price of HK\$0.20 per share respectively. Part of the proceeds of HK\$20,000,000 were received before 31 December 2017 and recognised as other reserves as at 31 December 2017 (note 36(a)(iii)). The remaining proceeds of HK\$20,000,000 were received on 3 January 2018.

The proceeds of HK\$40,000,000 over the nominal value of HK\$20,000,000 was credited to the share premium account. All of the conditions precedent set out in the Subscription Agreements had been fulfilled and the subscriptions were completed on 3 January 2018. For details, please refer to the announcements of the Company dated 13 October 2017, 18 October 2017 and 3 January 2018, and the circular of the Company dated 28 November 2017.

36. DEFICIT IN RESERVES

(a) Group

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

35. 股本(續)

附註：(續)

- (b) 根據1)本公司與瑞拓國際投資有限公司(由包先生(本公司主要股東)全資擁有);及2)本公司與李先生(本公司執行董事及主要股東)分別訂立的日期為二零一七年十月三十一日的兩份認購協議(「**認購協議**」),瑞拓國際投資有限公司與李先生已有條件同意認購而本公司已有條件同意分別配發及發行合共100,000,000股新普通股予瑞拓國際投資有限公司及合共100,000,000股新普通股予李先生,認購價為每股0.20港元。部分所得款項20,000,000港元於二零一七年十二月三十一日前收到並於二零一七年十二月三十一日確認為其他儲備(附註36(a)(iii))。餘下所得款項20,000,000港元已於二零一八年一月三日收到。

所得款項40,000,000港元超出面值20,000,000港元的部分已計入股份溢價賬。認購協議所載所有先決條件已達成,認購事項於二零一八年一月三日完成。詳情請參閱本公司日期為二零一七年十月十三日、二零一七年十月十八日及二零一八年一月三日之公告以及本公司日期為二零一七年十一月二十八日之通函。

36. 儲備虧絀

(a) 本集團

本集團於本年度及過往年度之儲備及其變動於綜合財務報表之綜合權益變動表內呈報。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

36. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(i) Share premium

Share premium account of the Group includes the premium arising from issue of shares of the Company at a premium.

(ii) Capital redemption reserve

Capital redemption reserve arose from the purchase of the Company's share for cancellation and represents a transfer from the Company's retained profits equivalent to the nominal value of the shares purchased for cancellation.

(iii) Other reserves

Production maintenance fee and safety fund

Pursuant to regulations in the PRC, certain subsidiaries of the Group were required to make a transfer of production maintenance fee and safety fund to other reserves based on fixed amounts per tonne of raw coal mined (net of usage). According to the relevant regulations, production maintenance fee, safety fund and other expense of similar nature are required to be charged to cost of production and credited to reserve. Accordingly, the related funds are appropriated from retained profits.

Available-for-sale investment revaluation reserve/fair value reserve (non-recycling)

As at 31 December 2017, the available-for-sale investment revaluation reserve (which grouped as other reserves in the consolidated statement of changes in equity) represented accumulated gains and losses arising on the revaluation of available-for-sale investments of an associate that have been recognised in OCI.

36. 儲備虧絀(續)

(a) 本集團(續)

(i) 股份溢價

本公司按溢價發行股份產生之溢價計入本集團之股份溢價賬。

(ii) 資本贖回準備金

因購回本公司股份作註銷而產生之資本贖回儲備，乃轉撥自本公司之保留溢利，數額相當於購回作註銷之股份之面值。

(iii) 其他儲備

生產維簡費及安全基金

根據中國法規，本集團若干附屬公司須按已開採原煤每噸固定金額(扣除使用)，將生產維簡費及安全基金轉撥至其他儲備。根據相關規例，須就維簡費、安全基金及其他類似性質之費用計入生產成本及儲備內，而非自保留溢利分配基金至儲備。因此，有關基金已自保留溢利作出分配。

可供出售之投資重估儲備／公平值儲備(不可劃轉)

於二零一七年十二月三十一日，可供出售投資重估儲備(在綜合權益變動表中分類為其他儲備)指因重估已於其他全面收益確認的一間聯營公司之可供出售投資而產生的累計收益及虧損。

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36. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(iii) Other reserves (continued)

Available-for-sale investment revaluation reserve/fair value reserve (non-recycling) (continued)

The associate designated the listed equity securities at FVTOCI (non-recycling), as the investment is held for strategic purposes. Available-for-sale financial assets were reclassified to financial assets measured at FVTOCI (non-recycling) upon the initial application of HKFRS 9 on 1 January 2018. The available-for-sale investment revaluation reserve were reclassified as fair value reserve (non-recycling) at 1 January 2018, which also grouped as other reserves in the consolidated statement of changes in equity.

At 31 December 2018, the fair value reserve (non-recycling) also includes accumulated gains and losses arising on the revaluation of financial assets at FVTOCI of the Group that have been recognised in OCI.

Cash advanced for the subscription of ordinary shares of the Company

Deposit of approximately HK\$20,000,000 was received before 31 December 2017 from Retop International Investment Limited, an entity indirectly wholly-owned by Mr. Bao, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Substantive conditions including approval from shareholders of the Company were satisfied before 31 December 2017 and hence the amount was recognised in equity under other reserves as at 31 December 2017. The deposit was transferred to "share capital" and "share premium" when the relevant shares were issued on 3 January 2018 (note 35(b)).

36. 儲備虧絀(續)

(a) 本集團(續)

(iii) 其他儲備(續)

可供出售之投資重估儲備/公平值儲備(不可劃轉)(續)

聯營公司指定上市股本證券按公平值計入其他全面收益(不可劃轉),因為該投資為持作長期戰略目的。於二零一八年一月一日首次應用香港財務報告準則第9號後,可供出售金融資產重新分類至按公平值計入其他全面收益計量的金融資產(不可劃轉)。可供出售投資重估儲備於二零一八年一月一日重新分類為公平值儲備(不可劃轉),並於綜合權益變動表中分類為其他儲備。

於二零一八年十二月三十一日,公平值儲備(不可劃轉)亦包括本集團按公平值計入其他全面收益重新評估金融資產所產生的累計收益及虧損,該等金融資產已於其他綜合收益中確認。

認購本公司普通股之預付現金

按金約20,000,000港元乃於二零一七年十二月三十一日前就認購本公司普通股(於二零一八年一月三日完成)從瑞拓國際投資有限公司(包先生間接全資擁有的實體)收取。實質性條件(包括本公司股東批准)已於二零一七年十二月三十一日前達成,因此該款項根據於二零一七年十二月三十一日的其他儲備於權益確認。按金將在相關股份於二零一八年一月三日發行時轉入「股本」及「股份溢價」(附註35(b))。

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36. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(iii) Other reserves (continued)

Deemed capital contribution from shareholders

During the year, loans of aggregated amount of RMB80,000,000 (equivalent to approximately HK\$99,480,000) were advanced from the shareholders of the Company. These shareholders' loans are unsecured interest-free and will be repayable in full within 36 months since the drawdown date. These shareholders' loans are discounted as detailed in note 29(b). The difference between the principal amount and discounted amount at the drawdown date was deemed as capital contribution from the shareholders to the Company and recognised in other reserve.

(iv) Contributed surplus

Contributed surplus of the Group arose as a result of (i) the Group reorganisation in 1997 and represents the difference between the nominal value of the Company's shares issued under the reorganisation scheme and the nominal value of the aggregate share capital of the subsidiaries then acquired; (ii) the Group reorganisation in 2007 and represents the reduction of capital of HK\$64,137,000 pursuant to a special resolution passed on 1 November 2007; and (iii) the Group reorganisation in 2012 and represents the reduction of capital of HK\$641,407,000 pursuant to a special resolution.

(v) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.6.

(vi) Capital reserve

The capital reserve arose from the capitalisation of retained profits of a PRC subsidiary.

36. 儲備虧絀(續)

(a) 本集團(續)

(iii) 其他儲備(續)

視作股東出資

年內，本公司股東已提供合共金額人民幣80,000,000元(相當於約99,480,000港元)的貸款。該等股東貸款均為無抵押免息，並將自提取日期起36個月內悉數償還。該等股東貸款折讓詳見附註29(b)。提取日期的本金額與折讓金額之間差額被視作股東對本公司的注資並於其他儲備中確認。

(iv) 繳入盈餘

本集團之繳入盈餘乃源於(i)於一九九七年進行之集團重組，乃指根據集團重組計劃本公司之已發行股份面值與所收購附屬公司之股本總面值之差額；(ii)於二零零七年進行之集團重組，乃指根據二零零七年十一月一日通過之特別決議案減少股本64,137,000港元；及(iii)於二零一二年進行之集團重組，乃指根據特別決議案減少股本641,407,000港元。

(v) 匯兌波動儲備

匯率波動儲備包括因換算海外業務財務報表而產生的所有匯兌差額。該儲備根據附註3.6所載的會計政策處理。

(vi) 資本儲備

資本儲備乃由於一間中國附屬公司的保留溢利資本化而產生。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

36. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(vii) Statutory reserve fund

In accordance with the relevant PRC regulations, the Group's PRC subsidiaries are required, at the discretion of their directors, to appropriate a certain percentage of their profit after tax, if any, to the statutory reserve fund for the future development and capital expenditure on staff welfare facilities purposes.

(b) Company

36. 儲備虧絀(續)

(a) 本集團(續)

(vii) 法定公積金

根據相關中國法規，本集團於中國之附屬公司須在董事酌情要求情況下，將其稅後溢利(如有)之若干比例撥備為法定公積金以作日後發展之用，及資本開支以作員工福利設施之用。

(b) 本公司

		Share premium HK\$'000	Capital redemption reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total reserves/ (deficit in reserves) HK\$'000 儲備/(儲備虧絀)總額 千港元
		股份溢價 千港元	股本贖回儲備 千港元	其他儲備 千港元	累計虧損 千港元	儲備/(儲備虧絀)總額 千港元
At 1 January 2017	於二零一七年一月一日	235,334	50	-	(206,236)	29,148
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(124,097)	(124,097)
Cash advanced in relation to subscription of ordinary shares (note 36(a)(iii))	有關認購普通股墊款現金(附註36(a)(iii))	-	-	20,000	-	20,000
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及於二零一八年一月一日	235,334	50	20,000	(330,333)	(74,949)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(26,936)	(26,936)
Shares issued in consideration for the acquisition of subsidiaries (notes 35(a) and 38)	因收購附屬公司而發行代價股份(附註35(a)及38)	6,503	-	-	-	6,503
Issuance of shares pursuant to the subscriptions (notes 35(b) and 36(a)(iii))	根據認購事項發行股份(附註35(b)及36(a)(iii))	20,000	-	(20,000)	-	-
At 31 December 2018	於二零一八年十二月三十一日	261,837	50	-	(357,269)	(95,382)

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37. NON-CONTROLLING INTERESTS

Jinfeng, a 90% owned subsidiary of the Company, and Xingan, a 51% owned subsidiary of the Company, have material non-controlling interests (“NCI”). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

(a) Jinfeng and its subsidiaries

Summarised financial information in relation to Jinfeng and its subsidiaries for the year, before intra-group eliminations, is presented below:

37. 非控股權益

本公司擁有90%之附屬公司金豐及本公司擁有51%之附屬公司興安擁有重大非控股權益(「非控股權益」)。所有其他並非由本集團擁有100%權益之附屬公司之非控股權益被視為不重大。

(a) 金豐及其附屬公司

年內有關金豐及其附屬公司之財務資料(於集團內部公司間對銷前)概述如下：

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
As at 31 December	於十二月三十一日		
NCI percentage	非控股權益百分比	10%	10%
Current assets	流動資產	992,393	1,321,134
Non-current assets	非流動資產	596,199	674,088
Current liabilities	流動負債	(2,337,946)	(2,578,769)
Non-current liabilities	非流動負債	(41,772)	(132,969)
Net liabilities	負債淨額	(791,126)	(716,516)
Accumulated balance of NCI	非控股權益之累計結餘	(82,839)	(67,935)
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	751,057	498,328
Loss for the year	年內虧損	(132,559)	(174,873)
Loss allocated to NCI	分配至非控股權益之虧損	(13,117)	(17,487)
Cash flows from operating activities	經營活動之現金流量	81,373	(237,326)
Cash flows from investing activities	投資活動之現金流量	(10,768)	(56,371)
Cash flows from financing activities	融資活動之現金流量	(214,899)	207,019
Net cash outflows	現金流出淨額	(144,294)	(86,678)

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37. NON-CONTROLLING INTERESTS (continued)

(a) Jinfeng and its subsidiaries (continued)

On 2 May 2017, an entity indirectly held by Mr. Bao acquired the 10% equity interest in Jinfeng from the previous equity holder. Mr. Bao became the non-controlling interest of Jinfeng since then. Details of transactions with Mr. Bao are disclosed in note 41.

(b) Xingan

Summarised financial information in relation to Xingan from 3 January 2018 (date of acquisition of Xingan) to 31 December 2018, before intra-group eliminations, is presented below:

37. 非控股權益(續)

(a) 金豐及其附屬公司(續)

於二零一七年五月二日，包先生間接持有的一間實體向前股東收購金豐的10%股權。此後，包先生成為金豐的非控股股東。與包先生的交易詳情在附註41中披露。

(b) 興安

有關興安自二零一八年一月三日(收購興安日期)至二零一八年十二月三十一日之財務資料(於集團內部公司間對銷前)概述如下：

		2018 HK\$'000 二零一八年 千港元
As at 31 December	於十二月三十一日	
NCI percentage	非控股權益百分比	49%
Current assets	流動資產	297,805
Non-current assets	非流動資產	262,871
Current liabilities	流動負債	(452,287)
Non-current liabilities	非流動負債	(59,417)
Net assets	資產淨額	48,972
Accumulated balance of NCI	非控股權益之累計結餘	23,996
For the period from 3 January 2018 (date of acquisition of Xingan) to 31 December 2018	於二零一八年一月三日(收購興安 之日)至二零一八年十二月 三十一日期間	
Revenue	收益	198,008
Profit for the period	期內溢利	8,536
Profit allocated to NCI	分配至非控股權益之溢利	4,182

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37. NON-CONTROLLING INTERESTS (continued)

(b) Xingan (continued)

Cash flows from operating activities	經營活動之現金流量
Cash flows from investing activities	投資活動之現金流量
Cash flows from financing activities	融資活動之現金流量

Net cash inflows

現金流入淨額

37. 非控股權益(續)

(b) 興安(續)

2018 HK\$'000 二零一八年 千港元
(78,347)
(17,919)
275,390
179,124

38. ACQUISITION OF SUBSIDIARIES

Pursuant to the sale and purchase agreement (“SPA”) dated 13 October 2017 entered into between the Company and an independent third party to acquire all the equity interest in Goal Getter, together with its subsidiaries (collectively the “Goal Getter Group”) (the “Acquisition”). The nominal consideration for the Acquisition of HK\$25,500,000 was settled in form of the allotment and issue of an aggregate of 127,500,000 new ordinary shares of the Company.

The Goal Getter Group is principally engaged in production and sale of building materials, of which all of its operations are carried out by Xingan, a subsidiary which 51% is held by the Goal Getter Group.

The directors of the Company considered that the Acquisition allows the Group to explore a new income stream, diversify the Group’s business segments to engage in the production and sale of building materials and improve the Group’s revenue and results.

The Acquisition was completed on 3 January 2018. The fair value of consideration of approximately HK\$19,253,000 for 127,500,000 new ordinary shares of the Company at the issue date was determined by reference to the closing market price of the shares of the Company at HK\$0.151 per share at the issue date which was also the date of completion of the Acquisition on 3 January 2018.

38. 收購附屬公司

根據本公司與一名獨立第三方訂立的一份日期為二零一七年十月十三日之買賣協議(「買賣協議」)，以收購志達(連同其全資附屬公司及非全資附屬公司統稱「志達集團」)的全部股權(「收購事項」)。收購事項之名義代價約25,500,000港元，已以配發及發行合共127,500,000股本公司新普通股的方式結算。

志達集團主要從事建材生產及銷售，其所有業務均由興安，該附屬公司51%由志達集團持有。

本公司董事認為，收購事項可令本集團探索新收入增長，使本集團從事建材的生產及銷售業務分部多元化，並改善本集團的收益及業績。

收購事項於二零一八年一月三日完成。127,500,000股本公司新普通股於發行日期的代價公平值約19,253,000港元參考本公司股份於發行日期的收市價每股0.151港元(亦為收購事項完成日期二零一八年一月三日)釐定。

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38. ACQUISITION OF SUBSIDIARIES (continued)

38. 收購附屬公司(續)

		As at 3 January 2018 HK\$'000 於二零一八年 一月三日 千港元
Assets acquired and liabilities assumed at the date of the Acquisition are as follows:	於收購事項日期的所收購資產及假設負債如下：	
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	207,400
Prepaid land lease payments (note 16)	預付土地租賃款項(附註16)	71,530
Inventories	存貨	9,682
Accounts and bills receivables and contract assets, net (note (a))	應收賬款及票據及合約資產淨額(附註(a))	49,448
Prepayments, deposits and other receivables (note (b))	預付款項、按金及其他應收款項(附註(b))	10,041
Cash and cash equivalents	現金及現金等值項目	19,586
Accounts and bills payables	應付賬款及票據	(62,709)
Other payables and accruals	其他應付款項及應計費用	(104,034)
Amount due to a related party	應付一名關連人士款項	(103,070)
Bank and other loans	銀行及其他貸款	(47,060)
Deferred income (note 33)	遞延收入(附註33)	(5,164)
Deferred tax liabilities (note 34)	遞延稅項負債(附註34)	(3,119)
Total identifiable net assets at fair value	可識別資產淨值總額·按公平值	42,531
Non-controlling interests (note (c))	非控股權益(附註(c))	(20,649)
Bargain purchase arising from the Acquisition (note (d))	收購事項產生之議價購買(附註(d))	(2,629)
		19,253
Fair value of consideration shares	股份之代價公平值	19,253
Acquisition-related costs (included in administrative expenses for the year ended 31 December 2018)	與收購事項有關的成本(計入截至二零一八年十二月三十一日止年度的行政開支)	3,112
Analysis of net cash inflows arising on the Acquisition:	於收購事項後產生的現金流量淨額分析：	
Consideration paid by cash	以現金支付的代價	—
less: Cash and cash equivalents acquired	減：已獲得現金及現金等價物	19,586
		19,586

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38. ACQUISITION OF SUBSIDIARIES (continued)

Notes:

- (a) The gross contractual undiscounted balances amounted to approximately HK\$56,133,000. The fair values of these accounts and bills receivables and contract assets at the acquisition date were estimated to be approximately HK\$49,448,000, based on an assessment of the expected credit risks of the balances. The fair values include allowance of expected credit loss of approximately HK\$6,685,000, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted with forward-looking information that is available without undue cost or effort.
- (b) The gross contractual undiscounted balances of deposits and other receivables amounted to HK\$4,581,000. The fair values of these deposits and other receivables at the acquisition date were estimated to be HK\$4,581,000, based on an assessment of the expected credit risks of the balances, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort.
- (c) The non-controlling interests which represent 49% equity interest in Xingan recognised at the acquisition date were measured at the non-controlling interests' proportionate share of the identifiable net assets of Xingan at the acquisition date.
- (d) The nominal consideration and the nominal issue price for the Acquisition of HK\$0.2 per consideration share were determined after an arm's length negotiation made between the Group and independent third party at the time when the agreement was entered into. The major contributing factor to the gain on bargain purchase arising from the Acquisition was the effect arising from the nominal issue price determined at premium compare to the market price at the agreement date and acquisition date.

The acquired business contributed revenue of approximately HK\$198,008,000 and net profit of approximately HK\$7,829,000 for the period from 3 January 2018 to 31 December 2018. If the acquisition had occurred on 1 January 2018, there are no material difference in the consolidated revenue and consolidated loss for the year ended 31 December 2018.

38. 收購附屬公司(續)

附註：

- (a) 合約未折現結餘總額約為56,133,000港元。根據對結餘預期信貸風險的評估，該等應收賬款及票據及合約資產於收購日期的公平值估計約為49,448,000港元。公平值包括預期信貸虧損撥備約6,685,000港元，其根據債務人預期年期的估計信貸風險估計，並以可獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (b) 按金及其他應收款項的合約未折現結餘總額為4,581,000港元。根據對結餘預期信貸風險的評估，該等按金及其他應收款項於收購日期的公平值估計為4,581,000港元，其根據債務人預期年期的估計信貸風險估計，並以可獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (c) 於收購日期確認為興安49%股權的非控股權益乃於收購日期按非控股權益於興安可識別資產淨值的股份比例計量。
- (d) 收購事項的名義代價及名義發行價每股代價股份0.2港元乃於訂立協議時本集團與獨立第三方公平磋商後釐定。收購事項所產生的議價購買收益的主要促成因素為以溢價釐定的名義發行價格與協議日期及收購日期的市場價格相比所產生的影響。

於二零一八年一月三日至二零一八年十二月三十一日期間，收購業務貢獻收益約198,008,000港元及淨利潤約7,829,000港元。倘收購事項於二零一八年一月一日發生，則截至二零一八年十二月三十一日止年度的綜合收益及綜合虧損並無重大差異。

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39. COMMITMENTS

(a) Capital commitment

As at 31 December 2018, the Group had the following capital commitments:

Capital expenditure contracted but not provided for: 已訂約但未撥備的資本開支：

Acquisition of subsidiaries	收購附屬公司		
Acquisition of property, plant and equipment	收購物業、廠房及設備		

39. 承諾

(a) 資本承諾

於二零一八年十二月三十一日，本集團有以下資本承諾：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
	—	25,500
	4,091	768
	4,091	26,268

In addition, Tairun's registered capital is RMB20,000,000, of which RMB10,000,000 has been paid-up as at 31 December 2018, and the Group therefore committed at 31 December 2018 to further invest in Tairun, an indirectly owned subsidiary in which the Group has 60% equity interest, amounting to RMB6,000,000 (equivalent to approximately HK\$6,831,000) (2017: Nil).

此外，泰潤的註冊資本為人民幣20,000,000元，其中人民幣10,000,000元於二零一八年十二月三十一日已繳足，因此本集團於二零一八年十二月三十一日承諾進一步投資於本集團間接擁有60%股權的附屬公司泰潤，金額為人民幣6,000,000元（相當於約6,831,000港元）（二零一七年：無）。

(b) Operating lease commitments

The Group as lessee

As at 31 December 2018, total future minimum lease payments under non-cancellable operating leases in respect of land and buildings and office equipment payable by the Group are as follows:

Within one year	一年內		
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)		

(b) 經營租賃承諾

本集團作為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約就土地及樓宇及辦公室設備應付之日後最低租約付款總額情況如下：

	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
	1,022	1,072
	177	1,185
	1,199	2,257

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39. COMMITMENTS (continued)

(b) Operating lease commitments (continued)

The Group as lessee (continued)

The Group leases certain properties under operating leases. The leases run for an initial period of one to ten years (2017: one to ten years), without option to renew the lease term at expiry date. None of the lease includes contingent rentals.

The Group as lessor

As at 31 December 2018, total future minimum lease receivables under non-cancellable operating leases in respect of certain property, plant and equipment by the Group are as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)
After five years	五年後

The Group leases its properties under operating leases. The lease runs for an initial period of ten years (2017: Nil), without option to renew the lease term at expiry date. The lease does not include contingent rentals.

39. 承諾(續)

(b) 經營租賃承諾(續)

本集團作為承租人(續)

本集團根據經營租約租賃若干物業。租約之經營期初步為期一至十年(二零一七年：一至十年)，於屆滿日不可選擇續約。租約概無或然租金。

本集團作為出租人

於二零一八年十二月三十一日，本集團就若干物業、廠房及設備的不可撤銷經營租賃的未來最低租賃應收款項總額如下：

2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
3,462	—
13,847	—
16,155	—
33,464	—

本集團根據經營租約租賃其物業。租約之經營期初步為期十年(二零一七年：無)，於屆滿日不可選擇續約。租約概無或然租金。租約並無包括或然租金。

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40. CONTINGENT LIABILITIES

On 28 July 2015, Jinfeng entered into an agreement (the “**Agreement I**”) with an independent third party, pursuant to which the parties have agreed to provide mutual guarantees with respect to each other. Both parties agreed that should any party (including its subsidiaries and holding companies) (“**Borrower A**”) apply for a loan(s) from a bank or financial institution (“**Lender A**”), if the Lender A so requires, then the other party shall provide a guarantee(s) for the obligations of Borrower A under the loan on the terms and conditions contained in the agreement. The total amounts to be guaranteed by each party shall not exceed RMB50,000,000 (equivalent to approximately HK\$60,037,000). The effective period of the Agreement I shall be from 28 July 2015 to 28 July 2018 (“**Effective Period I**”). For each guarantee to be provided by each party within the Effective Period I, the maximum guarantee period is three years from the date of the loan agreement. As of 31 December 2017, there were no outstanding borrowing which is guaranteed by Jinfeng in relation to the Agreement I.

On 13 April 2017, Jinfeng entered into an agreement (the “**Agreement II**”) with an independent third party, pursuant to which the parties have agreed that should any party (“**Borrower B**”) apply for a loan(s) from a bank or financial institution (“**Lender B**”), if the Lender B so requires, then the other party shall provide a guarantee(s) for the obligations of the Borrower B under the loan on the terms and conditions contained in the agreement. The total amounts to be guaranteed by each party shall not exceed RMB9,000,000 (equivalent to approximately HK\$10,807,000). The effective period of the Agreement II shall be from 13 April 2017 to 12 April 2018.

As at 31 December 2017, a bank borrowing amounting to approximately RMB7,000,000 (equivalent to approximately HK\$8,405,000) has been withdrawn by Borrower B and pursuant to the Agreement II, the corresponding amount has been guaranteed by Jinfeng accordingly. The guarantee period of the guarantee provided by Jinfeng is one year from the date of the loan agreement. During the year ended 31 December 2018, such bank borrowing had been fully settled by Borrower B, as such there is no outstanding borrowing which is guaranteed by Jinfeng in relation to the Agreement II as at 31 December 2018.

40. 或然負債

於二零一五年七月二十八日，本公司間接非全資附屬公司金豐與一名獨立第三方訂立一份協議（「**該協議一**」），據此，雙方同意互相提供共同擔保。雙方同意，如任何一方（包括其附屬公司及控股公司）（「**借款人A**」）向銀行或金融機構（「**貸款人A**」）申請貸款，如貸款人A要求，則另一方須根據協議所載條款及條件為借款人A於貸款下的義務提供擔保。各方將予擔保之總額不得超過人民幣50,000,000元（相當於約60,037,000港元）。協議一之有效期為二零一五年七月二十八日至二零一八年七月二十八日（「**有效期一**」）。就各方於有效期一內將予提供之每項擔保而言，最大擔保期為自貸款協議日期起計三年。於二零一七年十二月三十一日，並無由金豐就協議一擔保的未償還借貸。

於二零一七年四月十三日，金豐與一名獨立第三方訂立一份協議（「**協議二**」），據此，雙方協定，如任何一方（「**借款人B**」）向銀行或金融機構（「**貸款人B**」）申請貸款，另一方須根據協議所載條款及條件為借款人B於貸款下的義務提供擔保（如貸款人B要求）。各方將予擔保之總額不得超過人民幣9,000,000元（相當於約10,807,000港元）。協議二的有效期為二零一七年四月十三日至二零一八年四月十二日。

於二零一七年十二月三十一日，約人民幣7,000,000元（相當於約8,405,000港元）之銀行借款已由借款人B動用，根據協議二，有關金額已相應由金豐擔保。金豐提供擔保的擔保期為貸款協議日期起一年。截至二零一八年十二月三十一日止年度，該銀行借貸已由借方B於悉數結清，因此，於二零一八年十二月三十一日，並無由金豐就協議二擔保的未償還借貸。

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40. CONTINGENT LIABILITIES (continued)

As at 31 December 2018, the Agreement I and the Agreement II were expired and no provision for the financial guarantee was made. As at 31 December 2017, no provision for the financial guarantee was made as, in the opinion of the directors of the Company, the fair value of the financial guarantee is insignificant at initial recognition. The directors of the Company do not consider it probable that a claim will be made against the Group under the guarantee as of the end of each reporting period.

41. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

(a) Compensation of key management personnel

Short-term benefits:	短期福利：
Fees, salaries, allowances and other benefits in kind	袍金、薪金、津貼及其他實物利益
Post-employment benefits:	離職後福利：
Retirement benefit scheme contributions	退休福利計劃供款

(b) Financing arrangement

Details of amount advanced from and interest-free loans advanced from shareholders and family member of Mr. Bao are disclosed in notes 29 and 30.

Details of guarantees provided by Mr. Zhang and a company controlled by him, Mr. Bao and his spouse are disclosed in the notes 28 and 32.

40. 或然負債(續)

於二零一八年十二月三十一日，協議一及協議二已到期，並無就財務擔保作出撥備。於二零一七年十二月三十一日，概無作出財務擔保撥備，原因是本公司董事認為，財務擔保於初步確認時的公平值不大。截至各報告期末，本公司董事認為不大可能根據擔保向本集團提出索償。

41. 關連人士交易

除綜合財務報表其他部份所披露之交易及結餘外，本集團與關連人士於年內有以下重大交易：

(a) 主要管理人員之酬金

2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
5,567	5,306
36	43
5,603	5,349

(b) 融資安排

股東及包先生的家庭成員提供的款項提供的免息貸款詳情於附註29及30披露。

由張先生及其所控制的一間公司、包先生及其配偶提供之擔保詳情於附註28及32披露。

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42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities recognised as at 31 December 2018 and 2017 are categorised as follows. See notes 3.14 and 3.15 for explanations about how the category of financial instruments affects their subsequent measurement.

42. 按類別細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十二月三十一日確認之金融資產及負債賬面值亦可按下列方式進行分類。有關金融工具分類如何影響其後計量之解釋，請參閱附註3.14及3.15。

		2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
Financial assets	金融資產		
Available-for-sale financial assets	可供出售金融資產	–	710
Financial assets at FVTOCI	按公平值計入其他全面收益之金融資產	682	–
Financial assets measured at amortised cost	按攤銷成本計量之金融資產		
– Accounts and bills receivables and contract assets	– 應收賬款及票據及合約資產	454,569	221,340
– Deposits and other receivables	– 按金及其他應收款項	14,373	375,594
– Pledged and restricted bank deposits	– 已抵押及受限制的銀行存款	656,651	616,880
– Cash and cash equivalents	– 現金及現金等值項目	35,789	170,878
		1,162,064	1,385,402
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Accounts and bills payables	– 應付賬款及票據	658,132	817,863
– Amount due to an associate	– 應付一間聯營公司款項	14,640	99,589
– Amounts due to and loans from shareholders	– 應付股東款項及來自股東貸款	63,626	41,097
– Other payables, accruals and deposit received	– 其他應付款項、應計費用及已收按金	527,906	414,825
– Bank and other loans	– 銀行及其他貸款	840,564	646,900
		2,104,868	2,020,274

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks which results from both its operating and investing activities. The Group does not have written risk management policies and guidelines. However, the directors of the Company meet periodically to analyse and formulate strategies to manage the Group's exposure to market risks, including changes in interest rates and currency exchange rates. Generally, the Group introduces conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not issue derivative financial instruments for trading purposes.

(a) Credit risk and impairment assessment

Risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

Carrying amounts of the financial assets presented in consolidated statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances.

The credit risk on pledged and restricted bank deposits and cash and cash equivalents is also limited because the Group's pledged and restricted bank deposits and cash and cash equivalents are all deposited with major banks located in Hong Kong and the PRC.

43. 財務風險管理及金融工具之公平值

本集團之業務及投資活動面對多項財務風險。本集團並無書面之風險管理政策及指引。然而，本公司董事會定期舉行會議，分析及制訂政策以管理本集團所面對之市場風險，包括利率變動及匯率變動。一般而言，本集團就其風險管理推行保守策略。本集團所面對之市場風險維持於低水平，並無應用任何衍生或其他工具以作對沖。本集團並無發行衍生金融工具以作買賣。

(a) 信用風險與減值評估

風險管理

信貸風險指金融工具之交易方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團之信貸風險主要來自於其一般業務過程及其投資活動中授予客戶之信貸。金融資產的賬面金額為信貸風險的最大風險。

呈列於綜合財務狀況表之金融資產之賬面值已扣除減值虧損(如有)。為了最大程度地降低信貸風險，本集團嚴格挑選交易方，對債務人之財務狀況持續進行信貸評估，緊密監查應收賬款之賬齡，並採取跟進措施收回逾期欠款餘額。

已抵押及受限制的銀行存款及現金及現金等值項目之信貸風險有限，原因為本集團全部已抵押及受限制的銀行存款及現金及現金等值項目均全部存放於香港及中國之主要銀行。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Risk management (continued)

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a certain concentration of credit risk as 20.7% (2017: 95.5%) of the Group's accounts receivable was due from a major customer of the Group.

The Group does not hold any collaterals or other credit enhancements over accounts and bills receivables, contract assets and deposits and other receivables.

Other than those disclosed in note 40, the Group does not provide any financial guarantee at the end of the reporting period which would expose the Group to credit risk.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- accounts and bills receivables and contract assets arising from contracts with customers; and
- deposits and other receivables.

While pledged and restricted bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

風險管理 (續)

本集團已自過往年度起採納信貸政策，而本集團認為信貸政策一直有效將本集團之信貸風險限制至理想水平。

本集團之信貸風險主要受每個客戶之個別情況所影響。於報告期末，本集團有若干信貸風險集中之情況，原因為本集團一名主要客戶佔應收賬款之20.7%（二零一七年：95.5%）。

本集團並無就應收賬款及票據、合約資產及按金及其他應收款項持有任何抵押或其他信貸增強措施。

除附註40所披露者外，於報告期末，本集團並無提供任何令本集團承受信貸風險的財務擔保。

金融資產減值

本集團擁有兩類受預期信貸虧損模式影響的金融資產：

- 與客戶合約產生的應收賬款和票據及合約資產；及
- 按金及其他應收款項。

雖已抵押及受限制的銀行存款及現金及現金等價物亦須遵守香港財務報告準則第9號的減值要求，但識別減值虧損並不重大。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets

The Group applies HKFRS 9 and measures expected credit losses based on a lifetime expected loss allowance for all accounts and bills receivables and contract assets.

To measure the expected credit losses, accounts and bills receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to balance under the retention period and have substantially the same risk characteristics as the accounts receivable for the same types of contracts. The Group has therefore concluded that the expected loss rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate, which reflect the credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The Group has identified the default risk forecast for energy industry in the PRC to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產

本集團應用香港財務報告準則第9號，並就所有應收賬款及票據及合約資產根據全期預期虧損撥備計量預期信貸虧損。

為計量預期信貸虧損，應收賬款及票據及合約資產已根據共享信貸風險特徵及逾期天數進行分組。合約資產與保質期內的餘額有關，並且與相同類型合約的應收賬款具有大致相同的風險特徵。因此，本集團的結論為，應收賬款的預期虧損率為合約資產虧損率的合理近似值。

估計預期信貸虧損率乃根據本集團在債務人的預期年期內就各分組的市場借貸利率估計，減無風險利率(反映債務人的信貸風險)及無須不當成本或努力所獲得經調整前瞻性資料之估計。管理層定期審查分組，以確保更新有關特定債務人的相關資料。本集團已將中國能源行業的違約風險預測確定為最相關因素，並據此根據該等因素的預期變動調整歷史虧損率。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of HKFRS 9) was determined as follows for accounts and bills receivables:

		Expected loss rate	Gross carrying amount HK\$'000 賬面總額 千港元	Loss allowance HK\$'000 虧損撥備 千港元	Net carrying amount HK\$'000 賬面淨額 千港元
		預期虧損率			
Ageing based on the invoice date	基於發票日期之賬齡				
As at 31 December 2018	於二零一八年十二月三十一日				
0 – 90 days	0至90日	2%	213,353	(4,127)	209,226
91 – 180 days	91至180日	2%	224,489	(5,388)	219,101
181 – 365 days	181至365日	8%	26,304	(1,982)	24,322
Over 365 days	超過365日	100%	49,816	(49,816)	–
			513,962	(61,313)	452,649
		Expected loss rate	Gross carrying amount HK\$'000 賬面總額 千港元	Loss allowance HK\$'000 虧損撥備 千港元	Net carrying amount HK\$'000 賬面淨額 千港元
		預期虧損率			
Ageing based on the invoice date	基於發票日期之賬齡				
As at 1 January 2018	於二零一八年一月一日				
0 – 90 days	0至90日	4%	88,074	(3,735)	84,339
91 – 180 days	91至180日	5%	109,332	(5,161)	104,171
181 – 365 days	181至365日	–	–	–	–
Over 365 days	超過365日	65%	60,294	(39,046)	21,248
			257,700	(47,942)	209,758

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

於二零一八年十二月三十一日及二零一八年一月一日(採納香港財務報告準則第9號之日期)就應收賬款及票據釐定之虧損撥備如下:

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets
(continued)

On that basis, the loss allowance as at 31 December 2018 was determined as follows for contract assets:

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產
(續)

根據該基準，於二零一八年十二月三十一日就合約資產釐定之虧損撥備如下：

		Expected loss rate	Gross carrying amount HK\$'000 賬面總額 千港元	Loss allowance HK\$'000 虧損撥備 千港元	Net carrying amount HK\$'000 賬面淨額 千港元
Ageing based on the invoice date	基於發票日期之賬齡				
As at 31 December 2018	於二零一八年 十二月三十一日				
0 – 90 days	0至90日	1%	203	(3)	200
91 – 180 days	91至180日	2%	428	(9)	419
181 – 365 days	181至365日	5%	1,375	(74)	1,301
Over 365 days	超過365日	100%	365	(365)	-
			2,371	(451)	1,920

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

The closing loss allowances for accounts and bills receivables and contract assets as at 31 December 2017 reconcile to the opening loss allowances on 1 January 2018 and to the closing loss allowance as at 31 December 2018 as follows:

		Accounts and bills receivables HK\$'000 應收賬款 及票據 千港元	Contract assets HK\$'000 合約資產 千港元
At 31 December 2017 – calculated under HKAS 39	截至二零一七年十二月三十一日—根據香港會計準則第39號計算	36,360	—
Effect on adoption of HKFRS 9 (note 2(b))	採納香港財務報告準則第9號之影響(附註2(b))	11,582	—
At 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號	47,942	—
Additions through acquisition of subsidiaries	透過收購附屬公司添置	6,685	—
Increase in loss allowance recognised in profit or loss during the year	年內於損益確認之虧損撥備增加	9,156	470
Exchange realignment	匯兌調整	(2,470)	(19)
At 31 December 2018	於二零一八年十二月三十一日	61,313	451

The acquisition of Building Materials Business resulted in an increase in loss allowance of approximately HK\$12,038,000 (note 5) contributed to the increase in the loss allowance during the year ended 31 December 2018.

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

於二零一七年十二月三十一日的應收賬款及票據及合約資產的期末虧損撥備與二零一八年一月一日的期初虧損撥備及二零一八年十二月三十一日的期末虧損撥備對賬如下：

收購建材業務導致虧損撥備增加約12,038,000港元(附註5)，從而導致截止二零一八年十二月三十一日止年度虧損撥備增加。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

Accounts and bills receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 year past due.

Impairment losses on accounts and bills receivables and contract assets are included in net impairment loss on financial assets under the consolidated statement of income statements. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

ECL for other financial assets at amortised cost, including deposits and other receivables, are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

To measure the expected credit losses, deposits and other receivables have been grouped based on shared credit risk characteristics. The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate plus certain credit risk premium, which reflect the credit risk of the debtors, over the expected life of the debtors within 1 year and are adjusted forward-looking information that is available without undue cost or effort.

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

於應收賬款及票據以及合約資產並無合理的收回預期時，予以撇銷。並無合理的收回預期指標包括(其中包括)債務人未能與本集團訂立還款計劃，以及未能於逾期超過一年的期間內合約付款。

應收賬款及票據及合約資產的減值虧損計入綜合收益表的金融資產減值虧損淨額。原先被抵銷之款項其後收回，計入相同項目對賬。

其他按攤銷成本列賬之金融資產

按攤銷成本計量的其他金融資產(包括按金及其他應收款項)的預期信貸虧損按12個月預期信貸虧損進行評估，因為自首次確認以來信貸風險並無顯著增加。

為計量預期信貸虧損，已根據共享信貸風險特徵就按金及其他應收款項進行分組。估計預期信貸虧損率為根據本集團在債務人的一年預期年期內就各分組的市場借貸利率估計，減無風險利率加若干信貸風險溢價(反映債務人的信貸風險)及無須不當成本或努力所獲得經調整前瞻性資料之估計。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Other financial assets at amortised cost (continued)

The loss allowance for other financial assets at amortised cost as at 31 December 2017 reconciles to the opening loss allowance on 1 January 2018 and to the closing loss allowance as at 31 December 2018 as follows:

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

其他按攤銷成本列賬之金融資產(續)

於二零一七年十二月三十一日按攤銷成本計量之其他金融資產虧損撥備與二零一八年一月一日的期初虧損撥備及二零一八年十二月三十一日的期末虧損撥備之對賬如下：

		Deposits and other receivables
		HK\$'000
		按金及其他應 收款 千港元
At 31 December 2017 – calculated under HKAS 39	截至二零一七年十二月三十一日—根據香港會計準則第39號計算	49,806
Effect on adoption of HKFRS 9 (note 2(b))	採納香港財務報告準則第9號之影響(附註2(b))	29,288
At 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號	79,094
Written off	撇銷	(73,263)
Exchange realignment	匯兌調整	(302)
At 31 December 2018	於二零一八年十二月三十一日	5,529

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Previous accounting policy for impairment of accounts and bills receivables and deposits and other receivables

In the prior year, the impairment of receivables were assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were recognised in a separate provision for impairment.

The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments; and
- it becoming probable that the debtor will enter bankruptcy or financial reorganisation.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

43. 財務風險管理及金融工具之公平值 (續)

(a) 信用風險與減值評估 (續)

金融資產減值 (續)

就應收賬款及票據及按金及其他應收款減值的先前會計政策

於上年度，應收款項減值乃基於已產生虧損模型進行評估。已知無法收回的個別應收款項已於單獨的減值撥備中確認。

倘出現以下任何指標，本集團認為存在減值跡象：

- 債務人出現重大財政困難；
- 違約，例如逾期支付或拖欠利息或本金；及
- 債務人有可能面臨破產或財務重組。

並無預期收回額外現金時，已確認減值撥備的應收款項已與該撥備撇銷。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Previous accounting policy for impairment of accounts and bills receivables and deposits and other receivables (continued)

The movements in loss allowance for accounts and bills receivables and deposits and other receivables under HKAS 39 for the year ended 31 December 2017 are as follows:

At 1 January 2017	於二零一七年一月一日
Impairment loss on other receivables	其他應收款項減值虧損
Exchange realignment	匯兌調整
At 31 December 2017	於二零一七年十二月三十一日

As at 31 December 2017, due to the significant financial difficulties of several counterparties, the Group determined accounts and bills receivables, and deposits and other receivables of approximately HK\$36,360,000 and HK\$49,806,000 respectively. Based on this assessment, impairment loss on deposits and other receivables of approximately HK\$455,000 was recognised during the year ended 31 December 2017.

43. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

就應收賬款及票據及按金及其他應收款減值的先前會計政策(續)

截至二零一七年十二月三十一日止年度，根據香港會計準則第39號計算的應收賬款及票據及按金及其他應收款項的虧損撥備變動如下：

Accounts and bills receivables	Deposits and other receivables
HK\$'000	HK\$'000
應收賬款及票據 千港元	按金及其他應收款 千港元
33,806	46,479
–	455
2,554	2,872
36,360	49,806

於二零一七年十二月三十一日，由於數名對手方出現嚴重財務困難，本集團確定應收賬款及票據、按金及其他應收款項分別約36,360,000港元及約49,806,000港元。根據該評估，於截至二零一七年十二月三十一日止年度確認按金及其他應收款項減值虧損約455,000港元。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

The interest rates and terms of repayment of the Group's bank and other loans are disclosed in note 32. The Group's exposures to fair value interest rate risk and cash flow interest rate risk on financial liabilities are minimal. The directors of the Company consider the Group's exposures to cash flow interest rate risk on bank balances as follows:

Sensitivity analysis

The following table illustrates the sensitivity of the Group's loss after income tax and accumulated losses to a possible change in interest rates of +/-0.5% (2017: +/-0.5%), with effect from the beginning of the year. The calculations are based on the Group's bank balances held at the reporting date. All other variables are held constant.

43. 財務風險管理及金融工具之公平值(續)

(b) 利率風險

利率風險指金融工具之公平值或現金流量會因市場利率改變而出現波動之風險。以浮息及定息計息之金融工具分別使本集團面臨現金流量利率風險及公平值利率風險。

本集團銀行及其他貸款利率及還款條款披露於附註32。本集團承受之有關金融負債之公平值利率風險及現金流量利率風險微乎其微。本公司董事認為本集團承受之有關銀行結餘之現金流量利率風險如下：

敏感度分析

下表闡述自年初起，本集團除所得稅後虧損及累計虧損對利率可能出現+/-0.5%（二零一七年：+/-0.5%）變動之敏感度，此乃根據本集團於報告日期持有之銀行結餘計算。所有其他可變因素保持不變。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Interest rate risk (continued)

Sensitivity analysis (continued)

31 December 2018	二零一八年十二月三十一日	
+0.5%	+0.5%	1,066
-0.5%	-0.5%	(1,066)
31 December 2017	二零一七年十二月三十一日	
+0.5%	+0.5%	598
-0.5%	-0.5%	(598)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the period until the next annual reporting date.

The sensitivity analysis included in the consolidated financial statements of the year ended 31 December 2017 has been prepared on the same basis.

The Group manages interest rate risk by monitoring its interest rate profile regularly. The Group adopts a policy of ensuring that most of its borrowings are on a fixed rate basis. The policies to manage interest rate risk have been followed by the Group since prior year and are considered to be effective.

43. 財務風險管理及金融工具之公平值(續)

(b) 利率風險(續)

敏感度分析(續)

Increase/
(decrease) in
loss after
income tax and
accumulated
losses
HK\$'000
增加/(減少)
除所得稅後
虧損及累計虧損
千港元

利率之上述假設變動乃經觀察現行市場情況後視為合理地可能出現之變動，並為管理層對截至下一個年度報告日期止期間利率之合理可能變動之評估。

截至二零一七年十二月三十一日止年度之綜合財務報表所載之敏感度分析乃基於相同基準編製。

本集團透過定期監察利率組合管理其利率風險。本集團採納一項政策，確保其多數借款均基於固定利率基準。此項利率風險管理政策自上年度起由本集團沿用，且被認為行之有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(c) Foreign currency risk

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The directors of the Company therefore are of the opinion that the Group's sensitivity to the changes in foreign currencies are low and the Group and Company do not hedge their foreign currency risk.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its financial obligations, and also in respect of its cash flow management.

The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. As at 31 December 2018, the Group had net current liabilities of approximately HK\$888,441,000 (2017: approximately HK\$618,182,000) and a capital deficiency of approximately HK\$163,467,000 (2017: approximately HK\$76,588,000). The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and from the measures adopted by the directors of the Company as detailed in note 3.1 to meet its debt obligations.

The liquidity policies have been followed by the Group since prior years and are considered as effective in managing liquidity risks.

43. 財務風險管理及金融工具之公平值(續)

(c) 外匯風險

本集團之買賣主要以相關集團實體之功能貨幣人民幣進行。因此，本公司董事認為，本集團對外匯變動之敏感度偏低，因此本集團及本公司並無對沖其外匯風險。

(d) 流動資金風險

流動資金風險乃與本集團未能以交付現金或其他金融資產結算而履行金融負債相關責任之風險有關。本集團就清償其財務責任及現金流量管理而承受流動資金風險。

本集團之目標為保證有充足資金支付金融負債之相關承擔。本公司按持續基準密切監控現金流量。本集團將於必要時變現資產以籌集資金。於二零一八年十二月三十一日，本集團之流動負債淨額約為888,441,000港元(二零一七年：約618,182,000港元)及資本虧絀約為163,467,000港元(二零一七年：約76,588,000港元)。本集團之流動資金主要取決於其從經營及本公司董事為履行債務義務而採取之措施(詳情載於附註3.1)獲得充足現金流入的能力。

該流動資金政策於過往年度一直由本集團沿用，且被認為在管理流動資金風險方面行之有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(d) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

		Within 6 months or on demand	6-12 months	Over 1 year but within 5 years	Over 5 years	Total undiscounted amount	Discount	Carrying amount
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		六個月內或按要求	六至十二個月	超過一年但五年內	五年以上	未折現總額	折現	賬面值
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2018	於二零一八年十二月三十一日							
Accounts and bills payables	應付賬款及票據	658,132	-	-	-	658,132	-	658,132
Amount due to an associate	應付一間聯營公司款項	14,640	-	-	-	14,640	-	14,640
Amounts due to and loans from shareholders	應付股東款項及來自股東貸款	9,135	-	65,140	-	74,275	(10,649)	63,626
Other payables, accruals and deposit received	其他應付款項、應計費用及已收按金	525,741	-	-	4,554	530,295	(2,389)	527,906
Bank and other loans	銀行及其他貸款	771,958	3,000	93,579	-	868,537	(27,973)	840,564
		1,979,606	3,000	158,719	4,554	2,145,879	(41,011)	2,104,868
At 31 December 2017	於二零一七年十二月三十一日							
Accounts and bills payables	應付賬款及票據	817,863	-	-	-	817,863	-	817,863
Amount due to an associate	應付一間聯營公司款項	-	-	99,589	-	99,589	-	99,589
Amounts due to shareholders	應付股東款項	41,097	-	-	-	41,097	-	41,097
Other payables and accruals	其他應付款項及應計費用	414,825	-	-	-	414,825	-	414,825
Bank and other loans	銀行及其他貸款	589,959	33,207	36,051	-	659,217	(12,317)	646,900
		1,863,744	33,207	135,640	-	2,032,591	(12,317)	2,020,274
Financial guarantee issued:	已發行財務擔保:							
Maximum amount guaranteed (note 40)	已擔保最大金額(附註40)	70,844	-	-	-	70,844	-	70,844

(e) Business risk

The Group's principal activities include production and sales of coal and trading of purchased coal in the PRC. The Group's financial performance are influenced by the changes in prices of coal, as well as by the Group's ability to maintain or renew all requisite certificates, permits and business licences from relevant regulatory authorities in the PRC which is required for the Group to operate in production and sales of coal in the PRC.

43. 財務風險管理及金融工具之公平值(續)

(d) 流動資金風險(續)

下表以合約未折現付款基準概述本集團金融負債之到期情況：

(e) 業務風險

本集團之主要業務為於中國生產及銷售煤炭以及從事購入煤炭貿易。本集團之財務業績受煤價變動及本集團與中國有關監管當局維持或續期本集團於中國生產及銷售煤炭時所需的所有證書、許可證及營業執照之能力影響。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in HKFRS 13 *Fair Value Measurement* with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:-

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

Financial assets at FVTOCI is measured at fair value and is classified as a Level 3 fair value measurement. The fair values of unlisted equity investments have been estimated using market approach based on market price to net assets ratio and adjusted for the lack of marketability, which are the significant unobservable inputs. The market price to net assets ratio and the discount for lack of marketability applied to this valuation technique are 2.19 and 15.9%.

The valuation requires the directors of the Company to make estimates about the market price to net assets ratio and the discount for lack of marketability. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in OCI, are reasonable.

43. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值

下表列示以香港財務報告準則第13號「公平值計量」所界定的公平值架構之三個層級按公平值計量的本集團金融工具的賬面值，各金融工具的公平值乃按對該公平值計量屬重大之最底層的資料投入。界定的層級如下：—

第1級：就識別金融工具使用於活躍市場之報價(未經調整)計量之公平值。

第2級：使用第2級資料投入(即不符合第1級之可觀察資料投入)且並未使用重大不可觀察資料投入。不可觀察資料投入為無市場數據可供使用之資料投入計量之公平值。

第3級：使用重大不可觀察投入的數據計量之公平值。

按公平值計入其他全面收益的金融資產按公平值計量，並歸類為第3級公平值計量。非上市股本投資的公平值採用基於市場價格與淨資產比率的市場法估算，並根據缺乏市場流動性進行調整，其為重要的不可觀察的資料投入。適用於該估值技術的市場價格與淨資產比率以及缺乏市場流動性之折讓分別為2.19和15.9%。

估值要求本公司董事估計市場價格與淨資產比率及缺乏市場流動性之折讓。本公司董事認為，估值技術產生的估計公平值(記錄於綜合財務狀況表內)及公平值的相關變動(記錄於其他綜合收益中)屬合理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

(continued)

Should the market price to net assets ratio increase or decrease by 5%, the fair value of the financial assets at FVTOCI would be increased or decreased by approximately HK\$47,000. Should the discount for lack of marketability increase or decrease by 1%, the fair value of the financial assets at FVTOCI would be decreased or increased by approximately HK\$9,000.

The movements during the year in the balance of level 3 fair value measurement is as follows:

43. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值(續)

倘市場價格與淨資產比率增加或減少5%，則按公平值計入其他全面收益的金融資產公平值將增加或減少約47,000港元。倘缺乏市場流動性的折讓增加或減少1%，則按公平值計入其他全面收益的金融資產公平值將減少或增加約9,000港元。

第3級公平值計量結餘之年內變動如下：

		Financial assets at FVTOCI HK\$'000
		按公平值計入 其他全面收益 的金融資產 千港元
At 1 January 2018	於二零一八年一月一日	710
Total gain recognised in other comprehensive income as change in the fair value of equity investments at FVTOCI included in consolidated statement of comprehensive income	於其他綜合收益的總收益確認為按公平值計入其他全面收益的股本投資公平值變動(計入綜合全面收益表)	8
Exchange realignment	匯兌調整	(36)
At 31 December 2018	於二零一八年十二月三十一日	682

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

年內，第一層級與第二層級之間並無轉移公平值計量，且金融資產及金融負債均未轉入或轉出第三層級(二零一七年：無)。本集團的政策為確認公平值層級間於報告期末其發生的轉移。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

(continued)

Financial instruments not measured at fair value

Financial instruments not measured at fair value include accounts and bills receivables, contract assets, deposits and other receivables, pledged and restricted bank deposits, cash and cash equivalents, accounts and bills payables, other payables and accruals, deposit received, amounts due to and loans from shareholders, amount due to an associate and bank and other loans.

As at 31 December 2018, all financial instruments measured at amortised costs are carried at amounts not materially different from their fair values, except the amounts due to and loans from shareholders amounting to approximately HK\$63,626,000 (2017: approximately HK\$41,097,000). As at 31 December 2017, all financial instruments are carried at amounts not materially different from their fair value except the amount due to an associate amounting to approximately HK\$99,589,000. In the opinion of the directors of the Company, the fair value of the balance has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

44. CAPITAL MANAGEMENT

The Group's primary objectives managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk by securing access to finance at a reasonable cost. the Group's overall strategy remains unchanged from that of prior year.

43. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值(續)

並非按公平值計量之金融工具

並非按公平值計量之金融工具包括應收賬款及票據、合約資產、按金及其他應收款、已抵押及受限制的銀行存款、現金和現金等價物、應付賬款及票據、其他應付款和應計費用、已收按金、應付股東款項及來自股東貸款、應付一間聯營公司款項及銀行和其他貸款。

於二零一八年十二月三十一日，按攤銷成本計量的所有金融工具按與其公平值並無重大差異的金額列賬，惟應付股東款項及來自股東貸款約為63,626,000港元(二零一七年：約41,097,000港元)除外。於二零一七年十二月三十一日，所有金融工具按與其公平值並無重大差異的金額列賬，惟應付一間聯營公司款項約為99,589,000港元除外。本公司董事認為，受關係影響，無法合理釐定該等結餘的預期現金流時間，因此尚未釐定結餘的公平值。

44. 資本管理

本集團管理資本的主要目標是保護本集團持續經營的能力，令本集團可透過與風險水平相稱的產品及服務定價及以合理成本取得融資，繼續為股東提供回報及令其他持份者受益。本集團的整體策略與上一年度相比維持不變。

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綜合財務報表附註

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44. CAPITAL MANAGEMENT (continued)

The capital structure of the Group consists of net debt, which included outstanding borrowings of approximately HK\$1,393,928,000 as disclosed in note 3.1, net of cash and cash equivalents and equity attributable to equity shareholders of the Company, comprising share capital and deficit, as disclosed in notes 27(b), 35 and 36, respectively.

The Group actively and reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

45. COMPARATIVE AMOUNTS

Amounts due to shareholders, which were previously included in other payables and accruals in the consolidated statement of financial position, were represented as single line item in the consolidated statement of financial position as at 31 December 2017, in order to conform with the current year's presentation and disclosures.

44. 資本管理(續)

本集團之資本架構由債務淨額(包括附註3.1披露的未償還借款約1,393,928,000港元)·扣除現金及現金等值項目與本公司股東應佔權益(包括附註27(b)、35及36分別披露的股本及虧絀)組成。

本集團積極檢討及管理資本架構·以維持更高借款水平可能實現的更高股東回報與穩健現金狀況可提供的優勢及安全之間的平衡·並根據經濟狀況的變動調整資本架構。

45. 比較金額

先前計入綜合財務狀況表內的其他應訴款項及應計費用的應付股東款項於二零一七年十二月三十一日的綜合財務狀況表內重新列作單獨項目·以與本年度呈列及披露保持一致。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

46. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

Information about the statement of financial position of the Company at the end of the reporting period is as follows:—

46. 公司級財務狀況表

有關本公司於報告期末財務狀況表的資料如下：—

	Note 附註	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries		19,253	—
Current assets			
Prepayments, deposits and other receivables		334	337
Cash and cash equivalents		439	15,262
		773	15,599
Current liability			
Other payables		11,391	18,780
Net current liabilities		(10,618)	(3,181)
Total assets less current liabilities		8,635	(3,181)
Non-current liability			
Amount due to a subsidiary		—	(501)
Net assets/(liabilities)		8,635	(3,682)
EQUITY			
Share capital		104,017	71,267
Deficit in reserves	36(b)	(95,382)	(74,949)
Total equity/(capital deficiency)		8,635	(3,682)

Approved and authorised for issue by the Board of Directors on 30 March 2019 and are signed on its behalf by:

經董事會於二零一九年三月三十日批准及授權刊發，並由以下人士代表董事會簽署：

Dong Cunling
董存嶺
Director
董事

Sun Shusheng
孫書生
Director
董事



ROSAN RESOURCES HOLDINGS LIMITED
融信資源控股有限公司