



Green Leader Holdings Group Limited
綠領控股集團有限公司

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 0061



年報
ANNUAL REPORT
2018

CONTENTS

目錄

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

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Sanhuo (*Chairman*)

Mr. Tse Michael Nam (*Chief Executive Officer*)

2

Non-executive Director

Mr. Zou Chengjian

Independent non-executive Directors

Ms. Leung Yin Fai

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

Mr. Zhou Chunsheng

COMPANY SECRETARY

Mr. Shek Wing Wa *ACIS ACS*

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2001-2, 20th Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd. (Hong Kong Branch)

Shop G1 & G2, G/F

Phase I, Amoy Plaza

77 Ngau Tau Kok Road, Kowloon

Bank of China (Hong Kong) Limited

Shop B&C, G/F, King's Towers, 480 King's Road

North Point

Hong Kong

董事會

執行董事

張三貨先生 (主席)

謝南洋先生 (行政總裁)

非執行董事

鄒承健先生

獨立非執行董事

梁燕輝女士

梁寶榮先生 *GBS, JP*

周春生先生

公司秘書

石永華先生 *ACIS ACS*

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

總辦事處及主要營業地點

香港

德輔道中189號

李寶椿大廈

20樓2001-2室

主要往來銀行

交通銀行股份有限公司 (香港分行)

九龍牛頭角道77號

淘大商場一期

地下G1及G2號舖

中國銀行 (香港) 有限公司

香港

北角

英皇道480號昌明洋樓地下B及C舖

CORPORATE INFORMATION

公司資料

LEGAL CONSULTANT

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

AUDITOR

Crowe (HK) CPA Limited
9/F, Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

<http://www.greenleader.hk>

Notes:

- On 3 April 2018, the Board received a notice from Mr. Huang Boqi who tendered his resignation as an executive Director, the deputy chairman and the chairman of the Company's risk management committee with effect from 3 May 2018 in order to dedicate more time on his other business commitments.
- As disclosed in the Company's announcement dated 2 January 2018, Crowe Horwath (HK) CPA Limited had been appointed to fill the casual vacancy as the Company's new auditor with effect from 2 January 2018 following the resignation of SHINEWING (HK) CPA Limited and has been re-appointed in the Company's annual general meeting held on 31 May 2018.
- Crowe Horwath (HK) CPA Limited renamed as Crowe (HK) CPA Limited with effect from 11 June 2018.

法律顧問

李智聰律師事務所
香港
中環皇后大道中39號
豐盛創建大廈19樓

核數師

國富浩華(香港)會計師事務所有限公司
香港
銅鑼灣
禮頓道77號
禮頓中心9樓

主要股份登記及過戶處

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

香港股份登記及過戶分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

網址

<http://www.greenleader.hk>

附註:

- 於二零一八年四月三日，董事會接獲黃伯麒先生通知，因他希望投放更多時間於其他商業事務而提出辭任執行董事、副主席及本公司風險管理委員會主席之職務，自二零一八年五月三日起生效。
- 誠如本公司日期為二零一八年一月二日之公佈中披露，國富浩華(香港)會計師事務所有限公司於二零一八年一月二日信永中和(香港)會計師事務所有限公司辭任後已獲委任為本公司之新任核數師以填補臨時空缺及在本公司於二零一八年五月三十一日舉行之週年股東大會上重新聘任。
- 國富浩華(香港)會計師事務所有限公司英文名稱更改為Crowe (HK) CPA Limited並於二零一八年六月十一日起生效。

BOARD'S PROFILE

董事會簡介

MR. ZHANG SANHUO

– Executive Director (Chairman)

Mr. Zhang Sanhuo, aged 53, joined the Company on 7 June 2013 and now being as an executive Director, the Chairman of the Board, the chairman of the Company's nomination committee, a member of the Company's remuneration committee and risk management committee, graduated from 山西財經大學 (Shanxi University of Finance & Economics*) (formerly known as 山西財經學院 (Shanxi Institute of Finance & Economics*)) with a bachelor's degree in accounting and obtained a master's degree in business administration from 長江商學院 (Cheung Kong Graduate School of Business). Mr. Zhang has over 20 years of experience in corporate management in mining, investment, finance and other industries. Mr. Zhang is also the chairman of the board, an executive director, the chief executive officer, the chairman of nomination committee and member of the remuneration committee of PINE Technology Holdings Limited (Hong Kong listed company, Stock Code: 1079).

MR. TSE MICHAEL NAM

– Executive Director (Chief Executive Officer)

Mr. Tse Michael Nam, aged 61, joined the Company on 12 February 2007 and now being as an executive Director, the chief executive officer and a member of the Company's risk management committee, currently is in charging of the operations in the Kingdom of Cambodia ("Cambodia"). Mr. Tse is currently one of the board members for Accelerating Inclusive Cassava Market Development Project developed by United Nation Development Program, Cambodia. Mr. Tse has over 28 years of experience in corporate management in the agriculture, manufacturing, mining and M&A sectors. Mr. Tse was a registered consultant to Asian Development Bank and has held key positions in several companies listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") such as being executive director of Asia Coal Limited (Hong Kong listed company, Stock Code: 835) and as the vice chairman and managing director of Asia Aluminum Holdings Limited (a company previously listed in Hong Kong, Stock Code: 930). Mr. Tse holds a bachelor of science degree in biological science from the University of California, Berkeley and a master of business administration degree from the University of San Francisco.

* For identification purpose only

張三貨先生

– 執行董事 (主席)

張三貨先生，53歲，於二零一三年六月七日加入本公司，現為執行董事、董事會主席、本公司提名委員會之主席、本公司薪酬委員會及風險管理委員會成員，畢業於山西財經大學（前稱山西財經學院），持有會計學學士學位，並於長江商學院取得工商管理碩士學位。張先生有逾20年之企業管理經驗，其中包括礦業開採、投資及金融行業等。張先生亦是松景科技控股有限公司*（香港上市公司，股份代號：1079）之董事會主席、執行董事、行政總裁、提名委員會之主席及薪酬委員會成員。

謝南洋先生

– 執行董事 (行政總裁)

謝南洋先生，61歲，於二零零七年二月十二日加入本公司，現為執行董事、行政總裁及本公司風險管理委員會成員，現時負責柬埔寨王國（「柬埔寨」）業務營運。謝先生現時為由柬埔寨聯合國開發計劃署開發的促進廣泛發展木薯市場項目*的董事會成員之一。謝先生於農業、生產、採礦及併購行業擁有超過28年企業管理經驗。謝先生曾任亞洲開發銀行之註冊顧問，亦曾於多間於香港聯合交易所有限公司（「聯交所」）上市公司出任要職，包括亞洲煤業有限公司（香港上市公司，股份代號：835）之執行董事，及先前於香港以股份代號930上市之亞洲鋁業控股有限公司之副主席兼董事總經理。謝先生持有加州大學伯克萊分校生物科學及海洋生物學學士學位及三藩市大學工商管理碩士學位。

* 僅供識別

BOARD'S PROFILE

董事會簡介

MR. ZOU CHENGJIAN

– Non-executive Director

Mr. Zou Chengjian, aged 76, joined the Company on 7 June 2013 and now being as a non-executive Director, graduated from 山東礦業學院 (Shandong Institute of Mining and Technology*) with a bachelor's degree in mining since September 1965. From September 1965 to January 1970, he worked as a mining technician at 西山礦務局西銘礦 (Xishan Mining Administration Ximing Mine*). He was promoted to the position of executive mining technician in January 1970 and acted as the mining engineer, the deputy technical manager and the acting manager of the mining area successively from January 1970 to April 1980. He served at the development headquarters of 西山礦務局古交礦區 (Xishan Mining Administration Gujiao Mine District*) from April 1980 to April 1985, during which period he worked as the deputy group leader of the development group of 西山礦務局西曲礦 (Xishan Mining Administration Ximing Mine*), the chief engineer and the mine manager of such mine. He then served as the leader of such development headquarters and its deputy general and production director from April 1985 to April 1995. From December 1995 to December 1997, he acted as the director of 淮南礦務局 (Huainan Mining Administration*). He subsequently worked as the deputy general manager and general manager of 華晉焦煤公司 (Huajin Coking Coal Company*) successively from December 1997 to June 2003. Since 2004, he has acted as the technical consultant of Shanxi Changtong and had been the dean of 煤炭工業合肥設計研究院山西分院 (Shanxi Branch of Hefei Design Research Institute for Coal Industry*).

MS. LEUNG YIN FAI

– Independent non-executive Director

Ms. Leung Yin Fai, aged 54, joined the Company on 1 April 2014 and now being as an independent non-executive Director and the chairman of each of the Company's audit and remuneration committees and a member of the Company's nomination committee, obtained the master degree of commerce from the University of New South Wales, Australia. She is currently the managing director of K E Management & Consultancy (Shanghai) Co., Ltd.. Prior to this, Ms. Leung acted as the office head of KCS Management & Consultancy (China) Co., Ltd. Beijing Branch and Tianjin Branch for 7 years and worked in one of international CPA firms for 20 years.

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

* For identification purpose only

鄒承健先生

– 非執行董事

鄒承健先生，76歲，於二零一三年六月七日加入本公司，現為本公司非執行董事，彼自一九六五年九月起畢業於山東礦業學院，持有採礦學士學位。於一九六五年九月至一九七零年一月，彼擔任西山礦務局西銘礦採礦技術員。彼於一九七零年一月獲晉陞為執行採礦技術員，並於一九七零年一月至一九八零年四月期間歷任採礦工程師、技術副經理及礦區代理礦長。彼於一九八零年四月至一九八五年四月任職於西山礦務局古交礦區開發總部，期間擔任西山礦務局西曲礦開發組副組長、首席工程師及該礦礦長。其後於一九八五年四月至一九九五年四月，彼出任該開發總部領導及其總務及生產副總監。於一九九五年十二月至一九九七年十二月，彼擔任淮南礦務局局長，其後於一九九七年十二月至二零零三年六月任職於華晉焦煤公司，歷任副總經理及總經理。自二零零四年起，彼擔任山西昌通技術顧問，並曾任煤炭工業合肥設計研究院山西分院院長。

梁燕輝女士

– 獨立非執行董事

梁燕輝女士，54歲，於二零一四年四月一日加入本公司，現為獨立非執行董事、本公司審核及薪酬委員會之主席及本公司提名委員會之成員，彼於澳洲新南威爾士大學取得商業碩士學位。彼現為凱誠管理諮詢(上海)有限公司之執行董事。於此之前，梁女士曾為凱譽管理諮詢(中國)有限公司北京及天津分公司之主管七年。梁女士亦曾任職於一國際會計公司二十年。

梁女士現為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。

BOARD'S PROFILE

董事會簡介

MR. LEUNG PO WING, BOWEN JOSEPH GBS, JP

– Independent non-executive Director

6 **Mr. Leung Po Wing, Bowen Joseph** GBS, JP, aged 69, joined the Company on 26 March 2010 and now being as an independent non-executive Director and a member of each of the Company's audit, nomination and remuneration committees and the chairman of the Company's risk management committee, is currently serving as an independent non-executive director for three other companies listed on the Stock Exchange namely Paliburg Holdings Limited (Hong Kong listed company, Stock Code: 0617), Regal REIT (Hong Kong listed company, Stock Code: 1881) and Quali-Smart Holdings Limited (Hong Kong listed company, Stock Code: 1348). Mr. Leung previously served as the Director of the Office of the Government of the Hong Kong Special Administrative Region in Beijing until his retirement in November 2005. During his tenure with the Government, Mr. Leung has served in various senior positions including the Deputy Secretary for District Administration (later re-titled as Deputy Secretary of Home Affairs), Deputy Secretary for Planning, Environment and Lands, Private Secretary, Government House, and Secretary for Planning Environment and Lands. Mr. Leung has extensive experience in corporate leadership and public administration. Mr. Leung was conferred with the Gold Bauhinia Star honour in 2004 and appointed as a Justice of Peace in 2007, for his very distinguished services to the Hong Kong community.

梁寶榮先生 GBS, JP

– 獨立非執行董事

梁寶榮先生 GBS, JP, 69歲，於二零一零年三月二十六日加入本公司，現為獨立非執行董事以及為本公司審核、提名及薪酬委員會成員及本公司風險管理委員會主席。梁先生現任百利保控股有限公司（香港上市公司，股份代號：0617）、富豪產業信託（香港上市公司，股份代號：1881）及滙達富控股有限公司（香港上市公司，股份代號：1348）三家聯交所上市公司之獨立非執行董事。梁先生以往任香港特別行政區政府駐北京辦事處主任，於二零零五年十一月退休。於政務服務期間，梁先生曾任職多個高層職位，包括：副政務司（後改稱民政事務局副秘書長）、副規劃環境地政司、總督府私人秘書及規劃環境地政司。梁先生於企業領導及公共管理饒富經驗。因其對香港社區十分傑出服務，梁先生於二零零四年獲授金紫荊星章及於二零零七年獲頒太平紳士銜。

BOARD'S PROFILE

董事會簡介

MR. ZHOU CHUNSHENG

– Independent non-executive Director

Mr. Zhou Chunsheng, aged 52, joined the Company on 14 June 2013 and now being as an independent non-executive Director and a member of each of the Company's audit, nomination and remuneration committees, is currently a professor-in-residence and was director of the executive master of business administration program of 長江商學院 (Cheung Kong Graduate School of Business). He was an assistant dean, director of the executive education program and a professor of finance of 光華管理學院 (Guanghua School of Management) of 北京大學 (Peking University). He is a distinguished economist, a winner of the National Excellent Young Researcher Grant, an honorary professor at the University of Hong Kong, a visiting professor at the City University of Hong Kong and a member of the 1st and 2nd Listing Committee of the Shenzhen Stock Exchange. Mr. Zhou obtained a master degree in mathematics from Peking University and a doctoral degree in economics (finance) from Princeton University in the United States. From 1994 to 1995, he was awarded an honorary doctoral scholarship excellence from Princeton University. During 1997 to 2001, Mr. Zhou worked for the University of California and the School of Business of the University of Hong Kong. From April to December 2001, at the invitation of China Securities Regulatory Commission ("CSRC"), Mr. Zhou acted as a member (deputy level) of the planning and development committee of CSRC. He also became the head of the finance department of 光華管理學院 (Guanghua School of Management). Mr. Zhou is an expert in analysing financial investment, securities markets, capital operation and financial derivatives.

Mr. Zhou is currently an independent non-executive director of each of Transfar Zhilian Co., Ltd. (Shenzhen listed company, Stock Code: 002010), Guosheng Financial Holding Inc. (Shenzhen listed company, Stock Code: 002670), Kunwu Jiuding Investment Holdings Co., Limited (Shanghai listed company, Stock Code: 60053), Zhonghong Holding Co., Limited (Shenzhen listed company, Stock Code: 000979), and PINE Technology Holdings Limited (Hong Kong listed company, Stock Code: 1079). Mr. Zhou is also the director of Nanda Automation Technology Jiangsu Co., Ltd. (NEEQ: 834876), the shares of which are traded on the National Equities Exchange and Quotations in the PRC and the independent director of Leshan City Commercial Bank.

周春生先生

– 獨立非執行董事

周春生先生，52歲，於二零一三年六月十四日加入本公司，現為獨立非執行董事以及本公司審核、提名及薪酬委員會成員。彼為長江商學院常駐教授，曾任高級工商管理碩士課程學術主任。周先生曾任北京大學光華管理學院院長助理，高層管理者培訓與發展中心主任、金融教授，是著名經濟學家，國家傑出青年基金獲得者，香港大學榮譽教授，香港城市大學客座教授，深圳證券交易所首屆和第二屆上市委員會委員。周先生獲北京大學數學系碩士學位，美國普林斯頓大學的金融經濟學博士學位，並於一九九四年至一九九五年獲普林斯頓大學最優博士生榮譽獎學金。一九九七年至二零零一年間，周先生受聘於加州大學及香港大學商學院。二零零一年四月至十二月，周先生應中國證券監督管理委員會（「中國證監會」）的邀請，回國工作，擔任中國證監會規劃發展委員會委員（副局級），並兼任光華管理學院金融系主任職務。周先生在金融投資、證券市場、資本運營與金融衍生工具分析領域有很深的造詣。

周先生現時為以下公司之獨立非執行董事：傳化智聯股份有限公司（深圳上市公司，證券代碼：002010）、國盛金融控股集團股份有限公司（深圳上市公司，證券代碼：002670）、昆吾九鼎投資控股股份有限公司（上海上市公司，證券代碼：60053）、中弘控股股份有限公司（深圳上市公司，證券代碼：000979）及松景科技控股有限公司*（香港上市公司，股份代號：1079）。周先生亦是南大傲拓科技江蘇股份有限公司（全國股份轉讓系統代號：834876）之董事，其股份於中國全國中小企業股份轉讓系統進行買賣及為樂山市商業銀行之獨立董事。

* 僅供識別

CHAIRMAN'S STATEMENT

主席報告

8



Mr. Zhang Sanhuo 張三貨先生
Chairman 主席

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Green Leader Holdings Group Limited (the “Company”, together with its subsidiaries, collectively known as the “Group”), I am pleased to present the audited annual results of the Group for the year ended 31 December 2018 as well as the prospect of our diverse portfolio featuring with coal mining business, sales of information technology products, provision of systems integration services, technology services, software development and solution services (“IT related business”) and cassava starch business, where some are already making profit and some with immense potential to the shareholders of the Company (the “Shareholders”).

The coal mining business sector has been the progressive year of 2018. The Group has been focusing on the development of Fuchang Mine for full commencement of construction work during the year and is optimistic launching the remaining four mines in full operation. It is expected that steady cash inflow will be generated once all mines are in full operation to improve the overall financial position of the Group. Amid looming trade war between the People’s Republic of China (“PRC”) and the United States might take a major toll on the economic growth in the PRC, we expect the impose tariffs would not have a direct impact on the demand of coking coal as well as the commodity prices in local market.

致各位股東：

本人謹代表綠領控股集團有限公司（「本公司」，連同其附屬公司，統稱「本集團」）董事會（「董事會」）董事（「董事」），欣然提呈本集團截至二零一八年十二月三十一日止年度之經審核年度業績及不同業務組合（即煤礦業務、資訊科技產品銷售、提供系統集成服務、技術服務、軟件開發及解決方案服務（「資訊科技相關業務」）及木薯澱粉業務）之前景，其中，部分業務已開始產生盈利而部分業務對本公司股東（「股東」）而言，蘊藏巨大潛力。

煤礦業務於二零一八年取得良好進展。本集團於年內專注於福昌礦區全面開展施工作業，對餘下四個礦區全面運作持樂觀態度。預計所有礦區全面運作將產生穩定現金流入，改善本集團的整體財務狀況。受制於中華人民共和國（「中國」）與美國之間一觸即發的貿易戰，中國的經濟增長或會面臨重大影響，我們預計施加關稅不會對焦煤需求及本地市場的商品價格有直接影響。

CHAIRMAN'S STATEMENT

主席報告

PRC is undergoing an environmental paradigm shift, transitioning to be a global leader in the fight against climate change over the years. The coal regulatory authorities in Shanxi has adopted stringent policies and regulation on safety, environmental protection and production control to implement the national safety protocol for coal mines as the PRC government pursues its goal of promoting ecological civilisation. The Group will closely speculate the existing mines such that major technical renovations are carried out and the environmental and safety procedures measures are in line with the relevant regulatory requirements and national standards.

As for IT related business, the competitions in the industry remain challenging. However, the considerable impact of the market pressure on the Group's overall financial position is minimal. After careful consideration, the Company's management has come to the view that we will streamline the existing IT related business and divert our effort towards other potential investments.

In the spirit of PRC-proposed Belt and Road Initiatives in 2013 and "Going out" strategy, the Group has initially emerged into the cassava starch business via plantation as well as the export and trading of cassava starch in Cambodia, a member of the ASEAN countries, in 2016.

In the essence of implementing its development of cassava starch business, the Group identified strategic partnerships by entering into strategic cooperation framework agreements with a PRC bio-energy and industry leader, Henan Tianguan Enterprise Group Co., Ltd. and one of the leading manufacturers for cassava starch and modified starch, Guangxi State Farm Mingyang Biochemical Group Inc. respectively, pursuant to which the Company intended to adopt a modular design for constructing biological recycling industry chain, with cassava starch processing plants and all of its auxiliary projects. A financial institution, namely China Huarong Macau (HK) Investment Holdings Limited, supported the Group's investment strategy with sufficient financial funding to kickstart the pertinent development of the cassava starch business.

中國正經歷環境模式之轉變，多年來已漸趨成為對抗氣候變化的全球領導者。由於中國政府推動發展生態文明建設，山西煤炭監管部門已嚴格執行安全、環保及產量控制之政策和法規，藉以執行全國煤礦之安全規定。本集團將密切關注現有礦區，以進行重大技術改造，並確保環境及安全程序措施符合相關監管規定及國家標準。

就資訊科技相關業務而言，行業競爭仍然激烈。然而，市場壓力對本集團整體財務狀況的重大影響微乎其微。經審慎考慮後，本公司管理層決定，我們將簡化現有資訊科技相關業務並將精力轉移至其他具發展潛力之投資。

為迎合中國於二零一三年提出的「一帶一路」倡議及「走出去」戰略，本集團於二零一六年在柬埔寨，為東盟國家成員國之一，透過種植木薯及木薯澱粉出口和貿易業務發展木薯澱粉業務。

就發展木薯澱粉業務而言，本集團透過分別與中國生物能源行業領導者－河南天冠企業集團有限公司及與木薯澱粉和變性澱粉的領先製造商－廣西農墾明陽生化集團股份有限公司訂立戰略合作框架協議，物色戰略合作夥伴，據此，本公司擬以模塊化設計興建配備木薯澱粉加工廠及其配套之全部項目的循環產業模塊園區。本集團的投資策略由一間金融機構（名為中國華融澳門（香港）投資控股有限公司）提供充足融資資金而得以發展木薯澱粉業務。

CHAIRMAN'S STATEMENT

主席報告

Riding on the achievements of 2017, we entered 2018 with a vibrant strategic planning, and are continuing with our plans to firmly establish the Group with the aim of industrialising the cassava sector by constructing module processing plants with economies of scale and products value-added cassava-based products to supply diverse markets.

10 To further deepen and broaden its multi-national network in 2018 and future, the Group has connected with and received full support from the Ministry of Agriculture, Forestry and Fisheries of Cambodia (“MAFF”), the Ministry of Commerce, Cambodia (“MOC”) and the United Nations of Development Programme (“UNDP”) respectively to promote its investment strategy on sustainable development on the agriculture sector in Cambodia.

Together with MAFF, MOC, and UNDP, the Group advocates poverty alleviation by improving people’s livelihood through the innovative scheme – “Contract Farming + Technical Assistance + Financing Assistance.” This is a trail blazing scheme that accentuates on technology transfer, marketing know-how with huge social impact by increasing farmers livelihood with a secure market. A success case of public-private partnership initiative, to create multiple-win situation for governmental bodies and the Group, with the goal of providing public benefits to local farmers through improved operational efficiency.

憑藉二零一七年所取得的成就，我們以充滿活力的戰略規劃邁進二零一八年，並繼續穩扎建立本集團的計劃，旨在通過建設具經濟規模之模塊化加工廠將木薯行業工業化，將木薯產品增值，以供應不同市場。

為於二零一八年及日後進一步深化及拓寬跨國網絡，本集團分別接洽柬埔寨王國農、林及漁業部*（「農林漁業部」）、柬埔寨商務部*（「柬埔寨商務部」）及聯合國開發計劃署（「聯合國開發計劃署」），並獲得該等部門的全力支持，以推動其於柬埔寨農業進行可持續發展之投資策略。

本集團與農林漁業部、柬埔寨商務部及聯合國開發計劃署一同倡導扶貧，透過「合約耕種+技術援助+融資援助」創新計劃改善民生。是項對社會有巨大影響力之先導計劃，著重透過技術轉移及市場認知，讓農民於穩固的市場中改善生活。公私合營計劃的成功案例，為政府機構及本集團創造多贏局面，旨在通過提高營運效率為當地農民提供公眾福利。



The Company participated in the Boao Forum for Asia Phnom Penh Conference in September 2018. 本公司於2018年9月參與博鰲亞洲論壇金邊會議。

* 僅供參考

CHAIRMAN'S STATEMENT

主席報告

With that said, our Group's Chief Executive Officer (the "CEO") is fortunate to be invited as one of the speakers of CEO Roundtable Discussion in the Boao Forum for Asia Annual Conference 2018 as well as the Phnom Penh Conference in 2018 to present the Group's cassava project to the world economic leaders.

Witnessing the establishment and development of the cassava starch business has grown alongside with the Belt and Road Initiatives and Cambodia's National Development Strategy and Industrial Development Policy (2015-2025), the Company's management is confident that the initiative is no longer just an initiative but have entered into a development stage through completing our supply value chain in 2019.

The Group is ready to build on its accomplishments in 2018 and to attain a better development for the diverse portfolio of the Company. On behalf of the Board and management, I wish to express my sincere gratitude to our clients, business partners and Shareholders for their unwavering support and belief in the Group, and to our employees for their tireless dedication and professional competence that are the fuel to drive the Group's ongoing development.

Mr. Zhang Sanhuo
Chairman

Hong Kong, 29 March 2019

除此之外，本集團行政總裁（「行政總裁」）有幸獲邀於博鰲亞洲論壇二零一八年年會行政總裁圓桌會議以及二零一八年金邊會議擔任演講嘉賓，向世界經濟領袖展示本集團的木薯項目。

見證著木薯澱粉業務的確立及發展並與一帶一路倡議及柬埔寨國家發展戰略和工業發展政策(2015-2025)一道增長，本公司管理層相信，於二零一九年該倡議不再僅僅為一項倡議，而已透過完成我們的供應價值鏈進入發展階段。

本集團於二零一八年取得的成就，將成為本集團進行多元化發展的基礎。本人謹代表董事會及管理層，對客戶、業務夥伴及股東對本集團堅定的支持及信賴致以衷心感謝，亦衷心感謝員工的不懈努力和專業能力，本集團的持續發展有賴於此。

主席
張三貨先生

香港，二零一九年三月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BIOLOGICAL RECYCLING INDUSTRY CHAIN

Green development has become an important trend in the world. The Company takes environmental protection as a cradle of emerging a new development model for continuous sustainable development. The main content and direction of green development are being set by upgrading traditional agriculture method to different green technology and resources comprehensive utilisation.

12

生態循環產業鏈

綠色發展已經成為世界一個重要趨勢。本公司以環境保護作為實現可持續發展重要支柱的一種新型發展模式。透過不同綠色技術為傳統農業升級改造，資源綜合利用，作為綠色發展的主要內容和途徑。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Overview

The Group has been focusing on accelerating sustainable industries in coal and agro-related businesses in the financial year 2018. The Group is principally engaged in (i) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; (ii) coal exploration and development, and sales of coking coal and the provision of coal trading and logistics services; and (iii) IT related business.

Coal mining business

Despite the continuing posing challenges for constructions delay uncertainty, the financial performance in the year 2018 of the coal mining business has been promising for the Group overall. The Group has five coking coal mines located in Gujiao, Taiyuan City, Shanxi Province, the PRC ("Shanxi") one of which had fully commenced in operation since November 2017 and four other mines were undergoing constructions.

Fuchang Mine was the first coal mine in operation, which entered the joint trial operation back in October 2016. Fuchang Mine passed the inspection for completion, and obtained 《安全生產許可證》 (the Permit for Safe Production*) in January 2017 and April 2017 respectively. In December 2017, the Coal Industry Bureau of Shanxi recognised the Fuchang Mine as a 「二級安全生產標準化煤礦」 (Second Class Safe Production Standardisation Coal Mine*) with a valid period of 3 years from the recognition date. As at the end of 2018, Fuchang Mine became one of the three coal mines of Taiyuan City to participate in the appraisal for 「安全高效礦井」 (Safe and Highly Efficient Mines*) organised by China National Coal Association and passed the appraisal. With the expected production capacity of 600,000 tonnes per year, it is now mining the 8th Coal Seam.

Of the four coal mines under construction, Jinxin Mine entered the joint trial operation in August 2018, and planned to undergo special acceptance in April 2019 of the joint trial operation to apply for inspection for completion with an aim of obtaining the Permit for Safe Production* in July 2019. The expected production capacity is 450,000 tonnes per year. Liaoyuan Mine also entered the joint trial operation in September 2018 with an aim of obtaining the Permit for Safe Production* in July 2019. The expected production capacity is 600,000 tonnes per year. Bolong Mine and Xinfeng Mine are expected to obtain the Permit for Safe Production* in September 2019 and July 2020 respectively. The estimated schedule of critical production stages of coal mines under construction are set forth in the table stated later.

* For identification propose only

業務回顧

概況

於二零一八年財政年度，本集團一直致力於推動煤炭及農業相關業務的可持續發展。本集團主要從事(i)開發木薯種植及相關生態循環產業鏈之深加工業務；(ii)煤炭勘探及開發、銷售焦煤及提供煤炭貿易及物流服務；及(iii)資訊科技相關業務。

煤礦業務

儘管持續面對建設延誤不確定性的挑戰，本集團煤礦業務於二零一八年的整體財務表現良好。本集團有五座焦煤礦，位於中國山西省（「山西」）太原市古交，其中一座已於二零一七年十一月起全面投入營運，而其他四座煤礦正在建設中。

福昌礦區為首個營運煤礦，於二零一六年十月進入聯合試運轉。福昌礦區分別於二零一七年一月及二零一七年四月通過竣工驗收，並取得《安全生產許可證》。於二零一七年十二月，山西煤炭工業廳確認福昌礦區為「二級安全生產標準化煤礦」，有效期為自確認之日起計三年。於二零一八年底，福昌礦區成為太原市三座煤礦中，參加了中國煤炭工業協會組織的「安全高效礦井」評審並順利通過評審之一。其計劃設計生產能力為每年60萬噸，現開採第8號煤層。

其他四座在建煤礦中，金鑫礦區於二零一八年八月進入聯合試運轉，並計劃於二零一九年四月開展聯合試運轉專項驗收工作，以申請竣工驗收，爭取於二零一九年七月取得《安全生產許可證》，其計劃設計生產能力為每年45萬噸。遼源礦區亦於二零一八年九月進入聯合試運轉，爭取於二零一九年七月取得《安全生產許可證》，其計劃設計生產能力為每年60萬噸。鉑龍礦區及鑫峰礦區預計分別於二零一九年九月及二零二零年七月取得《安全生產許可證》。各在建煤礦之關鍵生產階段預計時間表在後述表格載列。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

To facilitate the structural reform by the state on the supply side of coal, coal enterprises are required to support the implementation of policies on dissolving excessive capacity. Moreover, as the state tightens requirements on and ramps up inspection efforts in the design, safety, and environmental protection aspects of coal mines under construction, relevant policies and regulations issued in recent years on safety and environmental protection applicable to the coal industry become increasingly stringent and refined. Relevant key policies and regulations recently issued are as follows:

為促進國家對煤炭供應方的結構性改革，煤炭企業須配合履行解決產能過剩的政策。此外，國家對監察在建煤礦的設計、安全及環保方面的要求不斷增加和檢查規定亦不斷收緊，近年所推行適用於煤炭行業之相關安全及環保的政策及規定愈趨嚴格和完善。近期發佈的相關主要政策及規定如下：

15

Issue Date 發出日期	Policy/Regulation name 政策／規定名稱
1 February 2018 二零一八年二月一日	《關於進一步完善煤炭產能置換政策加快優質產能釋放促進落後產能有序退出的通知》 (Notice on Further Improving the Production Capacity Replacement Policy to Accelerate Release of Advanced Production Capacity and Facilitate Orderly Exit of Out-dated Production Capacity*)
23 February 2018 二零一八年二月二十三日	《關於開展全(山西)省煤礦安全生產大檢查的通知》 (Notice on Carrying out Major Inspection on Safe Production of Coal Mines Throughout Shanxi*)
2 April 2018 二零一八年四月二日	《關於開展全(山西)省煤礦井下防爆設備和安全儀器專項檢查的通知》 (Notice on Carrying out Special Inspection on Antiknock Devices and Safety Apparatus under the Coal Mines Throughout Shanxi*)
4 June 2018 二零一八年六月四日	《關於開展全(太原)市建設礦井施工項目專項檢查的通知》 (Notice on Carrying out Special Inspection on Construction Projects of Coal Mines Under Construction Throughout Taiyuan City*)
26 July 2018 二零一八年七月二十六日	《關於加快我(太原)市煤炭安全監控系統升級改造工作的通知》 (Notice on Accelerating the Upgrade and Renovation of Safety Monitoring System for Coal Mines in Taiyuan City*)
30 August 2018 二零一八年八月三十日	《關於全(太原)市煤礦建設工程質量執法檢查情況的通報》 (Briefing on Law Enforcement Inspection on the Quality of Coal Mines Construction Projects in Taiyuan City*)
6 September 2018 二零一八年九月六日	《太原市煤炭工業局2018年-2020年全市煤礦安全生產標準化對標提示規劃》 (Plan on 2018-2020 Coal Mine Safety Production Standardisation Benchmarking Tips in Taiyuan City by Taiyuan Coal Industry Bureau*)
6 December 2018 二零一八年十二月六日	《太原市煤炭工業局關於全市煤礦冬季安全生產大檢查工作方案的通知》 (Notice of Taiyuan Coal Industry Bureau on the Work Plan for the Winter Safety Production Inspection of Coal Mines in Taiyuan*)

* For identification propose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

16

As affected by the policies, the Group's coal mines under construction inevitably experienced construction delay or suspension, therefore reducing the effectiveness of construction period during the year, leading to further extension of the respective construction period. As such, the critical production stages of the coal mines under construction faced certain uncertainties. Based on the best estimation of the Group's management, the critical production stages of each of the mines are set out as follows:

受該等政策的影響，本集團之在建煤礦無可避免持續經歷緩建或停工，以致減少年內之有效工期，導致彼等建設工期之進一步順延。因此，各在建煤礦的關鍵生產階段面臨若干不確定性。按本集團管理層最佳估計，各礦區之關鍵生產階段時間表載列如下：

		Fuchang Mine 福昌礦區	Jinxin Mine 金鑫礦區	Liaoyuen Mine 遼源礦區	Bolong Mine 鉑龍礦區	Xinfeng Mine [#] 鑫峰礦區 [#]
Critical production stage		Actual date	Expected date	Expected Date	Expected date	Expected date
關鍵生產階段		實際日期	預計日期	預計日期	預計日期	預計日期
Joint trial operation*	聯合試運轉	October 2016 二零一六年十月	August 2018 (Actual) 二零一八年八月 (實際)	September 2018 (Actual) 二零一八年九月 (實際)	June 2019 二零一九年六月	February 2020 二零二零年二月
Inspection for completion*	竣工驗收	January 2017 二零一七年一月	April 2019 二零一九年四月	April 2019 二零一九年四月	August 2019 二零一九年八月	April 2020 二零二零年四月
Permit for Safe Production*	安全生產許可證	April 2017 二零一七年四月	July 2019 二零一九年七月	July 2019 二零一九年七月	September 2019 二零一九年九月	July 2020 二零二零年七月
Tasks of dissolving excessive coal production capacity*	化解煤炭過剩產能任務	July 2017 二零一七年七月	August 2019 二零一九年八月	August 2019 二零一九年八月	October 2019 二零一九年十月	September 2020 二零二零年九月
Publication of information on production factors*	生產要素信息公告	September 2017 二零一七年九月	September 2019 二零一九年九月	September 2019 二零一九年九月	November 2019 二零一九年十一月	October 2020 二零二零年十月
Recognised as Safe Production Standardisation Coal Mine*	確認為安全生產標準化煤礦	December 2017 二零一七年十二月	October 2019 二零一九年十月	October 2019 二零一九年十月	December 2019 二零一九年十二月	December 2020 二零二零年十二月

* Subject to the mine reorganisation proposal for Bolong Mine and Xinfeng Mine, the consolidation shall be subject to the approval by the Shanxi government. Due to the uncertainty for obtaining the approval, the expected production schedule for Safe Production Date for Xinfeng Mine might subject to further changes.

* 根據鉑龍礦區和鑫峰礦區進行兼併重組整合方案，該整合須獲山西政府批准。由於獲得批准的不確定性，鑫峰礦區之安全生產日期的預期生產表可能會進一步變更。

* For identification propose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Development of cassava-based agricultural and deep processing business

The Group deployed significant resources to working diligently into developing its agro-business platform as well as announcing several key initiatives to lay a solid foundation for the development of cassava-based agricultural and deep process business. During the first half of 2018, the Group entered into a non-legally binding memorandum of understandings (“MOU”) with MAFF and UNDP respectively, which has brought the Group with confidence to orchestrate the strategic plans.



H.E. Yim Chhay Ly, the Deputy Prime Minister of Cambodia, presided over the signing ceremony of the MOU.
柬埔寨副總理尹財利閣下主持諒解備忘錄簽訂儀式。



The Group had a groundbreaking and commencement of construction ceremony of the Group’s first cassava starch processing plant (the “**Processing Plant**”) in Cambodia in April 2018. The Processing Plant is located at Snoul District, Kratie Province in Cambodia, which is approximately 230 kilometres from Phnom Penh City, occupying a site area of approximately 20 hectares. It is rescheduled to be completed and commence trial production in the third quarter of 2019. Upon completion of construction and commencement of production of the Processing Plant, the Group will have an annual production capacity of up to 120,000 tonnes of cassava starch and 30,000 tonnes of modified starch respectively.

發展木薯農業及深加工業務

本集團投入大量資源努力發展其農業業務平台，並公佈若干重要措施，為發展木薯農業及深加工業務奠定了鞏固的基礎。於二零一八年上半年，本集團與農林漁業部及聯合國開發計劃署分別簽訂了一份不具法律約束力的諒解備忘錄（「諒解備忘錄」），使本集團有信心籌備戰略計劃。



H.E. Veng Sakhon, the Minister of MAFF (left) shook hands with Mr. Zhang Sanhuo, the Chairman of the Company.
農林漁業部部長翁薩坤閣下（左）與本公司主席張三貨先生握手。

本集團已於二零一八年四月為本集團在柬埔寨的首個木薯澱粉加工廠（「**加工廠**」）舉行奠基儀式和啟動工程建設。加工廠佔地面積約二十公頃，位於柬埔寨桔井省的西厝縣，距離金邊市約二百三十公里。重新計劃於二零一九年第三季落成並開始試產。在加工廠建成並開始生產後，本集團將可每年分別生產木薯澱粉高達120,000噸及變性澱粉30,000噸。

* 僅供參考

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

18



Groundbreaking and commencement of construction ceremony of the Group's first Processing Plant in Cambodia in April 2018.
於二零一八年四月，本集團在柬埔寨的首個加工廠舉行奠基儀式及啟動工程建設。

H.E. Yim Chhay Ly, the Deputy Prime Minister of Cambodia (middle), H.E. Veng Sakhon, the Minister of MAFF (left 3) and Mr. Zhang Sanhuo (right 2), the Chairman of the Company attended the groundbreaking and commencement of construction ceremony.

柬埔寨副總理尹財利閣下(中)、農林漁業部部長翁薩坤閣下(左三)與本公司主席張三貨先生(右二)出席奠基儀式及啟動工程建設。



In respect of re-scheduling production commencement of the Processing Plant, it is mainly due to modification on modified starch processing line by adding wet chemical reaction processing and automated packaging equipments as per customer's requirements, with adjustment of the wastewater treatment design in compliance with the water pollution control standards governed by the Ministry of Environment, Cambodia. As such, additional time is required for finalising the design, planning, sourcing, fabrication on site and installation, which resulted in prolonging of the construction period.

就加工廠重新計劃開始生產而言，主要由於按客戶要求增加濕法化學反應工序及自動化包裝設備而改造變性澱粉加工生產線所致，並根據柬埔寨環保部規管之水污染控制標準調整污水處理設計。因此，需要額外時間落實設計、規劃、採購、現場製備及安裝，從而導致施工期延長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group believes that collaboration and partnership with the government authority bodies, public institutions and other strategic partners with shared goals, can create a broader range of opportunities to complement and intensify the effectiveness of development effort. Through the MOU signed with MAFF in January 2018, the parties could cooperate and collaborate in various initiatives to promote, enhance and improve the efficiency on planting and processing of cassava in Cambodia including but not limited to the project of the Group to invest and develop cassava product chains in Cambodia by constructing ten cassava starch processing plants in various provinces throughout Cambodia which could ultimately produce approximately 1.5 million tonnes of cassava starch and modified starch per annum in five years. The Group received full support from MAFF to facilitate the development of its agro-business platform.

In the meantime, the MOU signed with UNDP in April 2018 provided a framework cooperation platform to facilitate and to strengthen collaboration between parties on a nonexclusive basis, to develop sustainable cassava industry through inclusive economic growth while generating specific and measurable transformational development impacts in both smallholders' community and industrial level. The Group had made notable progress in achieving an area of common interest with UNDP through the cooperation and collaboration in the contract farming schemes.

本集團認為與政府機構、公共機構及其他擁有共同目標的戰略夥伴合作及合夥關係可創造更多機會以完善及加強發展工作的有效性。透過於二零一八年一月與農林漁業部簽署的諒解備忘錄，訂約方可在各項措施中進行合作和協作以促進、增強和改善柬埔寨的木薯種植和加工效率，包括但不限於本集團通過在柬埔寨投資發展木薯產業鏈，在五年內於柬埔寨不同省份建設十間每年最終生產量合共達約150萬噸木薯澱粉及變性澱粉的木薯澱粉加工廠。本集團獲得農林漁業部的全力支持發展其農業業務平台的發展。

與此同時，於二零一八年四月與聯合國開發計劃署簽署的諒解備忘錄提供了框架合作平台，以非獨家方式促進及加強訂約方間之合作，透過兼容經濟增長，發展可持續之木薯產業，並於小農戶之團體及行業層面產生特定及可計量轉型發展效果。本集團與聯合國開發計劃署透過合約耕種計劃的合作及協作，於共同關注範疇取得了顯著進展。

19



The Company and UNDP entered into the MOU in April 2018.
本公司與聯合國開發計劃署於二零一八年四月訂立諒解備忘錄。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

20

To deepen the collaboration with accessible market opportunities, the Group and UNDP subsequently entered into a cooperative agreement in August 2018, with the assistance from MAFF and witnessed by MoC. In this cooperative agreement, the Group and UNDP, on a cost-sharing basis, would implement the Accelerating Inclusive Cassava Market Development project (the “Project”) in Cambodia. The Project aimed to (i) increase the export of cassava starch to global markets while its values added are created and retained in Cambodia; and (ii) provide a secure market for Cambodian farmers, for those depending on cassava as their source of income. The execution of the agreement have demonstrated a joint commitment between UNDP and the Group with support from the MoC towards the sustainable development of the cassava sector as prioritised in the National Cassava Sector Development Strategy which can extend agriculture services and assistance to local farmers to improve the standard of living.

為加深與市場合作的機會，本集團與聯合國開發計劃署於二零一八年八月在農林漁業部的協助及柬埔寨商務部的見證下訂立合作協議。於該合作協議中，本集團與聯合國開發計劃署以成本分攤基準將於柬埔寨推行促進廣泛發展木薯市場項目（「該項目」）。該項目目的(i)為了創造和保留於柬埔寨之附加價值，從而增加木薯澱粉之全球出口市場；及(ii)為柬埔寨以木薯為收入來源之農民提供一個穩定的市場。聯合國開發計劃署與本集團在執行該份合作協議，於木薯行業中持續發展上，得到柬埔寨商務部的支持，成為柬埔寨國家木薯戰略發展計劃*中之首要項目。該計劃可擴展農業服務和向當地農民提供協助，藉以改善生活水平。



The Company signing cooperative agreement with UNDP in August 2018.
本公司與聯合國開發計劃署於二零一八年八月簽署合作性協議之簽署儀式。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Adhering to raise awareness of the contract farming schemes, the Group successfully organised local forums together with UNDP and several government agencies in Kratie province, Cambodia. The General Directorate of Agriculture, MAFF, which is the government agency responsible for engaging with partners in monitoring, evaluation extension services, providing technical support, and establishing relations with private sectors like the Group and cassava farmer organisations. This approach is the first of its kind that the government intended to not only intervention but also led the established cassava national policy to support the cassava industry as a whole. The forums are equipped to help farmers understanding the benefits of entering a contract farming scheme with the Group, whose processing plant is expected to absorb approximately 550,000 tonnes of cassava per year. The linkage has done through a win-win contract farming model aiming to scale up benefits for both parties and as a mean to mitigate production and market risks. The contract farming model applied in the context is not only a formal buy-sale contract but also a partnership scheme in which farmers and the Group can work together to address relevant common issues while benefiting both parties. Besides offering a favorable price than in the local market, the Group can provide agricultural services on credit such as land preparation, planting, insecticide, pesticide, herbicide, fertiliser, and harvesting. Farmers can opt for services they need to pay once selling their cassava to the Group.

Since the second half of 2018, the Group and UNDP had made developmental progress on identifying existing farmer organisations (“FO”) in Kratie province, Cambodia. In light of establishing cassava FOs or agricultural cooperatives could be time-consuming as it required farmer mobilisation by ground personnel that the Group coupled with UNDP’s resources to organise, all FOs were set up in compliance with procedures under the legal framework as defined by the Law on Agricultural Cooperatives (2013). In addition, engaging farmers and FOs or agricultural cooperatives through contract farming schemes also required facilitation of the Agro-Industry Department under MAFF (or the Agro-industry Unit under Provincial Department of Agriculture, Forestry and Fisheries (Cambodia)) as defined in the Sub-Decree on Contract farming (2011). This would enhance steadily supply of raw material with establishing the FOs or agricultural cooperatives in a long run. The Group aimed to identify approximately 90 FOs in Kratie province, Cambodia, with an estimated amount of up to 600,000 tonnes of cassava as raw material, which can secure sufficient supply for the Processing Plant in 2019.

為增進農民對合約耕種計劃的認識，本集團成功地與聯合國開發計劃署及柬埔寨桔井省的若干政府機構舉辦地方論壇。農林漁業部農業總局(General Directorate of Agriculture, MAFF)乃負責與合作夥伴進行監測、評估推廣服務、提供技術支援的政府機構及與本集團及木薯農民組織等私營機構建立關係。這是政府擬採用首創方法，不僅介入，並且引領既定的國家木薯政策，以支持整個木薯產業。另外，該等論壇有助農民了解本集團預計每年能吸納約550,000噸木薯的加工廠及與本集團訂立合約耕種計劃後的益處。該聯繫乃透過雙贏的合約耕種模式達成，旨在擴大雙方利益及作為減少生產及市場風險的一種方式。在此關係下，合約耕種模式不僅為正式買賣合約，亦為一項合夥計劃，農民與本集團可共同努力解決相關共同問題從而令雙方受益。除了提供較本地市場更優惠的價格外，本集團可提供整地、種植、殺蟲劑、農藥、除草劑、肥料及收穫等農業服務信貸。農民可選擇出售木薯給予本集團作為支付所需服務。

自二零一八年下半年以來，本集團與聯合國開發計劃署在確定柬埔寨桔井省的現有農民組織（「農民組織」）方面取得了發展性進展。鑒於成立木薯農民組織或農業合作社可能非常耗時，因此，本集團需要積極聯同聯合國開發計劃署的資源組織在地人員調動農民，而所有農民組織均按照農業合作社法(2013)* (Law on Agricultural Cooperatives (2013))界定的法律框架項下的程序而建立。此外，根據合約耕種的次級法令(2011)* (Sub-Decree on Contract farming (2011))所界定，農林漁業部屬下的農業工業部（或省級農林漁業部門下的農業工業單位）可通過合約耕種計劃吸引農民及農民組織或農業合作社參與。長遠而言，建立農民組織或農業合作社將加強原材料的穩定供應。本集團旨在於柬埔寨桔井省確定約90個農民組織，預計高達600,000噸木薯作為原材料，這可以確保二零一九年加工廠的充足供應。

21

* 僅供參考

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

22



Dialogue forum on cassava contract farming in Kratie Province.
於桔井省舉行的有關木薯合約耕種的對話論壇。

According to a policy jointly established by 15 government departments of the PRC, including the National Development and Reform Commission, the National Energy Administration and the Ministry of Finance, the ethanol gasoline will be implemented to use all over the country by 2020. The Group entered into a framework agreement with AVIC Energy (Cambodia) Co., Ltd, for a possible acquisition of majority shares for a cassava ethanol plant located at Kampong Speu Province, Cambodia in end of August 2018. The management believes that the Group can further develop cassava into ethanol and create a complete product chain (such as starch/modified starch, ethanol, etc.) in Cambodia which is in line with the government of Cambodia's development agenda as well as supporting the PRC's upcoming clean energy policy and at the same time improves the livelihood of local farmers and communities in Cambodia. The Group was still in progress for completing the due diligence exercises as at 31 December 2018.

根據中國15個政府部門，包括國家發展和改革委員會、國家能源局及財政部共同制定的政策，乙醇汽油將於二零二零年將在全國各地使用。本集團與中航能源（柬埔寨）有限公司*於二零一八年八月底就可能收購位於柬埔寨磅士卑省的木薯酒精廠的多數股份訂立框架協議。管理層認為，本集團可將木薯進一步開發成為乙醇，並在柬埔寨建立完整的產品鏈（如：澱粉／變性澱粉、乙醇等），此正符合柬埔寨政府的發展議程並支持中國即將推出的潔淨能源政策，同時改善柬埔寨本地農民及社區之生活。於二零一八年十二月三十一日，本集團仍處於完成盡職調查的過程中。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group was in progress of acquiring the transfer and/or assignment of the valid and enforceable contractual rights to process and to be conferred with the Certificate of the Economic Land Concession (the “ELC”) over the land located at Pursat Province, Cambodia and the plantation rights, being exclusively to use, possess and occupy the ELC to carry out plantation and other agro-industrial activities as at 31 December 2018. Furthermore, the Group was in progress for further acquiring the freehold land located at Pursat Province, Cambodia.

As at 31 December 2018, the Group had covered the cultivated area of 2,500 hectares of cassava, which were planned to be harvested and processed into cassava starch by the Processing Plant. As the Processing Plant targeted to commence trial production in the third quarter of 2019, no material revenue was generated from the cassava starch operation for the year ended 31 December 2018.

Fund raising activity – placing of new shares under general mandate (the “Placing”)

As disclosed in the Company’s announcements dated 14 December 2018 and 9 January 2019, all the conditions set out in the placing agreement have been fulfilled and the completion of the Placing took place on 9 January 2019, where an aggregate of 1,462,200,000 Placing Shares have been successfully placed and issued to not less than six placees, at the placing price of HK\$0.04 per Placing Share pursuant to the terms and conditions of the placing agreement.

The gross and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing amounted to approximately HK\$58.48 million and approximately HK\$57.72 million respectively. The net issue price of the Placing Share is approximately HK\$0.039 per Placing Share. The Company applied the net proceeds up to HK\$40 million for repayment of indebtedness of the Group and the remaining balance thereof will be utilised towards business development of the Group in Cambodia and general working capital.

Capital reorganisation

Reference was made to the circular dated 8 October 2018 and the announcement dated 31 October 2018 in relation to, among others, the Capital Reorganisation. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined.

The Capital Reorganisation has become effective on 1 November 2018. Since 1 November 2018, the Company’s authorised share capital is HK\$2,000,000,000 divided into 200,000,000,000 shares of HK\$0.01 each (the “Share”).

於二零一八年十二月三十一日，本集團正進行收購位於柬埔寨菩薩省之土地之經濟土地特許經營權（「經濟土地特許經營權」）證書所附帶之有效及可強制執行轉讓及／或合約權，以及獲授出種植權（即使用、持有及佔用經濟土地特許經營權以從事種植及其他農工活動之獨家權利）。此外，本集團正進一步收購位於柬埔寨菩薩省土地之永久業權。

於二零一八年十二月三十一日，本集團已覆蓋種植範圍為2,500公頃之木薯，並計劃由加工廠負責收割及加工為木薯澱粉。由於加工廠計劃於二零一九年第三季開始試產，木薯澱粉業務於截至二零一八年十二月三十一日止年度並無實質產生收入。

集資活動－根據一般授權配售新股份（「配售事項」）

誠如本公司日期為二零一八年十二月十四日及二零一九年一月九日之公佈所披露，配售協議所載之所有條件已獲達成，而配售事項已於二零一九年一月九日完成，根據配售協議之條款及條件，合共1,462,200,000股配售股份已按每股配售股份0.04港元之配售價成功配售及發行予不少於六名承配人。

配售事項之所得款項總額及淨額（經扣除配售佣金以及其他相關成本及開支後）分別約為58.48百萬港元及約57.72百萬港元。配售股份之淨發行價為每股配售股份約0.039港元。本公司最多40百萬港元之所得款項淨額將用於償還本集團之債務，而餘額將用於本集團於柬埔寨之業務發展及一般營運資金。

股本重組

茲提述日期為二零一八年十月八日之通函及日期為二零一八年十月三十一日之公佈，內容有關（其中包括）股本重組。除文義另有所指外，本報告所用詞彙具有所界定的相同涵義。

股本重組已於二零一八年十一月一日生效。自二零一八年十一月一日起，本公司之法定股本為2,000,000,000港元，分為200,000,000,000股每股面值0.01港元之股份（「股份」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

24

Environmental, social and corporate responsibility

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

The Environmental, Social and Governance Report conducted by a professional third party for year 2018 will be published separately in compliance with the requirements of the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules").

FINANCIAL REVIEW

Review of results

Revenue

For the year ended 31 December 2018, the Group recorded a revenue of approximately HK\$1,004,636,000 (2017: approximately HK\$514,909,000), representing a significant growth of approximately HK\$489,727,000 or 95%. This was mainly due to the significant increase in the sales amount of mining products from the mining operation of approximately HK\$381,766,000 to approximately HK\$980,902,000, mainly contributed by Fuchang Mine, one of the Group's mines, which commenced commercial operation from November 2017. Jinxin Mine and Liaoyuan Mine had been in joint trial operation process since August 2018 and September 2018 respectively which generated an aggregate amount of approximately HK\$338,971,000 to the Group. Whilst, the revenue generated from the cassava starch operation sharply decreased from approximately HK\$70,080,000 for the year ended 31 December 2017 to approximately HK\$603,000 for the year end 31 December 2018 after the completion of pilot cassava trading project in 2017.

環境、社會及企業責任

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

一份由專業第三方編撰的二零一八年環境、社會及管治報告將根據聯交所證券上市規則（「上市規則」）之規定予以獨立發報。

財務回顧

業績回顧

收入

截至二零一八年十二月三十一日止年度，本集團錄得收入約1,004,636,000港元（二零一七年：約514,909,000港元），大幅增加約489,727,000港元或95%。有關增加主要由於採礦業務之礦業產品銷售額大幅增加約381,766,000港元至約980,902,000港元，此乃主要得益於本集團礦區之一的福昌礦區，該礦區於二零一七年十一月開始商業營運。自二零一八年八月及二零一八年九月起，金鑫礦區及遼源礦區已分別處於聯合試運轉過程，為本集團創造合共約338,971,000港元，而木薯貿易試點項目於二零一七年完成後，木薯澱粉業務產生的收入由截至二零一七年十二月三十一日止年度約70,080,000港元急劇下降至截至二零一八年十二月三十一日止年度約603,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit

For the year ended 31 December 2018, the Group recorded a gross profit of approximately HK\$136,761,000 with a gross profit ratio of 14%, while a gross profit of approximately HK\$140,897,000 was recorded for the corresponding year of 2017 with a gross profit ratio of 27%, which was mainly attributable to the reduction of coking coal price in Fuchang Mine.

Gain on disposal of subsidiaries

Gain on disposal of subsidiaries for the year ended 31 December 2018 was approximately HK\$550,000 (2017: approximately HK\$41,874,000), which represent the gain on the disposal of entire issued capital of indirect wholly-owned subsidiaries of the Company in both years.

Administrative and other operating expenses

Administrative and other operating expenses for the year ended 31 December 2018 was approximately HK\$348,174,000 (2017: approximately HK\$348,926,000), the slightly decrease is mainly due to the net effect of increase in depreciation, increase in staff costs and decrease in legal and professional fees. Out of the total administrative and other operating expenses, total staff costs (included director's emoluments) amounted to approximately HK\$93,910,000 (2017: approximately HK\$70,172,000) which included the share-based payment-expense of approximately HK\$6,850,000 (2017: approximately HK\$8,780,000), and depreciation amounted to approximately HK\$60,166,000 (2017: approximately HK\$31,891,000).

毛利

截至二零一八年十二月三十一日止年度，本集團錄得毛利約136,761,000港元，毛利率為14%，而二零一七年同期錄得毛利約140,897,000港元，毛利率為27%，主要由於福昌礦區的焦煤價格下跌。

出售附屬公司之收益

截至二零一八年十二月三十一日止年度之出售附屬公司之收益為約550,000港元（二零一七年：約41,874,000港元），為於兩個年度出售本公司間接全資附屬公司之全部已發行股本之收益。

行政及其他經營費用

截至二零一八年十二月三十一日止年度之行政及其他經營費用為約348,174,000港元（二零一七年：約348,926,000港元），輕微減少乃主要由於折舊增加、員工成本增加以及法律及專業費用減少的淨影響所致。在總行政及其他經營費用當中，總體上員工成本（包括董事酬金）約93,910,000港元（二零一七年：約70,172,000港元），當中包括股份支付開支約6,850,000港元（二零一七年：約8,780,000港元）及折舊約60,166,000港元（二零一七年：約31,891,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

26

Impairment loss in respect of mining rights, and property, plant and equipment (“PPE”)

For the year ended 31 December 2018, impairment loss in respect of mining rights, and PPE was approximately HK\$2,571,010,000 (2017: net reversal of impairment loss approximately HK\$1,111,806,000) and approximately HK\$278,692,000 (2017: net reversal of impairment loss approximately HK\$180,034,000) respectively. This decrease in estimated value in use amount of the Group’s coal mines located in Shanxi was the result of (i) the change of production schedule of certain coal mines; (ii) decrease in coal price adopted for an independent valuation report as at 31 December 2018; and (iii) the status of one of the coal mines, Xinfeng Mine, was suspended in 2018, whereas the mine reorganisation proposal for the coal mine of Xinfeng and the coal mine of Bolong is subject to the further instruction and approval by the Shanxi government. For more details regarding the valuation of coal mines, please refer to the section headed “Valuation of coal mines” stated later.

Finance costs

Finance costs mainly consisted of interest expenses on borrowings from non-controlling interest holders, convertible loan notes and finance lease. Interest expenses on borrowings relating to construction in progress for coal mines are capitalised to the extent that they are directly attributable and used to finance the project. Finance costs were calculated from total borrowing costs less interest expenses capitalised.

For the year ended 31 December 2018, finance costs amounted to approximately HK\$331,158,000 (2017: approximately HK\$323,441,000), increasing by approximately HK\$7,717,000 resulting from the increase in total borrowing costs and partially offset by the increase in interest expenses capitalised. Interest expenses capitalised over the years increased from approximately HK\$114,573,000 to approximately HK\$131,885,000 as speed up the construction in progress of other mines, which more incurred interest expenses are capitalised.

有關採礦權及物業、廠房及設備（「物業、廠房及設備」）之減值虧損

截至二零一八年十二月三十一日止年度，有關採礦權及物業、廠房及設備之減值虧損分別為約2,571,010,000港元（二零一七年：減值虧損撥回淨額約1,111,806,000港元）及約278,692,000港元（二零一七年：減值虧損撥回淨額約180,034,000港元）。本集團位於山西的煤礦之估計使用價值減少，乃由於(i)若干煤礦的生產時間表變動；(ii)二零一八年十二月三十一日之獨立估值報告採用的煤價下跌；及(iii)其中一座煤礦鑫峰礦區於二零一八年處於暫停狀態，而鑫峰煤礦與鉞龍煤礦的兼併重組整合方案則有待山西政府進一步指示及批准後方可作實。有關煤礦估值之更多詳情，請參閱後述「煤礦估值」一節。

融資成本

融資成本主要包括非控股權益持有人之借貸、可換股貸款票據及融資租賃利息開支。有關煤礦在建工程之借貸利息開支已予以資本化，惟直接與項目有關及用於撥付項目。融資成本乃按總借貸成本減資本化利息開支計算。

截至二零一八年十二月三十一日止年度，融資成本為約331,158,000港元（二零一七年：約323,441,000港元），增加約7,717,000港元，乃由於總借貸成本增加及利息開支部分被資本化增加抵銷所致。過往年度利息開支資本化由約114,573,000港元增加至約131,885,000港元，原因為其他煤礦加快在建工程的進度，以至更多相關利息作資本化。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(Loss)/profit for the year

Loss for the year ended 31 December 2018 was approximately HK\$2,483,103,000 (2017: profit of approximately HK\$512,564,000). This was mainly attributable to the combined effects of the factors as stated above.

(Loss)/profit attributable to owners of the Company

For the year ended 31 December 2018, loss attributable to owners of the Company was approximately HK\$1,182,062,000 (2017: profit of approximately HK\$94,108,000), mainly due to a gain generated from change in fair value of derivative component of convertible loan notes of approximately HK\$235,973,000 was recorded for year 2018 while a loss of approximately HK\$52,429,000 was generated from year 2017. Also, there is a impairment loss in respect of mining rights and PPE of approximately HK\$2,849,702,000 for year 2018 while a reversal of impairment loss of approximately HK\$1,291,840,000 was recorded for year 2017.

Valuation of coal mines

The decrease in fair value of coal mines as at 31 December 2018 was mainly due to the change of production schedule of certain coal mines and reduction of coal price. Greater China Appraisal Limited (“Greater China”), an independent qualified professional valuer, estimated the fair value of the coal mining business based on income approach using a discount rate of 13.45% (31 December 2017: 15.78%) and expected coal price of RMB517 per tonne (31 December 2017: RMB780 per tonne) based on information obtained from Shanxi.

The operation of the Group’s mines with exception of Fuchang Mine were further delayed due to the notice request of rectification measures issued by the related authorities in 2018. Please refer to “Business Review” section for details.

年度（虧損）／溢利

截至二零一八年十二月三十一日止年度之虧損為約2,483,103,000港元（二零一七年：溢利約512,564,000港元），此乃主要由於上述因素之綜合影響。

本公司擁有人應佔（虧損）／溢利

截至二零一八年十二月三十一日止年度，本公司擁有人應佔虧損為約1,182,062,000港元（二零一七年：溢利約94,108,000港元），主要由於二零一八年產生收益可換股貸款票據約235,973,000港元之衍生工具部分之公平值變動，而二零一七年產生虧損約52,429,000港元。此外，二零一八年有關採礦權及物業、廠房及設備之減值虧損為約2,849,702,000港元，而二零一七年錄得減值虧損撥回約1,291,840,000港元。

煤礦估值

煤礦於二零一八年十二月三十一日之公平值減少主要由於若干煤礦生產時間表變動及煤價下跌所致。獨立合資格專業估值師漢華評值有限公司（「漢華」）根據收入法估計煤炭採礦業務之公平值，當中採用之貼現率為13.45%（二零一七年十二月三十一日：15.78%），而預期煤價為每噸人民幣517元（二零一七年十二月三十一日：每噸人民幣780元），上述數據以從山西所得之資料為基礎。

由於相關部門於二零一八年發出通知要求落實整頓措施，本集團礦區（除福昌礦區外）之營運再度延遲。有關詳情請參閱「業務回顧」一節。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

28

Greater China has consistently applied the income approach for the valuation of coal mines as at 31 December 2018, 31 December 2017 and 31 December 2016 (the “Reporting Periods”) respectively. The income approach is applied for this valuation as the economic benefit streams can be identified and ascertained based on the mining plans and planned capital expenditure to be incurred, as well as other cost estimates. This method is commonly used in, and widely accepted for, the valuation of mineral assets and resources project. The key assumptions and parameters in the valuation of coal mines as at the Reporting Periods are set out as below:

漢華已對煤礦於二零一八年十二月三十一日、二零一七年十二月三十一日及二零一六年十二月三十一日（「報告期」）之估值貫徹應用收入法。是次估值乃應用收入法，因經濟利益流可根據採礦計劃及將產生之計劃資本支出以及其他成本估計確認及確定。該方法常用於礦物資產及資源項目之估值，並獲有關估值普遍採納。煤礦於報告期之估值所用之主要假設及參數載列如下：

	Reporting Periods		
	31 December 2018 二零一八年十二月三十一日	31 December 2017 二零一七年十二月三十一日	31 December 2016 二零一六年十二月三十一日
Methodology 方法	Income Approach 收入法	Income Approach 收入法	Income Approach 收入法
Key Assumptions 主要假設			
1. Production Schedule – Safe Production Date Bolong Mine	1. 生產時間表 – 安全生產日期 鉑龍礦區 Third quarter of 2019 二零一九年第三季	Second quarter of 2018 二零一八年第二季	Fourth quarter of 2017 二零一七年第四季
Fuchang Mine	福昌礦區 Operating 營運中	Operating 營運中	Second quarter of 2017 二零一七年第二季
Jinxi Mine	金鑫礦區 Third quarter of 2019 二零一九年第三季	Second quarter of 2018 二零一八年第二季	Fourth quarter of 2017 二零一七年第四季
Liaoyuan Mine	遼源礦區 Third quarter of 2019 二零一九年第三季	Second quarter of 2018 二零一八年第二季	Fourth quarter of 2017 二零一七年第四季
Xinfeng Mine [#]	鑫峰礦區 [#] Third quarter of 2020 二零二零年第三季	First quarter of 2019 二零一九年第一季	First quarter of 2018 二零一八年第一季
2. Coal Price (per tonne)	2. 煤價(每噸) RMB517 人民幣517元	RMB780 人民幣780元	RMB700 人民幣700元
3. Discount Rate (post-tax)	3. 貼現率(稅後) 13.45% 13.45%	15.78% 15.78%	14.98% 14.98%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Methodology 方法	Reporting Periods 報告期		
	31 December 2018 二零一八年十二月三十一日	31 December 2017 二零一七年十二月三十一日	31 December 2016 二零一六年十二月三十一日
	Income Approach 收入法	Income Approach 收入法	Income Approach 收入法
4. Mine Operating Costs, Capital Expenditures and Production Schedule (annual production)	4. 礦區經營成本、資本支出及生產時間表(年產量)	Based on technical report issued by John T. Boyd ("JT Boyd") in 2017 根據約翰T.博德公司(「JT博德」)於二零一七年刊發之技術報告	Based on technical report issued by JT Boyd in 2017 根據JT博德於二零一七年刊發之技術報告
5. Allowable annual working days	5. 獲准年度工作日 276 days 276日	276 days 276日	276 days 276日

Note: As shown in the above table, the primary change in valuation assumption would be the decrease in prevailing coal price (which is dominant factor for the decrease in valuation) and delay in mines' commercial operation schedule. The coal price is based on the existing and past quoted commodity prices in the mining industry. The production schedule is affected by the policies and regulations issued applicable to the coal industry. The coal mines under construction inevitably experienced construction delay or suspension, therefore reducing the effectiveness of construction period during the year, leading to further extension of the respective construction period. There was no change in valuation methodology in those valuations. For discount rate, calculation of weighted average cost of capital ("WACC") is based on market participant's data which are varied daily due to new information and changing market expectation every day.

Subject to the mine reorganisation proposal for Bolong Mine and Xinfeng Mine, the consolidation shall be subject to the approval by the Shanxi government. Due to the uncertainty for obtaining the approval, the expected production schedule for Safe Production Date for Xinfeng Mine might subject to further changes.

附註：誠如上表所示，估值假設之主要變動為當前煤價下降（為估值下降之主要因素）及礦區商業營運時間表延遲。煤價乃以現有及過往礦業商品報價為基準。生產時間表受所發佈適用於煤炭行業之政策及規定影響。在建煤礦無可避免持續經歷緩建或停工，以致減少年內之有效工期，導致彼等建設工期之進一步順延。該等估值之估值方法並無變動。就貼現率而言，加權平均資本成本（「加權平均資本成本」）乃根據市場參與者數據計算，而該等數據因新資料及市場期望每日變動而每日變化。

根據鉑龍礦區和鑫峰礦區進行兼併重組整合方案，該整合須獲山西政府批准。由於獲得批准的不確定性，鑫峰礦區之安全生產日期的預期生產表可能會進一步變更。

Liquidity and financial resources

Total Equity

As at 31 December 2018, the Group recorded total assets of approximately HK\$8,259,895,000 (2017: approximately HK\$11,749,835,000), which were financed by total liabilities of approximately HK\$8,023,032,000 (2017: approximately HK\$8,947,279,000) and total equity of approximately HK\$236,863,000 (2017: approximately HK\$2,802,556,000).

流動資金及財務資源

權益總額

於二零一八年十二月三十一日，本集團錄得資產總值約8,259,895,000港元（二零一七年：約11,749,835,000港元），乃通過負債總額約8,023,032,000港元（二零一七年：約8,947,279,000港元）及權益總額約236,863,000港元（二零一七年：約2,802,556,000港元）籌集所得。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gearing

As at 31 December 2018, the Group's gearing ratio as computed as the Group's other borrowings, promissory notes, liabilities component of convertible loan notes and obligation under finance lease over total equity was approximately 292% (2017: 27%).

30 Liquidity

The Group had total cash and bank balances of approximately HK\$19,538,000 as at 31 December 2018 (2017: approximately HK\$118,218,000). The Group did not have any bank borrowings for both years.

Charge on assets

Share charges of entire issued share capital of several subsidiaries of the Company, charges over the shares and the convertible loan notes of the Company owned by China OEPC Limited, charge on accounts receivables to be owed to the Company and land charges over certain lands in Cambodia acquired or to be acquired by the Group have been created for securing the convertible bonds. For details, please refer to the Company's announcement dated 27 June 2017.

Treasury policies

The Group generally financed its operations with internally generated resources and funds from equity and/or debt financing activities. All financing methods will be considered so long as such methods are beneficial to the Company. Bank deposits are in HK\$, RMB, US\$ and Cambodian dollars ("KHR").

Contingent liability and capital commitments

The Group had no material contingent liability as at 31 December 2018 and as at 31 December 2017.

The Group had capital commitments for the acquisition of property, plant and equipment which were contracted but not provided for as at 31 December 2018 of approximately HK\$755,162,000 (2017: approximately HK\$331,903,000).

資產負債水平

於二零一八年十二月三十一日，本集團之資產負債比率按本集團之其他借貸、承兌票據、可換股貸款票據之負債部分及融資租賃項下之責任除以權益總額計算，約為292%（二零一七年：27%）。

流動資金

於二零一八年十二月三十一日，本集團現金及銀行結餘總額約為19,538,000港元（二零一七年：約118,218,000港元）。本集團於兩個年度均無任何銀行借貸。

資產抵押

可換股債券由以下各項作擔保：本公司若干附屬公司全部已發行股本之股份押記、中國能源（香港）控股有限公司所擁有本公司股份及可換股貸款票據之押記、將結欠本公司應收賬款之押記及本集團已收購或將予收購位於柬埔寨之若干土地之土地押記。有關詳情請參閱本公司日期為二零一七年六月二十七日之公佈。

庫務政策

本集團一般透過內部產生資源、股本及／或債務融資活動之所得款項撥付其業務運作所需資金。所有融資方法只要對本公司有利，均會被考慮採用。銀行存款以港元、人民幣、美元及柬埔寨瑞爾（「瑞爾」）為單位。

或然負債及資本承擔

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團並無重大或然負債。

本集團於二零一八年十二月三十一日就收購物業、廠房及設備已訂約但未撥備之資本承擔約為755,162,000港元（二零一七年：約331,903,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Foreign exchange exposure

For the year ended 31 December 2018, the Group earned revenue in RMB and US\$ and incurred costs in HK\$, RMB, US\$ and KHR. Although the Group currently does not have any foreign currency hedging policy, it does not foresee any significant currency exposure in the near future. However, any permanent or significant change in RMB against HK\$, may have possible impact on the Group's results and financial positions.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed approximately 655 full time employees in Hong Kong, Cambodia and the PRC. The Group remunerates its employees based on individual and business performance. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option.

PROSPECTS

2018 was an active year for the Group, putting its emphasis on developing Fuchang Mine and striving to achieve full commencement of construction work in its mining operation. Notwithstanding the setbacks of construction delay slowing down the anticipated turnaround for the coal mining business sector in 2018, the Group remains optimistic in meeting the required schedules for the remaining four mines in Shanxi to commence in full operation. Hence, the Group is confident that the local market can effortlessly absorb with the increased capacity of mining product in view of a considerably steady coking coal consumption in the PRC with healthy demand and relatively low growth in supply. All the mines will continue to be the main source of income for the Group towards 2019 and will expect to generate sturdy cash inflow to improve the overall financial position of the Group.

外匯風險

截至二零一八年十二月三十一日止年度，本集團所賺取收入以人民幣及美元結算，所產生費用則以港元、人民幣、美元及瑞爾結算。儘管本集團目前並無採納任何外幣對沖政策，惟本集團預見不久將來不會有任何重大貨幣風險。然而，人民幣兌港元之匯率如有任何長期或重大變動，則可能對本集團業績及財務狀況構成影響。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團在香港、柬埔寨及中國僱用約655名全職僱員。本集團根據個人及業務表現釐定僱員之薪酬，其他僱員福利包括強制性公積金、保險及醫療津貼、培訓計劃及購股權。

前景

二零一八年是本集團充滿活力的一年，重點發展福昌礦區並致力於其採礦營運中全面開展施工作业。儘管建設延誤導致二零一八年煤礦業務的預計延遲，本集團對滿足山西餘下四個礦區全面運作所需的時間表持樂觀態度。因此，鑑於中國焦煤消耗量相當穩定且穩健需求及供應增長相對較低。因此，本集團深信當地市場可隨著礦業產品的供應增加而迅速吸納。所有礦區將繼續為本集團於二零一九年主要的收入來源，且預期將產生可觀現金流入以改善本集團的整體財務狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

32

In 2018, the Group has reached pioneer milestones in terms of engaging strategic partnerships, and implementing the development of its agro-business platform. The Group expects such momentum to continue in the year of 2019. In July 2018, the Cambodian government officially launched its new strategies for the cassava industry aimed at making Cambodia a reliable exporter of cassava-based products (the “**National Cassava Policy**”). The objective of the National Cassava Policy is to support active processing factories and attract investment to product value-added cassava-based products to supply diverse markets and will also enhance trade competitiveness by turning market access to market presence, improving trade facilitation and reducing trade-related cost, which will, in turn, to boost up the price of cassava and living standards of local farmers. The Group foresees the newly launched National Cassava Policy shall transform on the current cassava sector and will help to forge positive impacts to our agro-related business. The management also remains cautiously optimistic about the execution of our agro-business development, which can serve as one of the models to deliver the important objectives of the national strategies, which is reducing poverty and improving the well-being of people through the industrial and agricultural productive capacity of the PRC and Cambodia.

於二零一八年，本集團透過參與戰略合作及實行發展農業業務方面開拓了里程碑。本集團預期該趨勢將於二零一九年持續下去。於二零一八年七月，柬埔寨政府正式推行針對木薯行業之新策略，旨在促使柬埔寨成為木薯產品之可靠出口國（「**國家木薯政策**」）。國家木薯政策的目標在於支持活躍的加工廠及吸引投資生產以木薯為主的增值產品以供應多元化市場，亦將透過由市場準入轉型為市場佔有、促進貿易接通及減少貿易相關成本提升貿易競爭力，從而提升木薯價格及當地農民的生活水平。本集團預計新推出的國家木薯政策將帶動當前的木薯行業轉型，以期有助於為我們的農業相關業務帶來正面影響。管理層對推行農業業務發展仍持審慎樂觀的態度，這可以作為實現國家戰略重要目標的模式之一，即通過中國與柬埔寨的工農業生產能力減少貧困及改善人民福祉。



Design of the Processing Plant
加工廠工程圖

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

To ensure that the Project is effectively implemented toward achieving its strategic objectives, a Project board committee has been established by UNDP with the ultimate function to provide overall monitoring and guidance/advice to the Project team. The Company, as one of the critical player in Cambodia cassava value chain development, has been accepted to be one of the members of the Project board, for providing strategic advices during its implementation stage in early 2019.

Looking ahead, the Group is scheduled our Processing Plant to be completed and commence trial production in the third quarter of 2019. In the condition with the accomplishment of the Processing Plant, the Group endeavors to seek suitable sites for constructing processing plants with an annual production capacity of 150,000 tonnes for cassava starch in various provinces in Cambodia. To secure the Group's sufficient cassava as raw material supply, the Group will continue to stride ahead with UNDP and relevant business partners to enforce the contract farming schemes, such that the schemes can broaden channels for strengthening the capacity building and move up the cassava supply chain reliability through profitable market linkage.

SUBSEQUENT EVENTS

Grant of share options

As disclosed in the Company's announcement dated 17 January 2019, 730,000,000 share options have been granted to the grantees with exercise price of HK\$0.0544 per option share.

Adjustments to conversion price and number of conversion shares of convertible bonds

Reference was made to the Company's announcement dated 7 March 2019 in relation to the adjustments to conversion price and number of conversion shares of convertible bonds. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined.

As at the date of this report, there are US\$45,000,000 convertible bonds. Pursuant to the terms and conditions of the convertible bonds, the conversion price of the convertible bonds will be adjusted as a result of the Placing and the grant of share options. As a result of the adjustments, the adjusted conversion Price is HK\$0.26 and the number of Shares which may fall to be issued upon exercise in full of the conversion rights attaching to the convertible bonds shall be 1,350,000,000 Shares.

為確保該項目能有效地實現其戰略目標，聯合國開發計劃署已成立一個項目委員會，目的是向該項目團隊提供全面的監督和指導／建議。本公司作為發展柬埔寨木薯價值供應鏈其中一個關鍵參與者，已於二零一九年年初獲接納為該項目委員會成員之一，於實施階段中提供戰略建議。

展望未來，本集團計劃加工廠將於二零一九年第三季落成並開始試產。在加工廠完成的條件下，本集團致力於在柬埔寨多個省份找尋合適地點建設能年產150,000噸木薯澱粉之加工廠。為確保本集團有充足的木薯作為原材料供應，本集團將繼續與聯合國開發計劃署及相關業務合作夥伴攜手合作進行合約耕種計劃，該計劃透過有利可圖的市場，拓闊強大及提高木薯供應鏈之渠道的可靠性。

期後事項

授出購股權

誠如本公司日期為二零一九年一月十七日之公佈所披露，合共730,000,000份購股權已授予承受人，其行使價為每份購股權股份0.0544港元。

調整可換股債券之兌換價及兌換股份數目

茲提述本公司日期為二零一九年三月七日有關調整可換股債券之兌換價及兌換股份數目的公佈，除文義另有所指外，本報告所用詞彙之涵義與所界定者相同。

於本報告日期，本公司有金額為45,000,000美元之可換股債券。根據可換股債券之條款及條件，可換股債券之兌換價將會因為配售事項及授出購股權而調整。由於該等調整，經調整兌換價為0.26港元，而於可換股債券附帶之兌換權獲悉數行使時可能須予發行之股份數目將為1,350,000,000股股份。

REPORT OF DIRECTORS

董事會報告

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

PRINCIPAL ACTIVITIES

34

The Group is principally engaged in (i) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; (ii) coal exploration and development, and sales of coking coal and the provision of coal trading logistics services; and (iii) IT related business.

Details of the material activities of the Group's principal subsidiaries are set out in Note 37 of the consolidated financial statements.

RESULTS

The Group's results 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 in the consolidated financial statements on pages 83 to 224.

SUMMARY FINANCIAL INFORMATION

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

董事會欣然提呈其報告以及本集團截至二零一八年十二月三十一日止年度之經審核財務報表。

主要業務

本集團主要從事(i)開發木薯種植及相關生態循環產業鏈之深加工業務；(ii)煤炭勘探及開發、銷售焦煤及提供煤炭貿易物流服務；及(iii)資訊科技相關業務。

本集團主要附屬公司之主要業務詳情載於綜合財務報表附註37。

業績

本集團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財務狀況載於第83至第224頁之綜合財務報表。

財務資料概要

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

REPORT OF DIRECTORS

董事會報告

RESULTS

業績

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收入	1,004,636	514,409	197,765	63,923	106,246
(Loss)/profit before taxation	除稅前(虧損)/溢利	(3,153,345)	753,080	310,070	(4,450,916)	(1,100,171)
Income tax credit/(expense)	所得稅抵免/(開支)	670,242	(240,516)	(118,872)	678,184	177,040
(Loss)/profit before non-controlling interests	未計非控股權益前(虧損)/溢利	(2,483,103)	512,564	191,198	(3,772,732)	(923,131)
Non-controlling interests	非控股權益	1,301,041	(418,456)	(83,593)	1,399,451	470,623
Net (loss)/profit attributable to owners of the Company	本公司擁有人應佔淨(虧損)/溢利	(1,182,062)	94,108	107,605	(2,373,281)	(452,508)

35

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS 資產、負債及非控股權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Non-current assets	非流動資產	7,901,132	11,413,381	9,403,806	9,080,025	12,739,018
Current assets	流動資產	358,763	336,454	237,449	141,824	136,704
Current liabilities	流動負債	(1,405,684)	(6,366,010)	(5,248,475)	(4,607,195)	(4,043,871)
Net current liabilities	流動負債淨值	(1,046,921)	(6,029,556)	(5,011,026)	(4,465,371)	(3,907,167)
Total assets less current liabilities	資產總值減流動負債	6,854,211	5,383,825	4,392,780	4,614,654	8,831,851
Non-current liabilities	非流動負債	(6,617,348)	(2,581,269)	(2,310,965)	(4,006,993)	(7,292,008)
Non-controlling interests	非控股權益	(2,065,414)	(3,483,554)	(2,935,887)	(2,945,506)	(4,531,259)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(1,828,551)	(680,998)	(854,072)	(2,337,845)	(2,991,416)

REPORT OF DIRECTORS

董事會報告

DIVIDEND

Dividend Policy

36

The Board has approved and adopted a dividend policy with effect from 29 March 2019 (the “**Dividend Policy**”). The payment of dividend is subject to the compliance with related laws and regulations, including the laws of Bermuda, Company’s Bye-laws (the “**Bye-laws**”), the Listing Rules, and the financial reporting standards that the Group has adopted. The Board will continually review the Dividend Policy from time to time and reserves the right to amend or modify the Dividend Policy as and when the Board may deem necessary. There can be no assurance that dividends will be paid in any particular amount for any given period.

The Company intends to create long term value for the Shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements and capturing future growth opportunities. When considering the declaration and payment of dividends, the Board shall take into account the following factors of the Group:

- the Group’s overall results of operation, financial condition, expected working capital requirements and capital expenditure requirements, liquidity position and future expansions plans;
- the amount of retained profits and distributable reserves of the Company;
- general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems relevant.

股息

股息政策

董事會已批准及採納一項股息政策（「**股息政策**」），並於二零一九年三月二十九日起生效。派付股息須遵守相關法律及規定，包括百慕達法律、本公司公司細則（「**公司細則**」）、上市規則及本集團已採納之財務申報準則。董事會將繼續不時檢討股息政策，並保留董事會或會認為必要時修訂或修改股息政策之權利。此無法保證股息將於任何特定期間以任何特定金額派付。

本公司擬透過從股息分派及保留足夠流動資金和儲備以滿足其營運資金需求及把握未來增長機會之間取得平衡，為股東創造長遠價值。於考慮宣派及派付股息時，董事會將考慮本集團之下列因素：

- 本集團之整體經營業績、財務狀況、預期營運資金需求及資本開支需求、流動資金狀況及未來擴張計劃；
- 本公司之留存溢利及可分派儲備金額；
- 整體經濟狀況、本集團業務之業務週期及或會對本集團之業務或財務業績及狀況產生影響之其他內部或外部因素；及
- 董事會認為相關之任何其他因素。

REPORT OF DIRECTORS

董事會報告

Depending on the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as:

1. interim dividend;
2. final dividend;
3. special dividend; and
4. any distribution of net profits that the Board may deem appropriate.

Any final dividend for a financial year will be subject to the Shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Bye-laws.

The Company does not have any pre-determined dividend distribution ratio and the Company's dividend distribution record in the past, if any, may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

Final Dividend

Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

根據上述所載之條件及因素，董事會可在財政年度或期間建議及／或宣派股息作為：

1. 中期股息；
2. 末期股息；
3. 特別股息；及
4. 董事會或會認為合適之任何純利分派。

財政年度之任何末期股息均須由股東批准。本公司可以現金或以股代息或以董事會認為合適之其他方式宣派及派付股息。任何未領取之股息將被沒收及應根據公司細則復歸本公司。

本公司並無任何預定派息率，且本公司過往之股息分派記錄（如有）不得用作確定本公司日後可能宣派或派付之股息水平之參考或依據。股息政策不會以任何方式構成本集團有關其未來股息之具法律約束力承諾及／或不會以任何方式令本集團有責任隨時或不時宣派股息。

末期股息

董事不建議派發截至二零一八年十二月三十一日止年度之末期股息（二零一七年：無）。

REPORT OF DIRECTORS

董事會報告

PROPERTY, PLANT AND EQUIPMENT

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

38

SHARE CAPITAL AND SHARE-BASED PAYMENT TRANSACTIONS

Details of the movements in the Company's share capital during the year and share-based payment transactions together with the reasons for such movements, are set out in Notes 26 and 34, respectively, to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 35 to the consolidated financial statements and in the consolidated statement of changes in equity on page 87, respectively.

DISTRIBUTION RESERVES

At 31 December 2018, the Company had no retained profits available for cash distribution or distribution in specie. Subject to the Companies Act 1981 of Bermuda (the "Act"), the Company's contributed surplus of approximately HK\$1,116,554,000 is distributable (2017: HK\$458,561,000). The contributed surplus and the Company's share premium account, in the amount of approximately HK\$8,882,864,000 at 31 December 2018 (2017: HK\$8,874,292,000), following a reduction thereof in compliance with the Act and the Shareholders' approval, may be set off against the Company's accumulated losses. Thereafter, any balance in the Company's share premium account may be distributed in the form of fully paid bonus shares.

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

股本及股份支付交易

本公司於年內之股本及股份支付交易變動詳情連同變動原因分別載於綜合財務報表附註26及34。

儲備

本公司及本集團於年內之儲備變動詳情分別載於綜合財務報表附註35及第87頁之綜合權益變動表。

分派儲備

於二零一八年十二月三十一日，本公司並無留存溢利可作現金分派或實物分派。在符合百慕達一九八一年公司法（「公司法」）之情況下，本公司約1,116,554,000港元（二零一七年：458,561,000港元）之繳入盈餘可予分派。繳入盈餘及本公司之股份溢價賬於二零一八年十二月三十一日約8,882,864,000港元（二零一七年：8,874,292,000港元）（根據公司法及股東批准於削減後）可用於抵銷本公司之累計虧損。其後，本公司股份溢價賬中之任何結餘可作為繳足紅股分派。

REPORT OF DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

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

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the laws of Bermuda, the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new Shares on a pro rata basis to its existing Shareholders.

SHARES/DEBENTURES ISSUED

Shares

During the year 2018, there were 14,285,714 Shares be issued and allotted due to the conversion of HK\$10,000,000 unlisted convertible bonds. As at 31 December 2018, there were 7,311,032,014 Shares in issued.

Debentures

Unless the context requires otherwise, capitalised terms used below bear the same meanings as disclosed and defined in (i) the Company's announcement dated 1 June 2018; (ii) the circular dated 10 July 2018; and (iii) the poll results announcement of the SGM of the Company dated 30 July 2018, the Existing CBs issued in June 2013 were due on 6 June 2018 and HK\$395,000,000 Convertible Notes had been issued to the Subscribers on 30 July 2018.

Details of the Company's share capital are set out in Note 26 to the consolidated financial statements.

獲准許的彌償條文

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

本公司已購買並維持董事責任保險，為董事及本集團附屬公司董事提供適當保障。

優先認股權

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

已發行股份／債券

股份

於二零一八年，因兌換10,000,000港元非上市可換股債券而發行及配發14,285,714股股份。於二零一八年十二月三十一日，已發行7,311,032,014股股份。

債券

除文義另有所指外，以下詞彙具有(i)本公司日期為二零一八年六月一日之公佈；(ii)日期為二零一八年七月十日之通函；及(iii)本公司日期為二零一八年七月三十日之股東特別大會投票結果公佈所披露及界定之相同涵義，於二零一三年六月發行之現有可換股債券已於二零一八年六月六日到期及395,000,000港元可換股票據已於二零一八年七月三十日發行予認購人。

本公司之股本詳情載於綜合財務報表附註26。

REPORT OF DIRECTORS

董事會報告

40

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 sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules throughout the year ended 31 December 2018 and as at the date of this report.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2018.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's largest customer accounted to approximately 47% of the Group's total sales in 2018. Sales to the Group's five largest customers accounted for approximately 96% of the Group's total sales in 2018.

Purchases from the Group's five largest suppliers accounted for 36% of the total purchases in 2018 and purchases from the largest supplier included therein amounted to 12% of the Group's total purchases for the year.

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

足夠公眾持股量

根據本公司從公開途徑取得之資料及就董事所知，於截至二零一八年十二月三十一日止年度全年及本報告日期，本公司維持上市規則所規定之足夠公眾持股量不少於本公司全部已發行股本25%。

購買、出售及贖回股份

於截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

主要客戶及供應商

向本集團最大客戶作出之銷售佔本集團於二零一八年銷售總額約47%。向本集團五大客戶作出之銷售佔本集團於二零一八年銷售總額約96%。

本集團向五大供應商作出之採購佔二零一八年採購總額36%，而其中向最大供應商作出之採購佔本集團本年度採購總額12%。

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

REPORT OF DIRECTORS

董事會報告

DIRECTORS

As at the date of this report, the Board comprises six Directors:

Executive Directors

Mr. Zhang Sanhuo (*Chairman*)

Mr. Tse Michael Nam (*Chief Executive Officer*)

Non-executive Directors

Mr. Zou Chengjian

Independent non-executive Directors

Ms. Leung Yin Fai

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

Mr. Zhou Chunsheng

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

The Company has received written confirmation from all independent non-executive Directors regarding their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors as independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the current Directors are set out in the “Board Profile” section of this report.

DIRECTORS' INTERESTS IN CONTRACTS

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

董事

於本報告日期，董事會由六名董事組成：

執行董事

張三貨先生 (*主席*)

謝南洋先生 (*行政總裁*)

非執行董事

鄒承健先生

獨立非執行董事

梁燕輝女士

梁寶榮先生 *GBS, JP*

周春生先生

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

本公司已接獲所有獨立非執行董事根據上市規則第3.13條就其獨立性發出之確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事之履歷

在任董事之履歷詳情載於本報告「董事會簡介」一節。

董事於合約之權益

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

REPORT OF DIRECTORS

董事會報告

42

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

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(i) Long/short position in the Shares

Name of Directors	Nature of interest	No. of shares held	Position	Approximate percentage of issued share capital as at 31 December 2018 佔於二零一八年十二月三十一日之已發行股本概約百分比
董事姓名	權益性質	所持股份數目	持倉	
Mr. Zhang Sanhuo ^(Note) 張三貨先生 ^(附註)	Beneficial owner 實益擁有人	1,885,859,226	Long 好倉	25.79%
		1,827,237,883	Short 淡倉	24.99%
Mr. Tse Michael Nam 謝南洋先生	Beneficial owner 實益擁有人	153,164	Long 好倉	0.002%

Note:

China OEPC Limited ("China OEPC") which is beneficially owned by Best Growth Enterprises Limited ("Best Growth"). And Mr. Zhang Sanhuo ("Mr. Zhang") is the ultimate beneficial owner. Therefore, by virtue of the SFO, Mr. Zhang was deemed to be interested in all the Shares held by China OEPC. As at 31 December 2018, China OEPC held 1,885,859,226 Shares in which 1,827,237,883 Shares had been pledged.

附註：

中國能源(香港)控股有限公司(「中國能源」)由 Best Growth Enterprises Limited (「Best Growth」) 實益擁有及張三貨先生(「張先生」)為最終實益擁有人。因此，根據證券及期貨條例，張先生被視為於中國能源持有之所有股份中擁有權益。於二零一八年十二月三十一日，中國能源持有1,885,859,226股股份，其中1,827,237,883股股份已被抵押。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一八年十二月三十一日，董事及本公司最高行政人員於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)已知會本公司及聯交所之權益及淡倉如下：

(i) 於股份之好倉／淡倉

REPORT OF DIRECTORS

董事會報告

(ii) Long/short position in the underlying shares

(ii) 於相關股份之好倉／淡倉

Name of Directors	Nature of interest	No. of shares held	Position	Approximate percentage of issued share capital as at 31 December 2018 佔於二零一八年十二月三十一日之已發行股本概約百分比
董事姓名	權益性質	所持股份數目	持倉	
Mr. Zhang Sanhuo (Note 1) 張三貨先生 (附註1)	Beneficial owner 實益擁有人	1,153,115,151	Long 好倉	15.77%
		1,151,515,151	Short 淡倉	15.75%
Mr. Tse Michael Nam (Note 2) 謝南洋先生 (附註2)	Beneficial owner 實益擁有人	78,967,400	Long 好倉	1.082%
Mr. Zou Chengjian (Note 3) 鄒承健先生 (附註3)	Beneficial owner 實益擁有人	1,000,000	Long 好倉	0.014%
Ms. Leung Yin Fai (Note 4) 梁燕輝女士 (附註4)	Beneficial owner 實益擁有人	1,000,000	Long 好倉	0.014%
Mr. Leung Po Wing Bowen Joseph (Note 5) 梁寶榮先生 (附註5)	Beneficial owner 實益擁有人	1,000,000	Long 好倉	0.014%
Mr. Zhou Chunsheng (Note 6) 周春生先生 (附註6)	Beneficial owner 實益擁有人	1,000,000	Long 好倉	0.014%

REPORT OF DIRECTORS

董事會報告

44

Note:

1. These underlying shares are held by (i) Mr. Zhang, an executive Director and Chairman of the Board, as the Company's share options which entitling him to subscribe for 1,600,000 Shares at a subscription price of HK\$1.50 per Share; (ii) Ms. Hao Ting for the amount of HK\$15,000,000 convertible notes ("CN"), which are convertible into 45,454,545 Shares, as family interested; and (iii) China OEPC which is beneficially owned by Best Group and Mr. Zhang is the ultimate beneficial owner for the amount of HK\$380,000,000 CN, which are convertible into 1,151,515,151 Shares. All the amount of HK\$380,000,000 CN, which are convertible into 1,151,515,151 Shares had been pledged.

As at 31 December 2018, Mr. Zhang held in aggregate 1,153,115,151 underlying shares in which 1,515,515,151 underlying shares had been pledged.

2. Mr. Tse Michael Nam, an executive Director and Chief Executive Officer, held the Company's share options entitling him to subscribe for (i) 6,000,000 Shares at a subscription price of HK\$1.50 per Share; and (ii) 72,967,400 Shares at a subscription price of HK\$0.352 per Share.
3. Mr. Zou Chengjian, a non-executive Director, held the Company's share options entitling him to subscribe for 1,000,000 Shares at a subscription price of HK\$1.50 per Share.
4. Ms. Leung Yin Fai, an independent non-executive Director, held the Company's share options entitling her to subscribe for 1,000,000 Shares at a subscription price of HK\$1.50 per Share.
5. Mr. Leung Po Wing Bowen Joseph, an independent non-executive Director, held the Company's share options entitling him to subscribe for 1,000,000 Shares at a subscription price of HK\$1.50 per Share.
6. Mr. Zhou Chunsheng, an independent non-executive Director, held the Company's share options entitling him to subscribe for 1,000,000 Shares at a subscription price of HK\$1.50 per Share.

In addition to the above, as at 31 December 2018, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

附註：

1. 該等相關股份由(i)執行董事及董事會主席張先生以本公司購股權(賦予彼權利可按每股1.50港元之認購價認購1,600,000股股份)形式持有；(ii)郝婷女士以家族權益形式以15,000,000港元之可換股票據(「可換股票據」)(可兌換為45,454,545股股份)持有；及(iii)中國能源以380,000,000港元之可換股票據(可兌換為1,151,515,151股股份)持有，而該公司則由Best Growth實益擁有及張先生為最終實益擁有人。380,000,000港元之所有可換股票據(可兌換為1,151,515,151股股份)已被抵押。

於二零一八年十二月三十一日，張先生持有合共1,153,115,151股相關股份，其中1,515,515,151股相關股份已被抵押。

2. 執行董事兼行政總裁謝南洋先生持有本公司購股權，賦予彼權利可(i)按每股1.50港元之認購價認購6,000,000股股份；及(ii)按每股0.352港元之認購價認購72,967,400股股份。
3. 非執行董事鄒承健先生持有本公司購股權，賦予彼權利可按每股1.50港元之認購價認購1,000,000股股份。
4. 獨立非執行董事梁燕輝女士持有本公司購股權，賦予彼權利可按每股1.50港元之認購價認購1,000,000股股份。
5. 獨立非執行董事梁寶榮先生持有本公司購股權，賦予彼權利可按每股1.50港元之認購價認購1,000,000股股份。
6. 獨立非執行董事周春生先生持有本公司購股權，賦予彼權利可按每股1.50港元之認購價認購1,000,000股股份。

除上述者外，於二零一八年十二月三十一日，純粹為符合公司最少股東人數之規定，若干董事為本公司之利益持有若干附屬公司之非實益個人股本權益。

REPORT OF DIRECTORS

董事會報告

Except as disclosed above, as at 31 December 2018, neither the Chief Executive Officer nor any of the Directors had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed above and in Note 20, Note 21, Note 30, Note 31 and Note 34 of the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of Shares granted to any of the Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by any of them; or was the Company, or any of its subsidiaries, or related companies a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

The Company's share option scheme (the "Share Option Scheme") approved and adopted by the Company based on the Shareholders' resolution passed on 28 May 2015.

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

除上文所披露者外，於二零一八年十二月三十一日，行政總裁及任何董事概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記錄於該條所述登記冊之任何權益或淡倉；或(iii)根據標準守則須知會本公司及聯交所之任何權益或淡倉。

45

董事購入股份或債券之權利

除上文及綜合財務報表附註20、附註21、附註30、附註31及附註34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各自之配偶或未滿18歲之子女授出可藉購入股份而獲益之權利，彼等亦無行使任何該等權利；本公司或其任何附屬公司，或關連公司亦無參與任何安排，致使董事可於任何其他法人團體獲取該等權利。

購股權計劃

本公司根據股東於二零一五年五月二十八日通過之決議案批准及採納本公司購股權計劃（「購股權計劃」）。

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

REPORT OF DIRECTORS

董事會報告

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

46

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

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

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

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

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

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

有關購股權計劃之詳情，請參閱本公司日期為二零一五年四月二十四日之通函。

REPORT OF DIRECTORS

董事會報告

Share Options Movement

During the year 2018, there were 20,000,000 Options granted and 16,000,000 Options lapsed.

On 3 May 2018, a total of 16,000,000 Options (granted on 14 July 2015) lapsed due to the resignation of a Director (as disclosed in the Company's announcement dated 16 April 2018).

On 24 May 2018, the Company granted Options to a grantee to subscribe for a total of 20,000,000 Shares (adjusted). Among the 20,000,000 Options granted, 50% of the Options are exercisable from the date of grant to the expiry of option period and 50% of the Options granted to the Grantee are exercisable from the first anniversary of the date of grant to the expiry of the option period. For the details of the above Options granted, please refer to the Company's announcement dated 24 May 2018.

The Scheme Mandate Limit was refreshed with the Shareholders' approval during the annual general meeting of the Company held on 31 May 2018. The Company therefore may grant Options entitling holders thereof to subscribe for up to a maximum number of 731,103,201 Shares, representing approximately 10% of the number of the issued Shares as at 31 May 2018. The total number of Shares which might be issued upon exercise of the Options granted under the "refreshed" Scheme Mandate Limit of 731,103,201 Shares together with all outstanding 924,344,571 Options as at 31 May 2018 carrying the right to subscribe for 193,241,370 Shares, representing approximately 12.64% of the total number of Shares in issue as at 31 May 2018.

The particulars of Options granted to Directors and the movements during the year can be referred to Note 34.

As at 31 December 2018, there were 197,241,370 Options outstanding. (2017: 193,241,370 Options).

購股權變動

於二零一八年，20,000,000份購股權已獲授出及16,000,000份購股權已失效。

於二零一八年五月三日，因一名董事辭任（誠如本公司日期為二零一八年四月十六日之公佈所披露），合共16,000,000份購股權（於二零一五年七月十四日授出）失效。

於二零一八年五月二十四日，本公司向一名承授人授出購股權以供認購合共20,000,000股股份（經調整）。所授出之20,000,000份購股權中，50%購股權可由授出日期起至購股權期間屆滿為止行使及50%授予承授人之購股權可由授出日期滿一週年起至購股權期間屆滿為止行使。有關上述已授出購股權之詳情，請參閱本公司日期為二零一八年五月二十四日之公佈。

計劃授權限額於本公司於二零一八年五月三十一日舉行之股東週年大會上經股東批准更新。因此，本公司可授出賦予持有人權利認購最多731,103,201股股份之購股權，相當於二零一八年五月三十一日已發行股份數目約10%。因行使根據「經更新」計劃授權限額授出之購股權而可予發行之731,103,201股股份，連同於二零一八年五月三十一日附有可認購193,241,370股股份之權利之所有尚未行使之924,344,571份購股權，相當於二零一八年五月三十一日已發行股份總數約12.64%。

授予董事之購股權及年內變動詳情可參考附註34。

於二零一八年十二月三十一日，197,241,370份購股權（二零一七年：193,241,370份購股權）為尚未行使。

REPORT OF DIRECTORS

董事會報告

On 17 January 2019, the Company granted Options to certain grantees to subscribe for a total of 730,000,000 Options. Details of the said Options granted could be referred to the Company's announcement dated 17 January 2019.

48 As at the date of this report, a total of 927,241,370 Options were outstanding, representing approximately 10.569% of the Company's issued share capital. There are 1,103,201 Options carrying the rights to subscribe for 1,103,201 Shares, which represent approximately 0.013% of the Company's issued share capital, were available for grant by the Company as at 31 December 2018.

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

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

So far as is known to the Directors, as at 31 December 2018, the following persons (not being Directors or the Chief Executive Officer of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

於二零一九年一月十七日，本公司向若干承授人授出購股權以供認購合共730,000,000份購股權。上述已授出購股權之詳情可參閱本公司日期為二零一九年一月十七日之公佈。

於本報告日期，合共927,241,370份購股權為尚未行使，相當於本公司已發行股本約10.569%。附帶權利認購1,103,201股股份（相當於本公司已發行股本約0.013%）之1,103,201份購股權可由本公司於二零一八年十二月三十一日授出。

主要股東及其他人士於股份及相關股份之權益及淡倉

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

據董事所知，於二零一八年十二月三十一日，下列人士（並非董事或本公司行政總裁）於股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之權益或淡倉，或直接或間接擁有附有權利可於任何情況下在本集團任何成員公司之股東大會表決之任何類別股本面值10%或以上之權益：

REPORT OF DIRECTORS

董事會報告

(I) INTERESTS IN THE SHARES AND UNDERLYING SHARES

(I) 於股份及相關股份之權益

Name of substantial Shareholders	Nature of interest	No. of Shares and/or underlying shares held	Position	Approximate percentage of issued Share capital as at 31 December 2018 佔於二零一八年十二月三十一日之已發行股本概約百分比
主要股東名稱	權益性質	所持股份及／或相關股份數目	持倉	
Best Growth Enterprises Limited ^(Note)	Interest of controlled corporation 受控法團權益	3,037,374,377	Long 好倉	41.55%
		2,978,753,035	Short 淡倉	40.74%
China OEPC Limited ^(Note) 中國能源(香港)控股有限公司 ^(附註)	Beneficial owner 實益擁有人	3,037,374,377	Long 好倉	41.55%
		2,978,753,035	Short 淡倉	40.74%
China Huarong (Macau) International Company Limited ^(Note) 中國華融(澳門)國際股份有限公司 ^(附註)	Interest of controlled corporation 受控法團權益	5,364,074,134	Long 好倉	73.37%
			好倉	
China Huarong Asset Management Co., Ltd. ^(Note) 中國華融資產管理股份有限公司 ^(附註)	Interest of controlled corporation 受控法團權益	5,364,074,134	Long 好倉	73.37%
			好倉	

Note:

- China OEPC beneficially owns 1,885,859,226 Shares and the amount of HK\$380,000,000 convertible notes which are convertible into 1,151,515,151 Shares. China OEPC is beneficially owned by Best Growth. Best Growth is beneficially owned by Mr. Zhang Sanhuo, the Chairman and executive Director. By virtue of the SFO, Mr. Zhang and Best Growth are deemed to be interested in those shares and derivative interest held by China OEPC.

附註:

- 中國能源實益擁有1,885,859,226股股份及380,000,000港元可換股票據(可兌換為1,151,515,151股股份)。中國能源由Best Growth實益擁有。Best Growth由主席兼執行董事張三貨先生實益擁有。根據證券及期貨條例,張先生及Best Growth被視為於中國能源持有之該等股份及衍生權益中擁有權益。

REPORT OF DIRECTORS

董事會報告

50

- China Huarong Macau (HK) Investment Holdings Limited (“Huarong (HK)”) beneficially owns Shares and convertible bonds. Huarong (HK) is wholly and beneficially owned by China Huarong (Macau) International Company Limited. (“Huarong (Macau)”). By virtue of the SFO, Huarong (Macau) was deemed to be interested in those shares held by Huarong (HK).
- Huarong (Macau) is held 51% of shares by Huarong (HK) Industrial Financial Investment Limited (“Huarong IFI”). By virtue of the SFO, Huarong IFI was deemed to be interested in those shares which Huarong (Macau) was interested.
- Huarong IFI is wholly and beneficially owned by Huarong Real Estate Co., Ltd. (“Huarong REC”). By virtue of the SFO, Huarong REC was deemed to be interested in those shares which Huarong IFI was interested.
- Huarong REC is wholly and beneficially owned by China Huarong Asset Management Co., Ltd. (“Huarong AM”). By virtue of the SFO, Huarong AM was deemed to be interested in those shares which Huarong REC was interested.
- 中國華融澳門（香港）投資控股有限公司（「華融香港」）實益擁有股份及可換股債券。華融香港由中國華融（澳門）國際股份有限公司（「華融澳門」）全資實益擁有。根據證券及期貨條例，華融澳門被視為於華融香港持有之該等股份中擁有權益。
- 華融澳門由華融（香港）產融投資有限公司（「華融產融投資」）持有51%股份。根據證券及期貨條例，華融產融投資被視為於華融澳門擁有權益之該等股份中擁有權益。
- 華融產融投資由華融置業有限責任公司（「華融置業」）全資實益擁有。根據證券及期貨條例，華融置業被視為於華融產融投資擁有權益之該等股份中擁有權益。
- 華融置業由中國華融資產管理股份有限公司（「華融資產管理」）全資實益擁有。根據證券及期貨條例，華融資產管理被視為於華融置業擁有權益之該等股份中擁有權益。

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

(II) 於本公司相聯法團股份之權益

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

L: represents a long position in the securities

L: 代表證券之好倉

Except as disclosed above and so far as the Directors were aware, as at 31 December 2018, no other party had any interest or short position in the Shares, the underlying shares or debentures of the Company which would be required to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to herein.

除上文所披露者外，據董事所知，於二零一八年十二月三十一日，並無其他人士於本公司股份、相關股份或債券中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或根據證券及期貨條例第336條須記入該條所指登記冊之任何權益或淡倉。

REPORT OF DIRECTORS

董事會報告

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

On 1 February 2018, the remuneration package of Mr. Zhang had been changed. The Company no longer provide a premise for living to Mr. Zhang due to the tenancy agreement of the premise has been discharged.

The appointment of Mr. Leung Po Wing, Bowen Joseph (“**Mr. Leung**”) as an independent non-executive Director has been expired and automatically renewed on 26 March 2018 with a term of service for one year and subject to rotational retirements under the Bye-laws. Mr. Leung currently entitled to receive a remuneration of HK\$14,000 per month.

The appointment of Ms. Leung Yin Fai (“**Ms. Leung**”) as an independent non-executive Director has been expired and automatically renewed on 1 April 2018 with a term of service for two years and subject to rotational retirements under the Bye-laws. Ms. Leung currently entitled to receive a remuneration of HK\$14,000 per month.

The appointment of Mr. Zou Chengjian (“**Mr. Zou**”) as a non-executive Director has been expired and automatically renewed on 22 June 2018 with a term of service for one year and subject to rotational retirements under the Bye-laws. Mr. Zou currently entitled to receive a remuneration of HK\$14,000 per month.

The appointment of Mr. Zhou Chunsheng (“**Mr. Zhou**”) as an independent non-executive Director has been expired and automatically renewed on 22 June 2018 with a term of service for one year and subject to rotational retirements under the Bye-laws. Mr. Zhou currently entitled to receive a remuneration of HK\$14,000 per month.

The remuneration of the Directors is governed by the Bye-laws and the remuneration amount is determined by the Board based on the recommendation from the Company's remuneration committee with reference to, among other matters, the duties and responsibilities of the Directors, salary paid by comparable companies, time commitment, employment conditions of other members of the Group and a bonus for each financial year which is subject to the discretion of the Board.

根據上市規則第13.51B(1)條披露董事資料

於二零一八年二月一日，張先生之薪酬待遇有變。本公司不再向張先生提供生活居所，原因為該居所之租賃協議已解除。

梁寶榮先生（「**梁先生**」）出任獨立非執行董事之任命已於二零一八年三月二十六日屆滿及自動重續，服務年期為一年，須遵守公司細則之輪值退任規定。梁先生現時有權收取薪酬每月14,000港元。

梁燕輝女士（「**梁女士**」）出任獨立非執行董事之任命已於二零一八年四月一日屆滿及自動重續，服務年期為兩年，須遵守公司細則之輪值退任規定。梁女士現時有權收取薪酬每月14,000港元。

鄒承健先生（「**鄒先生**」）出任非執行董事之任命已於二零一八年六月二十二日屆滿及自動重續，服務年期為一年，須遵守公司細則之輪值退任規定。鄒先生現時有權收取薪酬每月14,000港元。

周春生先生（「**周先生**」）出任獨立非執行董事之任命已於二零一八年六月二十二日屆滿及自動重續，服務年期為一年，須遵守公司細則之輪值退任規定。周先生現時有權收取薪酬每月14,000港元。

董事之薪酬受公司細則規管，薪酬金額則由董事會依照本公司薪酬委員會之推薦意見釐定，當中已參考（其中包括）董事之職責及責任、相若公司支付之薪金、所投入之時間、本集團其他成員公司之僱傭條件以及每個財政年度之花紅（由董事會酌情決定）。

REPORT OF DIRECTORS

董事會報告

During the year 2018, the executive Directors, Mr. Zhang and Mr. Tse Michael Nam received emoluments of approximately HK\$1,578,000 and HK\$5,913,000 respectively. The non-executive Director, Mr. Zou received HK\$168,000. The independent non-executive Directors, Ms. Leung, Mr. Leung and Mr. Zhou earned fees amounting to HK\$168,000 each.

52 Details of Director's and chief executive's emoluments are set out in Note 14 of the consolidated financial statements. The basis for determining the Directors' emoluments (including bonus payments) remained unchanged during the year.

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

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2018, the Company had complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in the Appendix 14 of the Listing Rules. Details of corporate governance are set out in the section headed "Corporate Governance Report" in this report.

AUDITOR

The Group's consolidated financial statements for the year ended 31 December 2018 had been audited by Crowe (HK) CPA Limited, who will retire and being eligible, offer themselves for reappointment as auditor at the Company's forthcoming annual general meeting.

於二零一八年，執行董事張先生及謝南洋先生已收取酬金分別約1,578,000港元及5,913,000港元。非執行董事鄒先生已收取168,000港元。獨立非執行董事梁女士、梁先生及周先生已各自獲得袍金168,000港元。

董事及最高行政人員酬金詳情載於綜合財務報表附註14。釐定董事酬金（包括花紅付款）之基準於年內維持不變。

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

企業管治

除若干偏離外，本公司於截至二零一八年十二月三十一日止年度一直遵守上市規則附錄十四所載企業管治守則及企業管治報告（「守則」）之守則條文及建議最佳常規。有關企業管治之詳情載於本報告「企業管治報告」一節。

核數師

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乃由國富浩華（香港）會計師事務所有限公司審核，其將任滿告退，惟符合資格願意於本公司應屆股東週年大會膺選連任核數師。

REPORT OF DIRECTORS

董事會報告

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established an audit committee (the “**Audit Committee**”) on 12 June 1999 with clear written terms of reference. And the terms of reference of Audit Committee had been revised on 10 December 2018 and became effective from 1 January 2019.

For the year ended 31 December 2018 and as at the date of this report, the Audit Committee comprised three members, all of whom were independent non-executive Directors. The composition of the Audit Committee as at the date of this report is Ms. Leung Yin Fai, the chairman of the Audit Committee, Mr. Leung Po Wing, Bowen Joseph *GBS, JP* and Mr. Zhou Chunsheng. Ms. Leung Yin Fai is a member of the HKICPA, CPA Australia and the Association of Chartered Certified Accountants. None of the members is a partner or former partner of Crowe (HK) CPA Limited, the Group’s external auditor (the “**Auditor**”).

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

The Audit Committee had reviewed the Group’s audited consolidated financial statements for the year ended 31 December 2018 and had submitted its views to the Board.

ON BEHALF OF THE BOARD
Mr. Zhang Sanhuo
Chairman

審核委員會及審閱財務報表

本公司於一九九九年六月十二日成立審核委員會（「**審核委員會**」），並清楚書面列明其職權範圍。審核委員會之職權範圍已於二零一八年十二月十日修訂及於二零一九年一月一日起生效。

於截至二零一八年十二月三十一日止年度及本報告日期，審核委員會由三名成員組成，全部均為獨立非執行董事。於本報告日期，審核委員會成員包括梁燕輝女士（審核委員會之主席）、梁寶榮先生 *GBS, JP* 及周春生先生。梁燕輝女士為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。概無成員為本集團外聘核數師（「**核數師**」）國富浩華（香港）會計師事務所有限公司之合夥人或前合夥人。

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

審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之經審核綜合財務報表，並已向董事會提交意見。

代表董事會
主席
張三貨先生

CORPORATE GOVERNANCE REPORT

企業管治報告

54

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

(a) Corporate governance codes

Throughout the year ended 31 December 2018, the Company has complied with the Codes as set out in Appendix 14 of the Listing Rules. The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the Codes. The Company had adopted an internal monitoring policy to maintain a higher level of the Company's compliance with the Codes throughout the year ended 31 December 2018 and also to report on whether any non-compliance with the Codes, if any, was fully disclosed and explained in this corporate governance report. The execution and enforcement of the Company's corporate governance system is monitored and reviewed by the Board annually. The Board believes that the commitment of high-standard corporate governance will provide long-term value and maximised returns to Shareholders.

(b) Securities transactions

The Model Code has been adopted as the code for regulating Directors' securities transaction for the Company. In response to specific enquiries made, all the Directors confirmed that they had complied with the Model Code in their securities transactions throughout the year 2018.

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

遵守企業管治守則

(a) 企業管治守則

本公司於截至二零一八年十二月三十一日止年度內，一直遵守上市規則附錄十四所載守則。董事會將繼續檢討及監控本公司之企業管治常規，以確保符合守則規定。於截至二零一八年十二月三十一日止年度，本公司已採納內部監控政策，確保本公司高度遵守守則，並就本企業管治報告有否全面披露及解釋任何未有遵守守則之情況（如有）作出報告。董事會監察及每年檢討本公司企業管治制度之履行及執行情況。董事會相信堅守高水平之企業管治將為股東帶來長期價值及最大回報。

(b) 證券交易

本公司已採納標準守則作為本公司規範董事進行證券交易之守則。在回應具體查詢時，全體董事確認，彼等於二零一八年全年進行的證券交易均已遵守標準守則。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

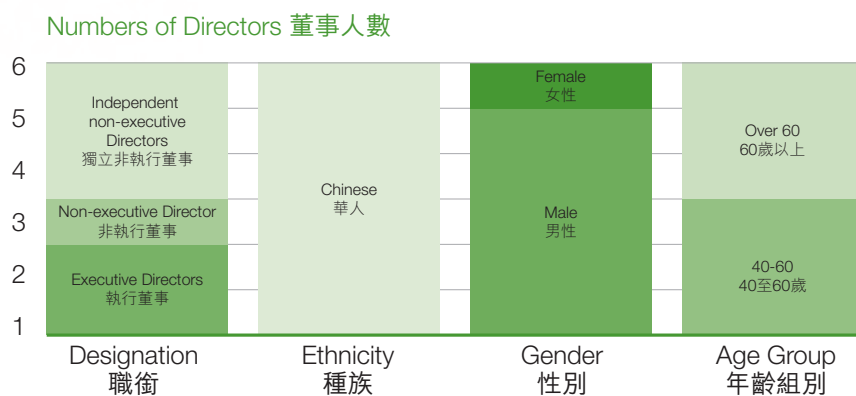
(c) Board of Directors

Up to the date of this report, the Board is composed of six members comprising two executive Directors (including the Chairman and the Chief Executive Officer), one non-executive Director and three independent non-executive Directors (“INEDs”). Throughout the year, the number of independent non-executive Directors meets the one-third requirement under the Listing Rules.

(c) 董事會

截至本報告日期，董事會由六名成員組成，包括兩名執行董事（包括主席及行政總裁）、一名非執行董事及三名獨立非執行董事（「獨立非執行董事」）。於整個年度內，獨立非執行董事人數符合上市規則項下的三分之一規定。

55



Diversity profile of the Board as at 31 December 2018.
董事會於二零一八年十二月三十一日之多元化概況。

The biographical details of the current members of the Board are set out on pages 4 to 7 of this report. The Company has also maintained on its website and on the website of the Stock Exchange, an updated list of the Directors which identifying their roles and functions including whether they are INEDs.

董事會現任成員之履歷詳情載於本年報第4至7頁。本公司亦已於其網站及聯交所網站登載其最新董事名單，當中列明彼等之角色及職能，包括列明是否為獨立非執行董事。

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

56

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

The attendance of each of the Directors at the general meetings (included annual general meeting), Board meetings and meetings of the audit committee, remuneration committee, nomination committee and risk management committee held during the year is set out below:—

每名董事於年內舉行之股東大會（包括股東週年大會）、董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及風險管理委員會會議之出席率如下：—

Directors	No. of meetings attended/held						Risk management committee
	General meetings	Board	Audit committee	Remuneration committee	Nomination committee		
董事	股東大會	董事會	審核委員會	薪酬委員	提名委員會	風險管理委員會	
Executive Directors							
執行董事							
Mr. Zhang Sanhuo 張三貨先生	4/4	4/4	—	1/1	1/1	1/1	
Mr. Tse Michael Nam 謝南洋先生	4/4	4/4	—	—	—	1/1	
Non-executive Director							
非執行董事							
Mr. Zou Chengjian 鄒承健先生	4/4	4/4	—	—	—	—	
Independent non-executive Directors							
獨立非執行董事							
Ms. Leung Yin Fai 梁燕輝女士	4/4	4/4	5/5	1/1	1/1	—	
Mr. Leung Po Wing, Bowen Joseph 梁寶榮先生	4/4	4/4	5/5	1/1	1/1	1/1	
Mr. Zhou Chunsheng 周春生先生	4/4	3/4	5/5	1/1	1/1	—	

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

58

The Company had maintained an appropriate level of insurance cover in respect of legal action against the Directors and officers of the Company and its subsidiaries throughout the year ended 31 December 2018.

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

(d) Appointments, re-election and removal of Directors

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

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

(e) Chairman and chief executive officer

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

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

截至二零一八年十二月三十一日止年度，本公司一直購有適當保險，使本公司及其附屬公司董事及主管人員於面臨法律訴訟時得到保障。

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

(d) 委任、重選及罷免董事

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

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

(e) 主席及行政總裁

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

(f) Non-executive Director and independent non-executive Directors

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

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

Each of the INEDs met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company considered each of them to be so.

The Company had received written confirmation from all INEDs an annual confirmation as to his/her independence.

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

(g) Remuneration committee

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

(f) 非執行董事及獨立非執行董事

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

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

每名獨立非執行董事均符合上市規則第3.13條所載獨立性指引，而本公司認為彼等均為獨立人士。

本公司已接獲全體獨立非執行董事就其獨立性發出之確認書。

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

(g) 薪酬委員會

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

CORPORATE GOVERNANCE REPORT

企業管治報告

60

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

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

For the year ended 31 December 2018 and as at the date of this report, the Remuneration Committee comprised four members, three of whom were INEDs, in which one of them was also the chairman of the Remuneration Committee. The members of the Remuneration Committee as at the date of this report are Ms. Leung Yin Fai (the chairman of the Remuneration Committee), Mr. Zhang Sanhuo, Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng.

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

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

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

截至二零一八年十二月三十一日止年度及於本報告日期，薪酬委員會由四名成員組成，三名為獨立非執行董事（其中一名亦兼任薪酬委員會主席）。於本報告日期，薪酬委員會成員為梁燕輝女士（薪酬委員會主席）、張三貨先生、梁寶榮先生及周春生先生。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

(h) Risk management committee

The Company's risk management committee (the "Risk Management Committee") was established in September 2017 with specific written terms of reference detailing the Risk Management Committee's role and authority. The terms of reference of the Risk Management Committee had been published on the Company's website as well as the Stock Exchange's website.

The Risk Management Committee is responsible for reviewing of the risk management and internal control systems, the effectiveness of the Company's internal audit function, and such other duties as stipulated under the Codes as set out in Appendix 14 of the Listing Rules.

For the year ended 31 December 2018 and as at the date of this report, the Risk Management Committee comprised three members, two executive Directors and one INED. The members of the Risk Management Committee as at the date of this report are Mr. Zhang Sanhuo, Mr. Tse Michael Nam and Mr. Leung Po Wing, Bowen Joseph (the chairmen of the Risk Management Committee).

The principal responsibilities of the Risk Management Committee are, among other things, (i) advise the Board on the Group's risk appetite statement(s), risk principles and other risk-related issues including corporate actions and proposed strategic transactions such as mergers, acquisitions and disposals; (ii) oversee risk management framework to identify and deal with financial, operational, legal, regulatory, technology, business and strategic risks faced by the Group and amend and supplement this from time to time; (iii) approve the Group's risk policies and risk tolerances; (iv) consider emerging risks relating to the Group's business and strategies to ensure that appropriate arrangements are in place to control and mitigate the risks effectively; (v) review risk reports and breaches of risk tolerances and policies; (vi) review and assess the effectiveness of the Group's risk control/mitigation tools including the enterprise risk management program, the risk management systems, the internal audit function relating to risk management and the Group's contingency plans; (vii) review the Group's capital adequacy and solvency levels; (viii) monitor stress testing results of the Group's key risk exposures; (ix) to deal with other work assigned by the Board; and (x) issue report(s) on how the Risk Management Committee met its responsibilities in its review of the risk management, the internal control systems and the effectiveness of the Company's internal audit function.

(h) 風險管理委員會

本公司於二零一七年九月成立風險管理委員會（「風險管理委員會」），並列明其特定書面職權範圍，當中詳列其職務及職權。風險管理委員會之職權範圍已於本公司網站及聯交所網站登載。

風險管理委員會負責按上市規則附錄十四之守則內規定對本公司的風險管理和內部監控制度、內部審計職能的有效性進行審查及進行其他職責。

截至二零一八年十二月三十一日止年度及於本報告日期，風險管理委員會由三名成員、兩名執行董事及一名獨立非執行董事組成。於本報告日期，風險管理委員會成員為張三貨先生、謝南洋先生及梁寶榮先生（風險管理委員會主席）。

風險管理委員會的主要職責為（其中包括）(i) 就本集團的風險承受能力聲明、風險原則及其他風險相關事宜（包括公司行動及建議戰略交易，例如合併、收購及出售事項）向董事會提供意見；(ii) 監察風險管理框架，以識別及管理本集團面對的財務、營運、法律、監管、技術、業務及戰略風險，並不時對其作出修訂及補充；(iii) 審批本集團的風險政策及風險容忍度；(iv) 考量與本集團業務及戰略有關的新出現的風險，並確保設有適當安排以有效監控及紓減風險；(v) 審閱風險報告以及審視風險容忍度和政策的違規情況；(vi) 檢討及評估本集團風險監控／紓減工具的成效，包括企業風險管理計劃、風險管理系統、與風險管理有關的內部稽核功能及本集團的應變計劃；(vii) 檢討本集團的資本充足水平及償付能力；(viii) 監察本集團主要風險承擔的壓力測試結果；(ix) 處理董事會所指派的其他工作；及(x) 編製有關風險管理委員會於審查風險管理、內部監控制度以及本公司內部審計職能的有效性方面履行職責的報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

62

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

The Risk Management Committee meets at least twice a year to (i) review the terms of reference; and (ii) review any risk or potential risk of the Group and to advise the Board on the Group's risk-related matters and the overall risk management strategies of the Company.

(i) Nomination committee

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

For the year ended 31 December 2018 and as at the date of this report, the Nomination Committee comprised four members, three of whom were INEDs. The members of the Nomination Committee as at the date of this report are Mr. Zhang Sanhuo (the chairman of the Nomination Committee), Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng.

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

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

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

風險管理委員會每年最少舉行兩次會議，以(i)檢討職權範圍；及(ii)審查本集團的任何風險或潛在風險，並就本集團的風險相關事宜和本公司的總體風險管理策略向董事會提供意見。

(i) 提名委員會

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

截至二零一八年十二月三十一日止年度及於本報告日期，提名委員會由四名成員組成，三名為獨立非執行董事。於本報告日期，提名委員會成員為張三貨先生（提名委員會主席）、梁燕輝女士、梁寶榮先生及周春生先生。

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

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

(j) Audit committee

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

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

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

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

除已披露者外，董事會年內概無委任其他新成員。

(j) 審核委員會

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

64

For the year ended 31 December 2018 and as at the date of this report, the Audit Committee was comprised of three members, all of whom were INEDs. The composition of the Audit Committee as at the date of this report was Ms. Leung Yin Fai (the chairman of the Audit Committee), Mr. Leung Po Wing, Bowen Joseph and Mr. Zhou Chunsheng. Ms. Leung Yin Fai is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and the Association of Chartered Certified Accountants.

The Audit Committee has unrestricted access to the Auditor, the Directors, the Company's qualified accountant, and other members of the management. The Audit Committee has met with the Auditor twice during the year ended 31 December 2018 with regards to review of the Company's financial report and accounts.

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

The Audit Committee had reviewed the Group's audited financial statements for the year ended 31 December 2018.

(k) Auditor's remuneration

As disclosed in the announcement dated 2 January 2018, SHINEWING (HK) CPA Limited had resigned as the Company's auditor with effect from 2 January 2018 and Crowe (HK) CPA Limited (previously known as Crowe Horwath (HK) CPA Limited) had been appointed to fill the casual vacancy as the new Company's auditor with effect from 2 January 2018 and during the year, the Company reappointed Crowe (HK) CPA Limited as Auditor in the Company's general meeting held on 31 May 2018. The auditor's remuneration for the year ended 31 December 2018 was as follows:

Nature of work 工作性質	Amount 金額 HK\$ 港元
Audit services 審核服務	2,000,000
Non-audit services 非審核服務	600,000

截至二零一八年十二月三十一日止年度及於本報告日期，審核委員會由三名成員組成，均為獨立非執行董事。於本報告日期，審核委員會成員包括梁燕輝女士（審核委員會主席）、梁寶榮先生及周春生先生。梁燕輝女士為香港會計師公會、澳洲會計師公會及特許公認會計師公會之會員。

審核委員會可隨時聯絡核數師、董事、本公司合資格會計師及其他管理層成員。於截至二零一八年十二月三十一日止年度，審核委員會曾與核數師就審閱本公司之財務報告及賬目會面兩次。

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

審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之經審核財務報表。

(k) 核數師酬金

誠如本公司日期為二零一八年一月二日之公佈所披露，信永中和（香港）會計師事務所有限公司已於二零一八年一月二日辭任本公司核數師，而國富浩華（香港）會計師事務所有限公司於二零一八年一月二日已獲委任為本公司之新任核數師以填補臨時空缺及於年內，本公司於二零一八年五月三十一日舉行之本公司股東大會上重新委任國富浩華（香港）會計師事務所有限公司為核數師。截至二零一八年十二月三十一日止年度之核數師酬金如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

(l) Directors' responsibility for the financial statements

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

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

The statement of the Auditor on their reporting responsibilities in respect of the Company's financial statements is set out on pages 75 to 82.

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

(m) Directors' training and professional development

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

(l) 董事對財務報表之責任

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

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

核數師對本公司財務報表之申報責任聲明載於第75至82頁。

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

(m) 董事培訓及專業發展

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

CORPORATE GOVERNANCE REPORT

企業管治報告

66

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

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

Directors

董事

Executive Directors

執行董事

Mr. Zhang Sanhuo

張三貨先生

Mr. Tse Michael Nam

謝南洋先生

Non-executive Director

非執行董事

Mr. Zou Chengjian

鄒承健先生

Independent non-executive Directors

獨立非執行董事

Ms. Leung Yin Fai

梁燕輝女士

Mr. Leung Po Wing, Bowen Joseph

梁寶榮先生

Mr. Zhou Chunsheng

周春生先生

Type of trainings

培訓類型

A

A

A

A, B

A, B

A, B

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

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

A: 出席有關企業管治及監管更新的內部簡報會議／閱讀有關材料。

B: 出席研討會／課程／會議以發展及更新其知識及技能。

CORPORATE GOVERNANCE REPORT

企業管治報告

(n) Company secretary

Mr. Shek Wing Wa, joined the Company since 2011. He holds a bachelor degree in business administration and a master degree in corporate governance and has solid experience in company secretarial field gained from both listed companies and professional firms in Hong Kong. He is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom since 2010. During the year, he has completed over 15 hours of relevant professional training.

(o) Internal controls and risk management

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

The Risk Management Committee reviewed the need for an internal audit department and considered it appropriate to adopt an internal group policy to review of the effectiveness of the system of internal control of the Company and certain of its subsidiaries for the financial year ended 31 December 2018. Given the Group's simple operating structure, as opposed to a separate internal audit department, the Risk Management Committee engaged Crowe (HK) Risk Advisory Limited. for reviewing the effectiveness of the internal control of the Group.

The Risk Management Committee conducted a review on the internal control system of the Group on an annual basis and has the responsibility to maintain an effective internal control system in order to safeguard the Group's assets and Shareholders' interests. It covered all material controls including financial, operational and compliance controls and risk management functions of the Company. And the policy had be reviewed annually by the Board to ensure it fulfilled the statutory requirement.

(n) 公司秘書

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

(o) 內部監控及風險管理

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

風險管理委員會曾檢討內部審核部門之需要，認為採納內部集團政策以檢討本公司及其若干附屬公司於截至二零一八年十二月三十一日止財政年度內部監控制度的有效性屬恰當。鑒於本集團營運架構簡單，風險管理委員會委聘國富浩華（香港）風險管理有限公司而非由獨立之內部審核部門檢討本集團內部監控的成效。

風險管理委員會每年均對本集團之內部監控制度進行檢討，並負責維持有效之內部監控制度，以保障本集團資產及其股東之權益。檢討範圍涵蓋所有重大監控事宜，包括本公司之財務、營運及合規監控以及風險管理職能。董事會已每年檢討有關政策，以確保符合法律規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

68

The Risk Management Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Risk Management Committee will keep review and monitor the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

Risk management system

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

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

Based on the risk assessments conducted for the year 2018, no significant risk was identified.

Internal control system

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

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

- Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.

風險管理委員會亦檢討本公司會計及財務申報職能之資源、員工資格及經驗、培訓計劃及預算是否充足。風險管理委員會將不斷定期檢討及監察內部監控及風險管理制度之效益，以確保所設制度足夠。

風險管理制度

本集團採納風險管理制度，管理與其業務及營運有關之風險。該制度包括以下階段：

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

根據二零一八年進行之風險評估，並無識別重大風險。

內部監控制度

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

監控環境：為一套標準、程序及架構，為本集團進行內部監控提供基準。

- 風險評估：為一套靈活及反複的流程，可辨識及分析各種風險，從而達致本集團的目標，同時制定基準以決定如何管理風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

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

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

Based on the internal control reviews conducted for the year 2018, no significant control deficiency was identified.

- 監控活動：以政策及程序制定行動，從而協助確保管理層就舒緩風險以達成目標的方針得以實施。
- 資訊及溝通：進行內外部溝通，為本集團提供所需資料以進行日常監控工作。
- 監控：進行持續及個別評估，以確保內部監控的各個組成部分到位且運作正常。

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

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

根據二零一八年進行之內部監控審閱，並無發現任何重大監控缺陷。

CORPORATE GOVERNANCE REPORT

企業管治報告

70

Internal audit

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

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

Effectiveness of the risk management and internal control systems

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

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

內部審計

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

一份內部審計計劃已獲審核委員會審閱及董事會批准。根據既定計劃，須每年審閱風險管理及內部監控制度，其後之結果將通過審核委員會向董事會報告。

風險管理及內部監控制度之有效性

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

In year 2018, the Group has engaged Crowe (HK) Risk Advisory Limited, an independent professional third party, to review the Group's IA function. The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness. An IA plan as suggested has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Audit Committee afterwards.

(p) Communications with Shareholders and investors

The Board is responsible for maintaining an on-going dialogue with the Shareholders. A shareholders' communication policy setting out the principles of the Company in relation to Shareholders' communications, with the objectives of ensuring a transparent and timely communication with Shareholders via various means, had been established and published on the Company's website. And it will be reviewed annually after the annual general meeting. The Company's annual general meetings and other general meetings are valuable forums for the Board to communicate directly with the Shareholders and to answer questions Shareholders may raise. Another key element of effective communication with Shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced its annual and interim results in a timely manner in 2018 as required by the Listing Rules.

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

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

於二零一八年，本集團已委聘國富浩華（香港）風險管理有限公司（一名獨立專業第三方）檢討本集團之內部審計職能。內部審計職能獨立於本集團之日常營運並通過對運行效率實施面談、走查及測試以評估風險管理及內部監控制度。一個建議之內部審計計劃已獲董事會批准。根據已制定計劃，風險管理及內部監控制度每年進行檢討，結果於事後向審核委員會報告。

(p) 與股東及投資者之溝通

董事會負責與股東保持溝通。本公司已設立股東溝通政策並於網站登載，當中載明本公司有關股東溝通的原則，以確保透過各種途徑與股東進行透明且及時之溝通。有關政策將於每年的股東週年大會後檢討。本公司之股東週年大會及其他股東大會為董事會與股東直接交流及回答股東可能提出的問題的有效論壇。與股東及投資者交流的另一有效主要途徑則為及時迅速地發佈有關本集團的信息。二零一八年，本公司已按上市規則規定及時公佈其年度及中期業績。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

72

The Company's last annual general meeting ("AGM") was held on Monday, 31 May 2018 at 11:00 a.m. at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong. Notice of the last AGM were sent out on 30 April 2018, i.e. there were 21 clear business days before the AGM. All the resolutions proposed at the AGM were approved by the Shareholders by poll. Details of the poll results are available on the Company's website. Mr. Zhang Sanhuo, the Chairman of the Board chaired the last AGM and also invited Ms. Leung Yin Fai, the chairman of both the Audit and Remuneration Committees to attend. All the Directors currently in position, attended the last AGM. The Auditor and the Company's legal advisors were also available during the AGM to answer questions from the Shareholders.

The next AGM will be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 31 May 2019 at 11:00 a.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Monday, 10 June 2019).

The Company's market capitalisation as at 31 December 2018 was HK\$307,063,344.588 (issued share capital: 7,311,032,014 Shares at closing market price: HK\$0.042 per Share). The public float was approximately 74.02% as at 31 December 2018.

(q) Constitutional documents

On 1 November 2018, the Shares have been reduced in the Company's issued share capital through a cancellation of the Company's paid-up capital to the extent of HK\$0.09 on each of the issued existing Shares.

Except the capital reorganisation as mentioned above, there was no other change to the Company's Memorandum of Association and the Bye-laws during the financial year 2018. Copy of the latest version of the Memorandum of Association and Bye-laws has been posted on the Company's website as well as the Stock Exchange's websites.

本公司上屆股東週年大會（「股東週年大會」）於二零一八年五月三十一日（星期一）上午十一時正於香港德輔道中189號李寶椿大廈20樓2001-2室舉行，上屆股東週年大會之通告已於二零一八年四月三十日（即股東週年大會召開日期足21個營業日前）發出。於股東週年大會上提出之全部決議案均由股東表決通過。表決結果詳情已於本公司網站發佈。董事會主席張三貨先生主持上屆股東週年大會並邀請審核委員會及薪酬委員會主席梁燕輝女士出席會議。所有在任董事均有出席上屆股東週年大會。核數師及本公司法律顧問亦有出席股東週年大會以回答股東問題。

下屆股東週年大會將於二零一九年五月三十一日（星期五）上午十一時正於香港德輔道中189號李寶椿大廈20樓2001-2室（或倘黑色暴雨警告信號或八號或以上熱帶氣旋警告信號於當日上午9時正在香港生效，則於二零一九年六月十日（星期一）於相同時間及地點）舉行。

於二零一八年十二月三十一日，本公司市值為307,063,344.588港元（已發行股本：7,311,032,014股股份，按每股收市價0.042港元）。二零一八年十二月三十一日的公眾持股量約為74.02%。

(q) 章程文件

於二零一八年十一月一日，透過將本公司繳足股本中每股已發行現有股份註銷0.09港元，削減本公司已發行股本之股份。

於二零一八年財政年度，除上文所述股本重組外，本公司之組織章程大綱及公司細則概無其他變動。最新的組織章程大綱及公司細則副本已刊載於本公司網站及聯交所網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

(r) Shareholders' rights – convening of general meetings

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

(s) Shareholders' rights – making proposals at general meetings

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

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

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

(r) 股東權利－召開股東大會

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

(s) 股東權利－向股東大會提呈建議

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

(t) Shareholders' rights – enquiries to the Board

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

74

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

(t) 股東權利－詢問董事會

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

綠領控股集團有限公司
香港德輔道中189號
李寶椿大廈20樓2001-2室
電話：(852) 2889 6289
傳真：(852) 2897 9137

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



國富浩華(香港)會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREEN LEADER HOLDINGS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Green Leader Holdings Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 83 to 224, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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.

BASIS FOR OPINION

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.

致綠領控股集團有限公司全體股東之 獨立核數師報告

(於百慕達註冊成立之有限公司)

意見

我們已審核第83至224頁所載綠領控股集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表。此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而中肯地反映貴集團於二零一八年十二月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及其綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見基準

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」一節作進一步闡述。根據香港會計師公會發佈的專業會計師道德守則(「守則」)，我們獨立於貴集團，且我們已根據守則履行我們的其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基準。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

76

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$2,483,103,000 during the year ended 31 December 2018 and as of that date, the Group's current liabilities exceeded its current assets by HK\$1,046,921,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about 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.

Key audit matter

關鍵審核事項

Impairment assessment on coal mines related non-current assets

煤礦相關非流動資產的減值評估

We identified non-current assets impairment assessment on coal mines related non-current assets as a key audit matter due to the significance of these balances to the consolidated financial statements as a whole, combined with the significant judgements and estimation uncertainty involved in the determination of the recoverable amount.

由於該等結餘對於綜合財務報表整體的重要性以及涉及釐定可收回金額的重大判斷及估計不確定因素，我們確認煤礦相關非流動資產的非流動資產減值評估為關鍵審核事項。

與持續經營有關的重大不確定性

我們提請注意綜合財務報表附註1，其表明，貴集團於截至二零一八年十二月三十一日止年度產生虧損淨額約2,483,103,000港元，及截至該日，貴集團之流動負債超出其流動資產1,046,921,000港元。該等狀況表明存在可能對貴集團之持續經營能力構成重大疑問之重大不確定性。就該事宜，我們並不發表非無保留意見。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的，我們不會對該等事項提供單獨意見。

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to impairment assessment on coal mines related non-current assets included:

我們有關煤礦相關非流動資產的減值評估程序包括：

- testing the key controls related to the assessment on the carrying value of its non-current assets;
測試與非流動資產賬面值評估相關的關鍵控制；
- assessing the valuation methodology;
評估估值方法；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment assessment on coal mines related non-current assets (continued)

煤礦相關非流動資產的減值評估(續)

The impairment assessment involves management's judgment in certain areas including the discount rate and the underlying cash flows projection based on the future selling prices, production costs and production capacity. Any changes in management's judgment may result in significant financial impact to the Group.

減值評估涉及管理層於若干領域作出的判斷，包括貼現率及基於未來售價、生產成本及產能作出的相關現金流量預測。管理層判斷的任何變動可能對貴集團造成重大財務影響。

As set out in Note 29 to the consolidated financial statements, the management concluded that the recoverable amount of each separate cash generating unit was lower than their carrying value and impairment loss on property, plant and equipment of approximately HK\$278,692,000 and impairment loss on mining rights of approximately HK\$2,571,010,000 were made for the current year. The recoverable amounts of each cash generating unit were determined by value in use method.

誠如綜合財務報表附註29所載，管理層認為各獨立現金產生單位的可收回金額低於其賬面值，於本年度物業、廠房及設備之減值虧損約278,692,000港元，而採礦權之減值虧損約2,571,010,000港元。各現金產生單位的可收回金額乃按使用價值法釐定。

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

- analysing and challenging the reasonableness of significant judgements and estimates built in the underlying cash flows used in management's impairment tests based on our knowledge of the business and industry;
基於我們對業務及行業的了解，分析及質疑管理層的減值測試所用的相關現金流量包含的重大判斷及估計的合理性；
- analysing and reviewing the specific discount rates used by management in impairment tests;
分析及審閱管理層在減值測試中運用的特定貼現率；
- evaluating the sensitivity analysis performed by management;
評價管理層進行的敏感度分析；
- evaluating the historical accuracy of the forecasted future cash flows by comparing them to the actual results in the current year on a sampled basis and understanding the causes of any significant variances; and
評價預測未來現金流量的過往準確性，方式為按抽樣基準比較預測未來現金流量與本年度的實際結果，以及了解任何重大差異的成因；及
- reconciling input data to supporting evidence.
將輸入數據與支持憑證進行核對。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Valuation of convertible loan notes

可換股貸款票據的估值

78

During the year ended 31 December 2018, the Group issued new convertible loan notes with an aggregate principal amount of HK\$395,000,000. The embedded derivative components of the Company's convertible loan notes are stated at fair value based on the valuation carried out by independent qualified professional valuer.

於截至二零一八年十二月三十一日止年度，貴集團發行本金總額395,000,000港元的新可換股貸款票據。本公司可換股貸款票據的嵌入式衍生工具部分，按公平值計入獨立合資格專業估值師的估值。

The valuation of fair values of the convertible loan notes and embedded derivatives includes significant unobservable inputs and significant management estimates was determined by the directors based on the valuation by an independent qualified professional valuer. The fair value of the embedded derivatives of the convertible loan notes was determined using the Black-Scholes model.

可換股貸款票據及嵌入式衍生工具的公平值估值包括重大不可觀察輸入數據及董事根據獨立合資格專業估值師之估值釐定的重大管理層估計。可換股貸款票據嵌入式衍生工具之公平值乃採用布萊克-肖爾斯期權定價模型釐定。

The accounting policies, accounting estimates and disclosure of convertible loan notes are included in Notes 3, 4 and 25 to the consolidated financial statements, respectively.

可換股貸款票據的會計政策、會計估計及披露資料分別載於綜合財務報表附註3、4及25。

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

Our audit procedures in relation to the valuation of the convertible bonds and embedded derivatives included:

我們有關可換股債券及嵌入式衍生工具估值的審核程序包括：

- obtaining an understanding of the management process for determining fair value of the convertible bonds and embedded derivatives;
了解管理層釐定可換股債券及嵌入式衍生工具公平值的過程；
- evaluating competence, capabilities and objectivity of the independent external valuer;
評價獨立外聘估值師的實力、能力及客觀性；
- assessing whether the valuation methodology and the key assumptions used by the management and external valuer to estimate the fair values of convertible loan notes and embedded derivatives are appropriate; and
評估管理層及外聘估值師用以估計可換股貸款票據及嵌入式衍生工具公平值的估值方法及關鍵假設是否適當；及
- comparing input data to supporting evidences, such as market indicators and considering the reasonableness of the data adopted.
對比輸入數據與支持憑證（如市場指標）並審視所採納數據之合理程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The directors are responsible for the other information. The other information comprises all the information included in the 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 this 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 directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及其核數師報告以外的資料

董事須對其他資料負責。其他資料包括年報內的所有資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。在這方面，我們並無任何可報告的事項。

董事就綜合財務報表須承擔的責任

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製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製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控制負責。

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

審核委員會協助董事履行其監督 貴集團財務申報程序的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

80

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

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

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

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

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

核數師就審核綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告，除此之外本報告別無其他目的。我們概不就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核總能發現存在的重大錯誤陳述。錯誤陳述可由欺詐或錯誤引起，如果合理預期其單獨或整體可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審核的一環，我們於整個審核過程中運用專業判斷並保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，故未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計於有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審核綜合財務報表須承擔的責任 (續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，及根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露；假若有關的披露不足，則我們應當發表非無保留意見。我們的結論乃基於截至核數師報告日所取得的審核憑證得出。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容（包括披露資料），以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督與執行。我們為審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃範圍、審核時間及重大審核發現，包括我們在審核中識別出內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

82

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

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

From the matters communicated with the Audit Committee, 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.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 29 March 2019

Chan Wai Dune, Charles
Practising Certificate Number P00712

核數師就審核綜合財務報表須承擔的責任（續）

我們還向審核委員會提供聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定對本期綜合財務報表的審核最為重要的該等事項，故屬關鍵審核事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露有關事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

國富浩華（香港）會計師事務所有限公司
執業會計師
香港，二零一九年三月二十九日

陳維端
執業證書編號P00712

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		NOTES 附註		
Revenue	收入	7	1,004,636	514,909
Cost of sales and services rendered	銷售及提供服務之成本		(867,875)	(374,012)
Gross profit	毛利		136,761	140,897
Other operating income	其他經營收益	7	7,128	50,624
Selling and distribution expenses	銷售及分銷費用		(4,173)	(5,485)
Administrative and other operating expenses	行政及其他經營費用		(348,174)	(348,926)
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動	25	235,973	(52,429)
Reversal of impairment loss in respect of mining rights, net	就採礦權之減值虧損撥回·淨額	16	-	1,111,806
Reversal of impairment loss in respect of property, plant and equipment, net	就物業、廠房及設備之減值虧損撥回·淨額	15	-	180,034
Impairment loss on mining rights, net	就採礦權之減值虧損·淨額	16	(2,571,010)	-
Impairment loss on property, plant and equipment, net	就物業、廠房及設備之減值虧損·淨額	15	(278,692)	-
Finance costs	融資成本	8	(331,158)	(323,441)
(Loss)/profit before taxation	除稅前(虧損)/溢利	9	(3,153,345)	753,080
Income tax credit/(expense)	所得稅抵免/(開支)	10	670,242	(240,516)
(Loss)/profit for the year	年度(虧損)/溢利		(2,483,103)	512,564
Attributable to:	以下人士應佔:			
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利		(1,182,062)	94,108
(Loss)/profit attributable to non-controlling interests	非控股權益應佔(虧損)/溢利		(1,301,041)	418,456
			(2,483,103)	512,564
(Loss)/earnings per share (HK cents)	每股(虧損)/盈利(港仙)			
Basic	基本	12	(16.17)	1.29
Diluted	攤薄	12	(16.17)	1.13

83

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
84	(Loss)/profit for the year	(2,483,103)	512,564
	Other comprehensive (expense)/income for the year		
	Items that may be subsequently reclassified to profit or loss:		
	Exchange difference on translation of foreign operations:		
	– Exchange difference arising during the year	(175,229)	208,110
	– Reclassification adjustments relating to foreign operations disposed of in the year	–	(7,863)
	Other comprehensive (expense)/income for the year	(175,229)	200,247
	Total comprehensive (expense)/income for the year	(2,658,332)	712,811
	Total comprehensive (expense)/income attributable to:		
	Owners of the Company	(1,240,192)	165,144
	Non-controlling interests	(1,418,140)	547,667
		(2,658,332)	712,811

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		NOTES 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,788,156	1,829,128
Mining rights	採礦權	16	6,018,475	9,492,873
Intangible assets	無形資產		12,234	14,569
Goodwill	商譽	17	-	-
Deposits paid for acquisition of land use right	收購土地使用權之已付按金		35,946	38,522
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金		46,321	38,289
			7,901,132	11,413,381
Current assets	流動資產			
Inventories	存貨	18	2,081	4,277
Trade receivables	貿易應收款項	19	173,512	7,685
Prepayments, deposits, bills receivables and other receivables	預付款項、按金、應收票據及其他應收款項	19	148,693	206,265
Amounts due from related companies	應收關連公司款項	20	7,579	9
Amount due from a director	應收一名董事款項	21	4	-
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分	25	7,356	-
Bank balances and cash	銀行結餘及現金	22	19,538	118,218
			358,763	336,454
Current liabilities	流動負債			
Trade payables	貿易應付款項	23	2,039	6,411
Other payables	其他應付款項	23	601,566	889,659
Amounts due to related companies	應付關連公司款項	20	-	212,508
Amount due to a director	應付一名董事款項	21	14,508	-
Amounts due to non-controlling interests holders	應付非控股權益持有人款項	24	706,633	4,615,030
Other borrowings	其他借貸		14,101	-
Obligation under finance leases	融資租賃項下之責任		36,213	8,307
Liabilities component of convertible loan notes	可換股貸款票據之負債部分	25	-	408,292
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分	25	2,330	223,857
Income tax liabilities	所得稅負債		28,294	1,946
			1,405,684	6,366,010
Net current liabilities	流動負債淨額		(1,046,921)	(6,029,556)
Total assets less current liabilities	資產總值減流動負債		6,854,211	5,383,825

85

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		NOTES 附註		
Capital and reserves	資本及儲備			
Share capital	股本	26	73,110	729,675
Reserves	儲備		(1,901,661)	(1,410,673)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(1,828,551)	(680,998)
Non-controlling interests	非控股權益	37	2,065,414	3,483,554
Total equity	權益總額		236,863	2,802,556
Non-current liabilities	非流動負債			
Amounts due to non-controlling interests holders	應付非控股權益持有人款項	24	4,023,875	–
Provision for restoration, rehabilitation and environmental costs	恢復、修復及環境成本撥備	27	74,279	74,927
Liabilities component of convertible loan notes	可換股貸款票據之負債部分	25	641,679	294,231
Amounts due to related companies	應付關連公司款項	20	148,742	–
Other payables	其他應付款項	23	423,590	–
Obligation under finance leases	融資租賃項下之責任		382	45,252
Deferred tax liabilities	遞延稅項負債	28	1,304,801	2,166,859
			6,617,348	2,581,269
			6,854,211	5,383,825

The consolidated financial statements on pages 83 to 224 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

第83至224頁之綜合財務報表於二零一九年三月二十九日經董事會批准及授權刊發，並由以下董事代為簽署：

Mr. Zhang Sanhuo

張三貨先生

Director

董事

Mr. Tse Michael Nam

謝南洋先生

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 owners of the Company 本公司擁有人應佔							Non-controlling interests		Total	
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note i) (附註i)	Exchange translation reserve 匯兌換算 儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Statutory surplus reserve 法定盈餘 公積儲備 HK\$'000 千港元 (Note ii) (附註ii)	Other reserve 其他儲備 HK\$'000 千港元 (Note iii) (附註iii)	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
At 1 January 2017	於二零一七年一月一日	729,675	8,874,292	419,111	(108,687)	78,329	850	-	(10,847,642)	(854,072)	2,935,887	2,081,815
Profit for the year	年度溢利	-	-	-	-	-	-	94,108	94,108	94,108	418,456	512,564
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-	-	-	-	-	-	-
- Exchange difference on translation of foreign operations	- 換算海外業務之匯兌差額	-	-	-	71,036	-	-	-	-	71,036	129,211	200,247
Total comprehensive income for the year	年度全面收益總額	-	-	-	71,036	-	-	94,108	165,144	547,667	712,811	
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	(850)	-	(850)	-	(850)	
Recognition of share based payment expense	確認股份支付開支	-	-	-	-	8,780	-	-	8,780	-	8,780	
Appropriation of maintenance and production fund	維修及生產基金分配	-	-	-	-	-	15,431	(15,431)	-	-	-	
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	729,675	8,874,292	419,111	(37,651)	87,109	15,431	(10,768,965)	(680,998)	3,483,554	2,802,556	
Loss for the year	年度虧損	-	-	-	-	-	-	(1,182,062)	(1,182,062)	(1,301,041)	(2,483,103)	
Other comprehensive expenses for the year	年度其他全面開支	-	-	-	-	-	-	-	-	-	-	
- Exchange difference on translation of foreign operations	- 換算海外業務之匯兌差額	-	-	-	(58,130)	-	-	-	(58,130)	(117,099)	(175,229)	
Total comprehensive expenses for the year	年度全面開支總額	-	-	-	(58,130)	-	-	(1,182,062)	(1,240,192)	(1,418,140)	(2,658,332)	
Recognition of share based payment expense	確認股份支付開支	-	-	-	-	8,147	-	-	8,147	-	8,147	
Appropriation of statutory reserve	法定儲備分配	-	-	-	-	-	25,082	(25,082)	-	-	-	
Appropriation of maintenance and production fund	維修及生產基金分配	-	-	-	-	-	33,401	(33,401)	-	-	-	
Utilisation of maintenance and production fund	動用維修及生產基金	-	-	-	-	-	(19,071)	19,071	-	-	-	
Deemed contribution from immediate holding company	視作直接控股公司注資	-	-	-	-	-	-	74,492	74,492	-	74,492	
Conversion of convertible loan notes	兌換可換股貸款票據	1,428 (657,993)	8,572	-	-	-	-	-	10,000	-	10,000	
Share reduction	股份削減	-	-	657,993	-	-	-	-	-	-	-	
At 31 December 2018	於二零一八年十二月三十一日	73,110	8,882,864	1,077,104	(95,781)	95,256	54,843	74,492	(11,990,439)	(1,828,551)	2,065,414	236,863

Notes:

- Contributed surplus represents the reduction of the Company's issued share capital upon cancellation of paid up share capital, and the deemed contribution from equity holder which has arisen from the waiver of promissory notes in previous years.
- Statutory surplus reserve consists of (i) subsidiaries in the People's Republic of China ("PRC") have appropriated 10% of the profit to the statutory surplus reserve which is required to be retained in the accounts of the subsidiaries for specific purposes and (ii) pursuant to the relevant PRC regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases to a specific reserve account. The maintenance and production funds can be utilised when expenses or capital expenditures on production maintenance and safety measured are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to accumulated losses.
- Other reserves represents the difference between the principal amounts and fair value of the convertible loan notes at issue date to China OEPC Limited ("China OEPC") on 30 July 2018, whereas China OEPC is the immediate holding company of the Company.

附註：

- 繳入盈餘指本公司已發行股本因繳足股本被註銷而減少之金額，以及權益持有人於過往年度豁免承兌票據而視作注資的金額。
- 法定盈餘公積儲備包括(i)中華人民共和國(「中國」)附屬公司將10%之溢利撥往法定盈餘公積儲備，有關款項須保留於附屬公司賬目作特定用途及(ii)根據中國相關規例，本集團須按照相關基準以固定比率轉撥維修及生產基金至專項儲備賬。維修及生產基金可於產生生產維修及安全設施之開支或資本支出時動用。已動用維修及生產資金將由專項儲備賬轉撥至累計虧損。
- 其他儲備指於發行日期(二零一八年七月三十日)向中國能源(香港)控股有限公司(「中國能源」)發行可換股貸款票據的本金額與公平值之間的差額，而中國能源為本公司的直接控股公司。

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
88 OPERATING ACTIVITIES	經營活動		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(3,153,345)	753,080
Adjustments for:	就下列各項作出調整:		
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動	(235,973)	52,429
Depreciation	折舊	128,237	45,343
Amortisation of mining rights	採礦權攤銷	407,944	186,208
Amortisation of intangible assets	無形資產攤銷	1,659	343
Finance costs	融資成本	331,158	323,441
Recognition of expenses from prepayment	確認預付款項之開支	7,800	7,800
Impairment loss on mining rights, net	就採礦權之減值虧損·淨額	2,571,010	-
Reversal of impairment loss in respect of mining rights, net	就採礦權之減值虧損撥回·淨額	-	(1,111,806)
Impairment loss on property, plant and equipment, net	就物業、廠房及設備之減值虧損·淨額	278,692	-
Reversal of impairment loss in respect of property, plant and equipment, net	就物業、廠房及設備之減值虧損撥回·淨額	-	(180,034)
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	16,739
Interest income	利息收入	(99)	(640)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(290)	-
Share-based payment expenses	股份支付開支	8,147	8,780
Gain on disposal of subsidiaries	出售附屬公司之收益	(550)	(41,874)
Waiver of other payables	豁免其他應付款項	(2,045)	(8,103)
Operating cash flows before movements in working capital	未計營運資金變動前經營現金流量	342,345	51,706
Decrease/(increase) in inventories	存貨減少/(增加)	2,020	(3,323)
Increase in trade and other receivables	貿易及其他應收款項增加	(128,605)	(117,793)
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	189,646	(15,874)
Increase in amount due from a related company	應收一間關連公司款項增加	(7,570)	-
(Increase)/decrease in amount due from a director	應收一名董事款項(增加)/減少	(4)	66
Cash generated from/(used in) operations	經營所得/(所用)現金	397,832	(85,218)
Income tax paid	已付所得稅	(60,690)	(799)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	經營活動所得/(所用)現金淨額	337,142	(86,017)

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Acquisition of property, plant and equipment	收購物業、廠房及設備	(299,998)	(44,873)
Acquisition of other intangible assets	收購其他無形資產	-	(14,849)
Deposit paid for acquisition for land use right	收購土地使用權之已付按金	-	(38,522)
Deposit paid for acquisition for property, plant and equipment	收購物業、廠房及設備之已付按金	(32,070)	(17,442)
Net cash inflow/(outflow) from disposal of subsidiaries	出售一間附屬公司現金流入／(流出)淨額	1,726	(7,581)
Interest received	已收利息	99	640
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	637	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(329,606)	(122,627)
FINANCING ACTIVITIES	融資活動		
Advance from non-controlling interests holders	非控股權益持有人墊款	-	74,178
Advance from a director	一名董事墊款	14,508	-
Repayments of obligations under finance leases	融資租賃項下之責任還款	(32,919)	(24,680)
Interest paid	已付利息	(25,351)	(11,337)
Proceeds from issue of convertible loan notes	發行可換股貸款票據所得款項	-	390,000
Repayment to related companies	還款予關連公司	(55,719)	(147,041)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)／所得現金淨額	(99,481)	281,120
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)／增加淨額	(91,945)	72,476
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	118,218	36,943
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	(6,735)	8,799
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物，列為銀行結餘及現金	19,538	118,218

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

Green Leader Holdings Group Limited (the “Company”, together with its subsidiaries, collectively known as the “Group”) is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. The directors of the Company (“Directors”) consider HK\$ is the appropriate presentation currency for the users of the Group’s financial statements. The functional currency of the Company’s major subsidiaries in the People’s Republic of China (“PRC”) and the Kingdom of Cambodia (“Cambodia”) are in Renminbi (“RMB”) and in United States dollars (“US\$”) respectively.

The principal activities of the Company are investment holding and provision of finance and treasury services to the Group. During the year, the Group was principally engaged in (i) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; (ii) coal exploration and development, sales of coking coal and the provision of coal trading logistics services; and (iii) the sales of information technology products and provision of system integration services, technology services, software development and solution services.

1. 一般資料

綠領控股集團有限公司（「本公司」，連同其附屬公司，統稱「本集團」）為於百慕達註冊成立之獲豁免有限公司。本公司之股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda及本公司香港主要營業地點為香港德輔道中189號李寶椿大廈20樓2001-2室。

綜合財務報表以港元（「港元」）呈列，港元亦為本公司之功能貨幣。本公司董事（「董事」）認為，港元對本集團財務報表使用者而言為合適呈列貨幣。本公司於中華人民共和國（「中國」）及柬埔寨王國（「柬埔寨」）之主要附屬公司之功能貨幣分別以人民幣（「人民幣」）及美元（「美元」）計值。

本公司之主要業務為投資控股以及向本集團提供融資及財資服務。於年內，本集團主要從事(i)開發木薯種植及相關生態循環產業鏈之深加工業務；(ii)煤炭勘探及開發、銷售焦煤及提供煤炭貿易物流服務；及(iii)資訊科技產品銷售及提供系統集成服務、技術服務、軟件開發及解決方案服務。

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 (CONTINUED)

Going concern basis

As at 31 December 2018, the Group had net current liabilities of approximately HK\$1,046,921,000 and incurred net loss of approximately HK\$2,483,103,000 during the year, indicating the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2018 after taking into consideration of the following:

- i) As at 31 December 2018, included in the current liabilities of the Group was derivative component of convertible loan notes of approximately HK\$2,330,000 which represented the fair value of options entitling the holders to convert the convertible loan notes into ordinary shares of the Company before the maturity dates of the convertible loan notes and the early redemption option. Such derivative component of convertible loan notes shall not in itself result in any cash outflow for the Group;
- ii) Subsequent to 31 December 2018, non-controlling interests holders had confirmed that they shall not demand immediate settlement of the amounts due by the Group of approximately HK\$706,633,000 before 31 December 2020;

1. 一般資料 (續)

持續經營基準

於二零一八年十二月三十一日，本集團有流動負債淨額約1,046,921,000港元，並於年內產生虧損淨額約2,483,103,000港元，表明存在可能對本集團之持續經營能力構成重大疑問之重大不確定性。因此，其可能無法在日常業務過程中變現其資產並償還其負債。董事認為，本集團將擁有足夠營運資金履行其於由二零一八年十二月三十一日起計未來十二個月到期之財務責任，當中已考慮下列各項：

- i) 於二零一八年十二月三十一日，本集團之流動負債內包括可換股貸款票據衍生工具部分之公平值約2,330,000港元，為賦予持有人於可換股貸款票據到期日前將可換股貸款票據兌換為本公司普通股之選擇權及提早贖回選擇權。該等可換股貸款票據衍生工具部分不會導致本集團有任何現金流出；
- ii) 於二零一八年十二月三十一日後，非控股權益持有人確認其不會要求本集團於二零二零年十二月三十一日前立即清償應付之款項約706,633,000港元；

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 (CONTINUED)

Going concern basis (continued)

- iii) On 14 December 2018, the Company entered into a placing agreement with a placing agent for placing a maximum of 1,462,200,000 ordinary shares (the “Placing Shares”) of the Company at a placing price of HK\$0.04 per shares. On 9 January 2019, 1,462,200,000 Placing Shares were placed by certain independent third parties at a subscription price of HK\$0.04 per share. The Company raised approximately HK\$57,720,000 (net of directly attributable expenses of approximately HK\$760,000), of which approximately HK\$40,000,000 will be used for repayment of indebtedness of the Group and the remaining balance thereof will be utilised towards business development of the Group in Cambodia and general working capital;
- iv) On 15 March 2019, China OEPC, which is the immediate holding company of the Company and beneficially owned by Best Growth Enterprises Limited (“Best Growth”) whereas Mr. Zhang Sanhuo (“Mr. Zhang”) (the chairman and an executive director of the Company) is the ultimate beneficially owner, provided an unconditional stand-by facilities of HK\$350,000,000 to the Company; and
- v) Internal funds shall be generated from the Group’s operations.

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

1. 一般資料 (續)

持續經營基準 (續)

- iii) 於二零一八年十二月十四日，本公司與一名配售代理訂立配售協議，按配售價每股0.04港元配售本公司最多1,462,200,000股普通股（「配售股份」）。於二零一九年一月九日，若干獨立第三方按認購價每股0.04港元配售1,462,200,000股配售股份。本公司籌集約57,720,000港元（扣除直接應佔開支約760,000港元），其中約40,000,000港元將用於償還本集團之債務，而其結餘將用於本集團於柬埔寨之業務發展及用作一般營運資金；
- iv) 於二零一九年三月十五日，由Best Growth Enterprises Limited（「Best Growth」）實益持有及張三貨先生（「張先生」）（本公司主席兼執行董事）為最終實益擁有人之中國能源（為本公司之直接控股公司）向本公司提供無條件備用信貸350,000,000港元；及
- v) 本集團業務將產生內部資金。

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

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

The Group has applied the following new and amendments to HKFRSs issued by HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i>
Amendments to Hong Kong Accounting Standard (“HKAS”) 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Properties

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次應用香港會計師公會頒佈之下列新訂香港財務報告準則及其修訂：

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	客戶合約收入及相關修訂
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
香港財務報告準則第2號之修訂	股份支付交易之分類及計量
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用之香港財務報告準則第9號金融工具
香港會計準則（「香港會計準則」）第28號之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分
香港會計準則第40號之修訂	轉讓投資物業

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

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

94

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

HKFRS 15 Revenue from contracts with customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sale of mining products
- Sale of cassava starch
- Sale of computer products
- Provision of system integration service and software solutions

The Group has performed an assessment on the impact on the adoption of HKFRS 15 and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of accumulated losses as at 1 January 2018 is required.

Accounting policies resulting from application of HKFRS 15 are disclosed in Note 3.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號客戶合約收入

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累計影響於二零一八年一月一日首次應用日期確認。於首次應用日期之任何差額已於年初累計虧損（或權益之其他部分，倘適用）中確認，且並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團選擇僅就於二零一八年一月一日尚未完成之合約追溯應用該準則。由於比較資料乃根據香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋編製，因此，若干比較資料可能無法比較。

本集團自下列主要來源確認客戶合約收入：

- 銷售礦業產品
- 銷售木薯澱粉
- 銷售電腦產品
- 提供系統集成服務及軟件解決方案

本集團已對採納香港財務報告準則第15號之影響進行評估且認為並無重大財務影響，故毋須對二零一八年一月一日之年初累計虧損結餘進行調整。

應用香港財務報告準則第15號產生之會計政策披露於附註3。

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

HKFRS 15 Revenue from contracts with customers (continued)

Summary of effects arising from initial application of HKFRS 15

Under HKFRS 15, a contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognised the relevant revenue. The Group recognised its contract liabilities under other payable as receipt in advance in the consolidated statement of financial position.

HKFRS 9 Financial instruments

In the current year, the Group has applied HKFRS 9 “*Financial Instruments*” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; and 2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information which may not be comparable as comparative information was prepared under HKAS 39 “*Financial Instruments: Recognition and Measurement*”.

Accounting policies resulting from application of HKFRS 9 are disclosed in Note 3.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號客戶合約收入（續）

首次應用香港財務報告準則第15號產生之影響概要

根據香港財務報告準則第15號，合約負債於客戶支付代價（或按合約規定須支付代價且款項已到期）時，在本集團確認相關收入前獲確認。本集團將其合約負債作為預收款項於綜合財務狀況表內其他應付款項下確認。

香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則作出之有關相應修訂。香港財務報告準則第9號引入有關1) 金融資產及金融負債之分類及計量；及2) 金融資產預期信貸虧損（「預期信貸虧損」）之新規定。

本集團已按香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對並無於二零一八年一月一日（首次應用日期）終止確認之工具追溯應用分類及計量規定（包括預期信貸虧損模型項下之減值），而並無對已於二零一八年一月一日終止確認之工具應用有關規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值之間的差額，於年初累計虧損及權益之其他部分確認，毋須重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，若干比較資料可能無法用作比較。

應用香港財務報告準則第9號產生之會計政策披露於附註3。

95

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

HKFRS 9 Financial instruments (continued)

Summary of effects arising from initial application of HKFRS 9

The Directors reviewed and assessed the Group’s financial assets as at 1 January 2018 based on the fact and circumstances that existed at that date. The application of HKFRS 9 in the current year has no material impact on the classification and measurement of financial assets.

Impairment under ECL model

Except for those which had been determined as credit impaired under HKAS 39, trade receivables have been assessed individually with outstanding significant balances and collectively using a provision matrix for the remaining balances, which is grouped based on shared credit risk characteristics and the historical observed default rates adjusted for forward-looking estimates that is available without undue costs or effort.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including other receivables and bank balances and cash, are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

The Group concluded that the initial application of HKFRS 9 has no material impact on the consolidated statement of financial position of the Group with regard to classification and measurement of financial instruments and has no significant impact on the impairment assessment of its financial assets.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號產生之影響概要

董事根據於當日存在之事實及情況審核及評估本集團於二零一八年一月一日之金融資產。於本年度應用香港財務報告準則第9號並無對金融資產之分類及計量產生重大影響。

預期信貸虧損模型項下之減值

除根據香港會計準則第39號被釐定為信貸減值之該等款項外，已對重大未償還結餘之貿易應收款項進行個別評估，並集體地使用撥備矩陣評估餘額。貿易應收款項已根據所分攤之信貸風險特徵及可觀察之歷史違約率就前瞻性估計進行調整分類，減少不必要之成本或努力。

除根據香港會計準則第39號被釐定為信貸減值之該等款項外，按攤銷成本計量之其他金融資產（包括其他應收款項以及銀行結餘及現金）之預期信貸虧損按12個月的預期信貸虧損（「12個月的預期信貸虧損」）評估，原因是信貸風險自首次確認起並無顯著增加。

本集團認為，就金融工具之分類及計量而言，首次應用香港財務報告準則第9號並無對本集團綜合財務狀況表產生重大影響，且對金融資產減值評估並無重大影響。

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團未有提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂：

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 ²
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂	業務之定義 ⁴
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產銷售或注入 ³
香港會計準則第1號及香港會計準則第8號之修訂	重大性之定義 ⁵
香港會計準則第19號之修訂	計劃修訂、削減或結算 ¹
香港會計準則第28號之修訂	聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂	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

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

98

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

New and amendments to HKFRSs in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2021
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- ⁵ Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 sales 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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂（續）

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於二零二一年一月一日或之後開始之年度期間生效
- ³ 於待定日期或之後開始之年度期間生效
- ⁴ 於二零二零年一月一日或之後開始之首個年度期間開始當日或之後合併業務及收購資產的收購日生效
- ⁵ 於二零二零年一月一日或之後開始之年度期間生效

除下文所述之新訂香港財務報告準則及其修訂外，董事預期，應用所有其他新訂香港財務報告準則及其修訂於可見未來將不會對綜合財務報表造成重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。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。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃之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之模式替代。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (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 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 cash flows by the Group.

Under HKAS 17, the Group has already recognised assets and the related finance lease liabilities for finance lease arrangement 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 asset 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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

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）之現值調整。隨後，租賃負債經（其中包括）利息及租賃付款以及租賃修訂之影響所調整。就現金流量分類而言，本集團現時呈列前期預付租賃款項為有關自用租賃土地的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債之租賃付款將分配至本金及利息部分，其將由本集團以融資現金流量呈列。

根據香港會計準則第17號，本集團已就其作為承租人的融資租賃安排確認資產及相關融資租賃負債。應用香港財務報告準則第16號或會導致該等資產之分類發生潛在變動，視乎本集團是否單獨或於倘擁有資產時將予以呈列相應有關資產的同一項目內呈列使用權資產而定。

除亦適用於出租人之若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計要求，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號要求作出廣泛披露。

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

HKFRS 16 Leases (continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$66,271,000 as disclosed in Note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon the 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\$2,714,000 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 deposits. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 *Determining whether an Arrangement Contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

如附註33所披露，於二零一八年十二月三十一日，本集團有不可撤銷經營租賃承擔66,271,000港元。初步評估顯示該等安排符合租賃之定義。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，除非其符合低價值或短期租賃。

此外，本集團現時視約2,714,000港元之已付可退還租金按金為香港會計準則第17號所適用之租賃項下之權利及責任。基於香港財務報告準則第16號項下之租賃付款定義，有關按金並非相關資產使用權之相關付款，因此，有關按金之賬面值或會調整至攤銷成本。對已付可退還租金按金之調整將被視為額外租賃付款，並計入使用權按金之賬面值內。對已收可退還租金按金之調整則視為預付租賃付款。

應用新規定可能導致上述計量、呈列及披露有所變動。本集團擬選擇實際權宜法對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃確定為租賃之合約應用香港財務報告準則第16號，而不對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號並無確定為包括租賃之合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在之租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對年初累計虧損的累計影響，而並無重列比較資料。

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

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

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

Amendments to HKFRS 9 Prepayment Features with Negative Compensation

The amendments clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest on the principal amount outstanding (“SPPI”) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason i.e. prepayment features with negative compensation do not automatically fail SPPI.

Amendments to HKFRSs Annual Improvements to HKFRSs 2015-2017 Cycle

The annual improvement packages amended the following four standards.

HKAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

HKAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港（國際財務報告詮釋委員會）－詮釋第23號所得稅處理之不確定性

香港（國際財務報告詮釋委員會）－詮釋第23號載列存在所得稅處理之不確定性時釐定會計稅務狀況之方式。該詮釋規定實體釐定是否應單獨或整體評估不確定之稅務狀況；並評估稅務機構是否可能接納實體於其所得稅申報時使用或建議使用之不確定稅項處理。

香港財務報告準則第9號之修訂具有負補償之預付款項特性

該等修訂澄清，為評估預付款項特性是否符合僅為支付本金及未償還本金額之利息（「SPPI」）條件，選擇權之行使方可就預付款項支付或收取合理補償，不論原因為何，即具有負補償之預付款項特性不會令SPPI自動失效。

香港財務報告準則之修訂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

年度改進方案修訂了以下四項準則。

香港會計準則第12號所得稅

該等修訂澄清，實體須於損益、其他全面收益或權益確認股息之所得稅影響，視乎實體最初如何確認產生可分派溢利之交易而定。於此情況下，不論可分派及不可分派溢利是否適用不同稅率。

香港會計準則第23號借貸成本

該等修訂澄清，倘相關資產可供用於擬定用途或銷售後仍有任何借貸尚未償還，則於計算一般借貸之資本化比率時，有關借貸成為實體通常借得資金之一部分。

101

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

102

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

Amendments to HKFRSs Annual Improvements to HKFRSs 2015-2017 Cycle (continued)

HKFRS 3 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

HKFRS 11 Joint Arrangement

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its previously held interest in the joint operation.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則之修訂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（續）

香港財務報告準則第3號業務合併該等修訂澄清，當實體獲得對合營業務之控制權時，該實體就已分階段實現之業務合併應用有關規定，包括重新計量其先前於合營業務按公平值持有之權益。將予以重新計量之先前持有權益包括有關合營業務之任何未確認資產、負債及商譽。

香港財務報告準則第11號合營安排該等修訂澄清，當參與合營業務但並無該業務共同控制權之一方獲得有關合營業務之共同控制權時，該實體不會重新計量其先前於合營業務持有之權益。

3. 主要會計政策

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

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

歷史成本一般根據用作交換貨品及服務所支付代價之公平值計算。

公平值為市場參與者於計量日期按有序交易出售一項資產而將收取或轉移一項負債而將支付的價格，不論該價格是否可直接觀察或使用其他估值技術估算。公平值計量之詳情於下文所載之會計政策詳述。

主要會計政策載列於下文。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Company has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power to affect its returns.

The Group reassess 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 主要會計政策 (續)

綜合基準

綜合財務報表載有本公司以及本公司及其附屬公司控制之實體之財務報表。

本公司取得控制權之條件為：(i)對被投資方行使權力；(ii)因參與被投資方而獲得之可變回報須承擔風險或所有權利；及(iii)有能力行使其權力以影響其回報。

如事實或情況表明上述三項控制因素中之一項或多項發生變化，本集團將重新評估是否對被投資方擁有控制權。

倘本集團於被投資方之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控被投資方之相關業務時，本集團即對被投資方所有權力。在評估本集團於被投資方之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權之程度相較其他投票權持有人所持投票權之程度及分散度；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 可顯示於需要作出決定時，本集團當前能否掌控相關活動之任何其他事實及情況（包括於過往股東大會上之投票方式）。

本集團於獲得對附屬公司之控制權時開始將附屬公司綜合入賬，於本集團失去對附屬公司之控制權時終止入賬。具體而言，年內收購或處置之附屬公司之收入及開支自本集團取得控制權之日起計入綜合損益表，直至本集團不再控制該附屬公司之日為止。

103

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策 (續)

綜合基準 (續)

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股權益。即使導致非控股權益出現虧絀結餘，附屬公司全面收益總額仍會歸屬於本公司擁有人及非控股權益。

必要時，會對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

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

附屬公司之非控股權益與本集團於當中之權益分開呈列，即現時賦予其持有人權利於清盤時按比例分佔相關附屬公司資產淨值之所有權權益。

本集團於現有附屬公司之權益變動

本集團於附屬公司之權益變動如並無導致本集團失去對該等附屬公司之控制權，則入賬列作權益交易。本集團之有關權益部分及非控股權益之賬面值乃予以調整，以反映其於附屬公司之相對權益變動，包括根據本集團及非控股權益之權益比例，於本集團及非控股權益之間重新歸屬相關儲備。

經調整之非控股權益數額與已付或已收代價公平值之間之差額，乃於權益直接確認，並歸屬於本公司擁有人。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in the Group's interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combination

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and

3. 主要會計政策 (續)

本集團於現有附屬公司之權益變動 (續)

倘本集團失去對附屬公司之控制權，則終止確認該附屬公司之資產及負債以及非控股權益（如有）。收益或虧損於損益確認並按以下兩項之差額計算：(i) 已收代價之公平值與任何保留權益之公平值總和及(ii) 資產（包括商譽）之賬面值與本公司擁有人應佔附屬公司之負債。先前於有關附屬公司之其他全面收益確認之所有金額乃按猶如本集團已直接出售附屬公司之相關資產或負債（即重新分類至損益或轉撥至適用香港財務報告準則所訂明／允許之其他權益類別）入賬。於前附屬公司保留之任何投資於失去控制權當日之公平值根據香港財務報告準則第9號／香港會計準則第39號被視為初步確認之公平值供其後會計處理，或（倘適用）於一間聯營公司或合營企業之投資之初步確認成本。

業務合併

收購業務採用收購法入賬。業務合併中已轉撥之代價按公平值計量，而計算方法為本集團已轉撥之資產、本集團向被收購方前擁有人產生之負債及本集團於交換被收購方控制權發行之股權於收購日期公平值的總額。收購相關成本一般於產生時於損益中確認。

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債乃分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方之股份支付安排有關或與本集團訂立以取代被收購方之股份支付安排之股份支付安排有關之負債或股本工具，乃於收購日期按香港財務報告準則第2號股份支付計量（見下文會計政策）；及

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the 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 amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount 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 profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

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

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting date, with the corresponding gain or loss being recognised in profit or loss.

3. 主要會計政策 (續)

業務合併 (續)

- 根據香港財務報告準則第5號持作出售非流動資產及已終止經營業務分類為持作出售之資產 (或出售組別) 乃根據該準則計量。

商譽乃以已轉撥代價、任何非控股權益於被收購方中所佔金額以及收購方過往於被收購方持有之股權之公平值 (如有) 之總和, 超出已收購可識別資產及已承擔負債於收購日期淨額之差額計量。倘若經重估後, 已收購可識別資產與已承擔負債之淨值超過已轉撥代價、任何非控股權益於被收購方中所佔金額及收購方過往於被收購方持有之股權之公平值 (如有) 之總和, 則差額即時於損益確認作議價收購收益。

屬現時所有權權益且賦予其持有人權利於清盤時按比例分佔相關附屬公司之資產淨值之非控股權益, 可初步以非控股權益按比例分佔被收購方可識別資產淨值之已確認金額或按公平值計量。

當本集團於業務合併中轉撥之代價包含或然代價安排時, 或然代價按收購日期之公平值計量, 並列作業務合併中所轉撥代價之一部分。合資格作計量期間調整之或然代價之公平值變動, 需以追溯方式進行調整。計量期間調整指於「計量期間」(不超出收購日期起計一年) 取得與收購日期已存在之事實及情況相關之額外資料而產生之調整。

或然代價如不合資格作計量期間調整, 則其後會計處理乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告日期重新計量, 而其後結算於權益內入賬。分類為資產或負債之或然代價乃於其後報告日期重新計量至公平值, 而相應之收益或虧損於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

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

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

3. 主要會計政策 (續)

業務合併 (續)

當業務合併分階段達成時，本集團先前於被收購方持有之權益於收購日期（即本集團獲得控制權當日）重新計量至公平值，而由此產生之收益或虧損（如有）於損益或其他全面收益（倘適用）確認。先前於其他全面收益確認並根據香港財務報告準則第9號／香港會計準則第39號計量之於收購日期前自被收購方權益產生之金額，按倘本集團已直接出售先前持有之股權將要求之相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期末前尚未完成，則本集團呈報未完成會計處理之項目之臨時金額。該等臨時金額會於計量期間（見上文）內追溯調整，並確認額外資產或負債，以反映所取得於收購日期已存在而據所知會影響該日已確認金額之相關事實與情況之新資料。

收購並不構成一項業務之一間附屬公司

當本集團收購並不構成一項業務之一組資產及負債時，本集團識別及確認所收購個別可識別資產及所承擔負債，方式為首先將購買價分配至金融資產／金融負債（按各自公平值計量），購買價餘額其後按該等項目於購買日期之相關公平值基準分配至其他可識別資產及負債。有關交易並不會產生商譽或議價購買收益。

商譽

收購業務產生之商譽按收購業務當日確定之成本減累計減值虧損（如有）列賬。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

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

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Revenue recognition

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 2)

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.

3. 主要會計政策 (續)

商譽 (續)

為進行減值測試，商譽乃分配至本集團預期可從合併所產生協同效益中獲益之各現金產生單位（或現金產生單位組別），而該單位或單位組別指就內部管理目的修訂商譽之最低水平且不超過經營分部。

獲分配商譽之現金產生單位（或現金產生單位組別）會每年作減值測試，或於有跡象顯示該單位可能出現減值時，作更頻密減值測試。於報告期內進行收購而產生之商譽，獲分配商譽之現金產生單位（或現金產生單位組別）於該報告期末前作減值測試。倘現金產生單位（或現金產生單位組別）可收回金額低於賬面值，則減值虧損首先分配以減低任何商譽之賬面值，繼而根據單位（或現金產生單位組別）內各資產之賬面值比例，分配至其他資產。商譽減值虧損直接於損益確認。已確認的商譽減值虧損不會於其後期間撥回。

於出售有關現金產生單位或現金產生單位組別內任何現金產生單位時，商譽之應佔金額計入釐定出售之損益金額。當本集團出售現金產生單位（或現金產生單位組別內某現金產生單位）內之業務時，所出售商譽金額按所出售業務（或現金產生單位）與所保留現金產生單位（或現金產生單位組別）部分之相對價值計量。

收入確認

客戶合約收入（根據附註2過渡條文應用香港財務報告準則第15號時）

根據香港財務報告準則第15號，當（或於）履約責任獲達成時，即與特定履約責任相關之貨品或服務之「控制權」轉移予客戶時，本集團確認收入。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 2) (continued)

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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 (續)

收入確認 (續)

客戶合約收入 (根據附註2過渡條文應用香港財務報告準則第15號時) (續)

履約責任指不同貨品或服務 (或一組貨品或服務) 或一系列不同貨品或大致相同之服務。

控制權隨時間轉移, 而倘滿足以下其中一項標準, 則收入乃參照完全達成相關履約責任之進展情況而隨時間確認:

- 隨本集團履約, 客戶同時取得並耗用本集團履約所提供之利益;
- 本集團之履約創建及強化一項資產, 而該項資產於本集團履約時即由客戶控制; 或
- 本集團之履約並未產生對本集團有替代用途之資產, 且本集團對迄今已完成履約之款項具有可強制執行之權利。

否則, 收入於客戶獲得不同貨品或服務控制權時確認。

合約資產指本集團就換取本集團已轉讓予客戶之貨品或服務收取代價之權利 (尚未成為無條件)。其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之無條件權利, 即代價付款到期前僅需時間推移。

合約負債指本集團因已自客戶收取代價 (或到期代價金額) 而須轉讓貨品或服務予客戶之義務。

有關合約之合約資產及合約負債乃按淨額基準入賬及呈列。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

3. 主要會計政策（續）

隨時間確認收入：計量完全達成履約責任之進度

產出法

完全達成履約責任之進度按產出法計量，即根據直接計量迄今已轉移予客戶之貨品或服務相對合約項下承諾之餘下貨品或服務之價值確認收入，有關方法可以最佳方式描述本集團轉移貨品或服務控制權之履約情況。

委託人與代理人

當另一方涉及向客戶提供貨品或服務時，本集團會釐定其承諾的性質是否為一項提供指定貨品或服務之履約責任（即本集團為委託人）或安排由另一方提供該等貨品或服務之履約責任（即本集團為代理人）。

倘本集團於有關貨品或服務轉讓予客戶前控制指定貨品或服務，則本集團為委託人。

倘安排另一方提供指定貨品或服務為本集團之履約責任，則本集團為代理人。於此情況下，本集團於有關貨品或服務轉讓予客戶前並無控制由另一方提供之指定貨品或服務。倘本集團作為代理人行事，則以其換取安排另一方提供指定貨品或服務而有權收取之任何費用或佣金金額確認收入。

收入確認（於二零一八年一月一日前）

收入按已收或應收代價之公平值計量。收入就估計客戶退貨、回扣及其他類似津貼作出扣減。

當收入金額能可靠計量，當未來經濟利益將有可能流入本集團及當本集團各項業務已符合特定標準（如下文所述）時，確認收入。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goods, services and interests

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leases

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. Contingent rentals are recognised as expenses in the periods in which they are incurred.

3. 主要會計政策 (續)

貨品、服務及權益

銷售貨品之收入於貨品交付及所有權轉移時確認。

服務收入於提供服務時確認。

利息收入按時間基準，並參照未償還本金及按適用之實際利率累算，實際利率指將金融資產於預計持續期之估計未來現金收入準確貼現至該資產於初步確認時之賬面淨值之利率。

租賃

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

本集團為承租人

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

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group as lessee (continued)

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

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

Share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to Directors and other employees of the Group are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

3. 主要會計政策 (續)

本集團為承租人 (續)

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

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

股份支付交易

授予僱員之購股權

以權益結算並以股份支付予董事及本集團其他僱員之款項按授出日期股本工具之公平值計量。

以權益結算之股份付款於授出日期釐定之公平值（並無計及所有非市場歸屬條件），基於本集團預期將最終歸屬之股本工具按直線法於歸屬期內支銷，而權益（購股權儲備）亦相應增加。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions (continued)

Share options granted to employees (continued)

At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-markets vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

Share options granted to business associate

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. 主要會計政策 (續)

股份支付交易 (續)

授予僱員之購股權 (續)

於報告期末，本集團根據對所有相關非市場歸屬條件之評估修訂其對預期歸屬之股本工具數目之估計。修訂原有估計之影響（如有）於損益確認，致使累計開支反映該經修訂估計，並對購股權儲備作出相應調整。就於授出日期即時歸屬之購股權而言，已授出購股權之公平值立即於損益支銷。

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

授予業務聯繫人之購股權

與非僱員之人士進行之以權益結算之股份付款交易按已收貨品或服務之公平值計量（惟倘公平值無法可靠估計時，則按已授出股本工具之公平值計量），且於實體取得貨品或對手方提供服務當日計量。所獲貨品或服務之公平值確認為開支（除非貨品或服務符合資格確認為資產）。

分開購入之無形資產

分開購入且具有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產攤銷，以直線法按估計可使用年期確認。估計可使用年期及攤銷方法會於各報告期末檢討，而因估計之任何變動產生之影響將會在未來計提。分開購入且具無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

113

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment including buildings, freehold land held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括持作於生產或供應貨品或服務時使用或作為行政目的之樓宇及永久業權土地(下文所述之在建工程除外))按成本減其後累計折舊及其後累計減值虧損(如有)計入綜合財務狀況表。

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

在建工程包括正在興建作生產用途或供自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。在建工程於竣工及可作擬定用途時會被分類為物業、廠房及設備的適當分類。此等資產於其可作擬定用途時(即當其處於可按管理層擬定之方式運營所需之位置及狀況時)按與其他物業、廠房及設備相同之基準開始計算折舊。

融資租賃項下持有的資產,按其預期可使用年期,以與自置資產相同的基準折舊。然而,倘不能合理肯定將於租賃期末取得所有權,則該等資產按照租賃期與其可用年期之較短者折舊。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售後或當預期持續使用該資產不會產生未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目所產生之任何盈虧，乃按銷售所得款項與該資產賬面值之差額釐定，並於損益內確認。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易，按交易日期之現行匯率確認。於報告期末，外幣計值貨幣項目按該日之現行匯率重新換算。以外幣計值按公平值入賬之非貨幣項目按釐定公平值日期當時之匯率重新換算。按過往成本計量之外幣計值非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目產生之匯兌差額於產生期間於損益確認。

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

115

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to owners of the Company are reclassified to profit or loss.

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

Mining rights

Mining rights are carried at cost less accumulated amortisation and accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below). Amortisation for mining rights is recognised on the units of production method based on the total proven and probable reserves of the mine.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

3. 主要會計政策 (續)

外幣 (續)

處置海外業務時 (即處置本集團於海外業務之全部權益, 或涉及失去對包含海外業務之附屬公司之控制權 (而海外業務之保留權益成為金融資產) 之處置), 於與該業務相關之歸屬於本公司擁有人之權益中累計之匯兌差額全部重新分類至損益。

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

採礦權

採礦權按成本減累計攤銷及累計減值虧損 (請參閱下文有關有形及無形資產減值虧損之會計政策) 列賬。採礦權根據已探明及可能礦藏總儲量按生產單位法確認攤銷。

現金及現金等價物

現金及現金等價物包括銀行及手頭現金、於銀行及其他金融機構之活期存款及可隨時兌換為已知金額現金之短期及高流通性投資, 其價值變動風險並不重大, 並自購入起計三個月內到期。就編製綜合現金流量表而言, 須按要求償還及構成本集團現金管理整體一部分之銀行透支亦列入現金及現金等價物。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. 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 ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are 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 which are derived from the Group's ordinary course of business are presented as revenue.

3. 主要會計政策 (續)

金融工具

當集團實體成為有關工具合約條文訂約方時，則確認金融資產及金融負債。所有常規金融資產買賣按交易日基準確認及終止確認。常規買賣乃規定於市場上按規則或慣例設定之時間框架內交付資產之金融資產買賣。

金融資產及金融負債初步按公平值計量，惟自二零一八年一月一日起初步根據香港財務報告準則第15號計量之客戶合約之貿易應收款項除外。收購或發行金融資產及金融負債（按公平值計入損益（「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於初步確認時計入金融資產或金融負債（倘合適）之公平值，或從中扣除。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債之攤銷成本及於有關期間內分配利息收入及利息開支之方法。實際利率指將金融資產或金融負債於整個預計年期或（如適用）較短期間之估計未來現金收入及付款（包括屬整體實際利率一部分之所有已付或已收費用及點數、交易成本及其他溢價或貼現價）準確貼現至初步確認時之賬面淨值之利率。

本集團日常業務過程中所得利息乃呈列為收入。

117

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2)

118

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 fair value through other comprehensive income ("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 other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策 (續)

金融資產

金融資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號時)

符合以下條件之金融資產其後按攤銷成本計量:

- 持有金融資產之業務模式旨在收取合約現金流量; 及
- 合約條款於指定日期產生現金流量, 而該現金流量僅為支付本金及未償還本金額之利息。

符合以下條件之金融資產其後按公平值計入其他全面收益 (「按公平值計入其他全面收益」) 計量:

- 持有金融資產之業務模式旨在收取合約現金流量及進行出售; 及
- 合約條款於指定日期產生現金流量, 而該現金流量僅為支付本金及未償還本金額之利息。

所有其他金融資產其後按公平值計入損益計量, 惟倘有關股本投資既非持作買賣亦非於香港財務報告準則第3號業務合併適用之業務合併中收購方所確認之或然代價, 則本集團於首次應用/初步確認金融資產當日不可撤回地選擇於其他全面收益呈列股本投資之公平值其後變動。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not 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 significant reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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.

3. 主要會計政策 (續)

金融資產 (續)

倘符合下列條件，金融資產會分類為持作買賣：

- 主要收購目的是於近期內將其出售；或
- 於初步確認時，其為本集團共同管理之已識別金融工具組合之一部分，並於近期錄得實質短期完成獲利之模式；或
- 其為一衍生工具並未指定及有效成為對沖工具。

此外，倘可消除或顯著減少會計錯配，則本集團可不可撤回地指定須按攤銷成本或按公平值計入其他全面收益計量之金融資產，按公平值計入損益計量。

(i) 攤銷成本及利息收入

其後按攤銷成本計量之金融資產及其後按公平值計入其他全面收益計量之債務工具／應收款項之利息收入乃使用實際利率法予以確認。就金融工具（已購買或原已出現信貸減值之金融資產除外）而言，利息收入乃對金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值之金融資產除外。就其後出現信貸減值之金融資產而言，自下一個報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘出現信貸減值之金融工具之信貸風險好轉，令金融資產不再出現信貸減值，於釐定有關資產不再出現信貸減值後，自報告期初起乃對金融資產之賬面總值應用實際利率確認利息收入。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, bills receivables, refundable deposits, other receivables, amounts due from a director, amounts due from related companies and bank balances and cash). 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, 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. Assessment 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.

3. 主要會計政策 (續)

金融資產 (續)

(ii) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量或指定為按公平值計入其他全面收益標準之金融資產乃按公平值計入損益計量。

於各報告期末，按公平值計入損益之金融資產乃按公平值計量，且任何公平值收益或虧損於損益內確認。於損益確認之收益或虧損淨額包括於金融資產賺取之任何股息或利息。

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時)

本集團就根據香港財務報告準則第9號須進行減值之金融資產 (包括貿易應收款項、應收票據、可退還按金、其他應收款項、應收一名董事款項、應收關連公司款項以及銀行結餘及現金) 之預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各報告日期更新以反映自初步確認以來信貸風險之變動。

整個存續期的預期信貸虧損指於相關工具之預期存續期內所有可能發生之違約事件將導致之預期信貸虧損。反之，12個月的預期信貸虧損指預計在報告日期後12個月內可能發生的違約事件導致的整個存續期的預期信貸虧損之一部分。評估乃根據本集團之過往信貸虧損經驗進行，並根據債務人之特有因素、一般經濟狀況及對報告日期當前狀況之評估以及對未來狀況之預測作出調整。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2) (continued)

The Group always recognises lifetime ECL for trade receivables and bills receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

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 instruments as at the reporting date with the risk of a default occurring on the financial instruments 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 instruments' 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 (續)

金融資產 (續)

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時) (續)

本集團一直就貿易應收款項及應收票據確認整個存續期的預期信貸虧損。該等資產之預期信貸虧損會對具重大結餘之債務人進行個別評估及/或採用合適組別的撥備矩陣進行整體評估。

就所有其他工具而言，本集團計量等於12個月的預期信貸虧損的虧損撥備，除非信貸風險自初步確認以來顯著增加，則本集團確認整個存續期的預期信貸虧損。評估應否確認整個存續期的預期信貸虧損乃視乎自初步確認以來發生違約的可能性或風險有否顯著增加而定。

(i) 信貸風險顯著增加

評估信貸風險自初步確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初步確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及無需付出不必要的成本或努力即可獲得的前瞻性資料。

具體而言，在評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約交換價格顯著上升；

121

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2) (continued)

122

(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;
- 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.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. 主要會計政策 (續)

金融資產 (續)

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時) (續)

(i) 信貸風險顯著增加 (續)

- 商業、金融或經濟狀況出現預計會導致債務人償債能力顯著下降的現有或預期不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的顯著不利變動，導致債務人償還債項的能力顯著下降。

無論上述評估的結果如何，本集團假設倘合約付款逾期超過30天，則信貸風險自初步確認以來顯著增加，除非本集團有能說明信貸風險並無顯著增加的合理及可靠資料，則作別論。

儘管上文所述，若債務工具於報告日期被釐定為具有低信貸風險，則本集團假設該債務工具之信貸風險自初步確認以來未有顯著增加。倘(i)其違約風險低；(ii)借款人在短期內具備雄厚實力履行其合約現金流量責任，及(iii)經濟和商業條件發生較長期之不利變化，惟未必會降低借款人履行合約現金流量責任之能力，則債務工具被釐定為具有低信貸風險。倘按照全球理解之定義，債務工具的內部或外部信用評級為「投資級別」，本集團認為其信貸風險較低。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2) (continued)

(i) *Significant increase in credit risk (continued)*

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.

(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:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) 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 (續)

金融資產 (續)

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時) (續)

(i) *信貸風險顯著增加 (續)*

本集團定期監察用以確定信貸風險曾否顯著增加的標準之成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) *違約之定義*

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。

不論上文所述，本集團認為，當金融資產逾期超過90天時發生違約，惟本集團有合理及可靠資料來顯示更加滯後的違約標準更為恰當，則作別論。

(iii) *出現信貸減值之金融資產*

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) 發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財政困難；
- (b) 違反合約，如拖欠或逾期事件；
- (c) 借款人的貸款人因有關借款人財政困難的經濟或合約理由而向借款人批出貸款人在其他情況下不予考慮的優惠；

123

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2) (continued)

(iii) *Credit-impaired financial assets (continued)*

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) 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 trade 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.

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.

3. 主要會計政策 (續)

金融資產 (續)

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時) (續)

(iii) *出現信貸減值之金融資產 (續)*

(d) 借款人有可能破產或進行其他財務重組; 或

(e) 因出現財政困難而導致該金融資產之活躍市場消失。

(iv) *撇銷政策*

當資料顯示對手方處於嚴重財政困難且無實際收回款項的可能 (如對手方已進行清盤或執行破產程序) · 或貿易應收款項之金額逾期超過一年 (以較早發生者為準) 時, 本集團則撇銷金融資產。經考慮法律意見 (倘適用) 後, 已撇銷之金融資產仍可按本集團收款程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回款項於損益內確認。

(v) *預期信貸虧損之計量及確認*

預期信貸虧損的計量為違約概率、違約虧損率 (即違約虧損程度) 及違約風險的函數。違約概率及違約虧損率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的估計反映無偏概率加權平均金額, 以發生違約的風險為權重確定。

一般而言, 預期信貸虧損為按根據合約應付本集團的所有合約現金流量與本集團預計收取的現金流量的差額, 並按初步確認時釐定的實際利率貼現。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with Note 2) (continued)

(v) *Measurement and recognition of ECL (continued)*

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 on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables, bills receivables and other receivables are each assessed as a separate group);
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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 trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. 主要會計政策 (續)

金融資產 (續)

金融資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號時) (續)

(v) *預期信貸虧損之計量及確認 (續)*

倘預期信貸虧損按集體基準計量或迎合個別工具水平之證據未必存在的情況，則金融工具按以下基準分組：

- 金融工具性質 (即本集團貿易應收款項、應收票據及其他應收款項乃各自按獨立組別評估)；
- 逾期狀況；及
- 債務人的性質、規模及行業。

管理層定期檢討分組，以確保各組別成分繼續分攤類似信貸風險特徵。

利息收入按金融資產的賬面總值計算，除非該金融資產出現信貸減值，則利息收入按金融資產的攤銷成本計算。

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，惟貿易應收款項除外，其相應調整乃透過虧損撥備賬予以確認。

金融資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前)

金融資產乃分類為貸款及應收款項。該分類取決於金融資產的性質及目的，並於初步確認時釐定。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策 (續)

貸款及應收款項

貸款及應收款項為於活躍市場並無報價而附帶固定或可議定付款之非衍生金融資產。初步確認後，貸款及應收款項（包括貿易應收款項、其他應收款項、可退還按金、應收一名董事款項、應收關連公司款項及銀行結餘及現金）採用實際利率法按攤銷成本減任何減值計量。

利息收入乃應用實際利率法確認，惟短期應收款項除外，就其確認之利息並不重大。

金融資產減值（於二零一八年一月一日應用香港財務報告準則第9號前）

金融資產於各報告期末評估是否出現減值跡象。倘有客觀證據顯示因初步確認金融資產後發生之一件或多件事件，導致金融資產之估計未來現金流量受到影響，則金融資產視作減值。

減值之客觀證據包括：

- 發行人或對手方出現嚴重財政困難；或
- 違反合約，例如違約或拖欠利息或本金付款；或
- 借款人有可能破產或進行財務重組。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

3. 主要會計政策 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

應收款項組合減值之客觀證據包括本集團過往收款經驗；超過平均除賬期限之逾期款項數目增加；與應收款項拖欠情況相關之國家或當地經濟狀況之可觀察變動。

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

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

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

127

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

128

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

3. 主要會計政策（續）

終止確認金融資產

僅當從資產收取現金流量之合約權利屆滿時，或將金融資產及資產所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團並未轉讓亦不保留所有權之絕大部分風險及回報，並繼續控制該已轉讓資產，則本集團確認其於資產之保留權益，並就可能須支付之金額確認相關負債。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認金融資產，亦就已收取之所得款項確認有抵押借款。

終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價總和之差額，於損益確認。

金融負債及權益

分類為債務或權益

債務及股本工具根據合約安排內容與金融負債及股本工具之定義分類為金融負債或權益。

股本工具

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; and
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9/HKAS 39 permits the entire combined contract to be designated as at FVTPL.

3. 主要會計政策（續）

金融負債及權益（續）

金融負債

所有金融負債其後採用實際利率法按攤銷成本或按公平值計入損益計量。

按公平值計入損益之金融負債

當金融負債(i)持作買賣或(ii)按公平值計入損益指定時，金融負債歸類為按公平值計入損益。

倘發生下列情況，金融負債歸類為持作買賣：

- 其乃主要就於近期重新購買而收購；或
- 於初步確認時，其為本集團共同管理之已確定金融工具組合之一部分，且有短期獲利之近期實際模式；及
- 其為衍生工具，惟屬於金融擔保合約之衍生工具或指定及實際對沖工具除外。

倘符合下列條件，金融負債於初步確認時可指定為按公平值計入損益：

- 該指定可消除或相當大程度上減低計量或確認時可能出現之不一致情況；或
- 該金融負債為本集團根據其明文訂明之風險管理或投資策略以公平值基準管理及評估表現之金融資產或金融負債組別或兩者之組成部分，且有關分組資料乃按該基準內部提供；或
- 構成一項包含一個或多個嵌入式衍生工具之合約之部分，而香港財務報告準則第9號／香港會計準則第39號允許整份合併合約指定為按公平值計入損益。

129

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

Upon application of HKFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Prior to application of HKFRS 9 on 1 January 2018, financial liabilities designated at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liability.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables, amounts due to related companies, liabilities component of convertible loan notes and amount due to non-controlling interests holders) are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融負債及權益 (續)

按公平值計入損益之金融負債 (續)

於應用香港財務報告準則第9號時，就被指定為按公平值計入損益之金融負債而言，金融負債因其信貸風險變動而引致之公平值變動於其他全面收益確認，除非於其他全面收益確認負債信貸風險變動之影響會導致於損益產生或擴大會計錯配，則另當別論。就包含嵌入式衍生工具之金融負債（如可換股貸款票據）而言，於釐定在其他全面收益呈列之金額時，不包括嵌入式衍生工具之公平值變動。因金融負債之信貸風險引致於其他全面收益確認之公平值變動，其後不會重新分類至損益；而於終止確認金融負債時轉撥至累計虧損。

於二零一八年一月一日應用香港財務報告準則第9號前，指定為按公平值計入損益之金融負債乃按公平值列賬，且公平值變動所產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括就金融負債支付之任何利息。

按攤銷成本計量之金融負債

金融負債（包括貿易應付款項、其他應付款項、應付關連公司款項、可換股貸款票據之負債成分及應付非控股權益持有人款項）乃隨後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Convertible loan notes

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible loan notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

3. 主要會計政策 (續)

金融負債及權益 (續)

可換股貸款票據

以定額現金或另一項金融資產交換本集團固定數目之股本工具以外之方式結算之兌換權為兌換權衍生工具。

於發行日期，債務部分及衍生工具部分均按公平值確認。於其後期間，可換股貸款票據之債務部分以實際利率法按攤銷成本列賬。衍生工具部分按公平值計量，公平值之變動則於損益確認。

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

衍生金融工具

衍生工具初步按衍生工具合約訂立當日之公平值確認，其後按其於報告期末之公平值重新計量。所產生之收益或虧損於損益確認。

一般而言，獨立於主合約的單一工具的多個嵌入式衍生工具視作單一複合嵌入式衍生工具，除非該等衍生工具涉及不同的風險敞口，並且易於分離及相互獨立。

131

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Embedded derivatives (under HKFRS 9 since 1 January 2018)

132

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Embedded derivatives (before application of HKFRS 9 on 1 January 2018)

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derecognition/non-substantial modification of financial liabilities

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

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

3. 主要會計政策 (續)

金融負債及權益 (續)

嵌入式衍生工具 (自二零一八年一月一日起根據香港財務報告準則第9號)

嵌入混合合約之衍生工具 (包括屬香港財務報告準則第9號範圍內之金融資產主體) 不予分離。整份混合合約予以分類且其後整體按攤銷成本或公平值 (倘適用) 計量。

嵌入非衍生工具主合約之衍生工具 (並非屬香港財務報告準則第9號範圍內之金融資產) 倘符合衍生工具之定義、其風險及特徵與該等主合約並非緊密相關及主合約並未按公平值計入損益計量, 則視為獨立衍生工具。

嵌入式衍生工具 (於二零一八年一月一日應用香港財務報告準則第9號前)

嵌入非衍生工具主合約之衍生工具倘符合衍生工具之定義、其風險及特徵與該等主合約並非緊密相關及主合約並未按公平值計入損益計量, 則視為獨立衍生工具。

終止確認金融負債 / 金融負債之非重大修訂

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

本集團將與貸款人交換條款顯著不同的金融負債入賬為消除原有金融負債及確認新金融負債。現有金融負債或其一部分之條款的大幅修訂 (不論是否源於本集團的財政困難) 則入賬為消除原有金融負債及確認新金融負債。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Derecognition/non-substantial modification of financial liabilities (continued)

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Non-substantial modifications of financial liabilities (under HKFRS 9 since 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Non-substantial modifications of financial liabilities (before application of HKFRS 9 on 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, at the point of modification, the carrying amount of the relevant financial liabilities is revised for directly attributable transaction costs and any consideration paid to or received from the counterparty. The effective interest rate is then adjusted to amortise the difference between the revised carrying amount and the expected cash flows over the life of the modified instrument.

3. 主要會計政策 (續)

金融負債及權益 (續)

終止確認金融負債／金融負債之非重大修訂 (續)

倘新條款項下現金流量的折現現值 (包括任何已付費用扣除任何已收及使用原有實際利率折現的費用) 與原有金融負債餘下現金流量的折現現值有最少百分之十的差別, 則本集團認為條款有重大差別。因此, 有關債務工具交換或條款修訂入賬為消除, 所產生的任何成本或費用確認為消除收益或虧損的一部分。倘有關差別少於百分之十, 消除或修訂視為非重大修訂。

金融負債之非重大修訂 (自二零一八年一月一日起根據香港財務報告準則第9號)

就不會導致終止確認的金融負債之非重大修訂而言, 相關金融負債的賬面值將按以該金融負債原有實際利率貼現的經修訂合約現金流量現值計算。所產生的交易成本或費用調整至經修訂金融負債的賬面值及於餘下期間攤銷。任何金融負債賬面值的調整於修訂日期在損益確認。

金融負債之非重大修訂 (於二零一八年一月一日應用香港財務報告準則第9號前)

就不會導致終止確認的金融負債之非重大修訂而言, 於修訂時, 相關金融負債的賬面值就直接應佔交易成本及已付或已收訂約方之任何代價作出修訂。隨後, 實際利率予以調整以於經修訂工具的年期內攤銷經修訂賬面值與預期現金流量之差異。

133

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

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

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs 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 assessments of the time value of money and the risks specific to the assets (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

存貨

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

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

本集團會於各報告期末審閱具有限可使用年期之有形及無形資產之賬面值，以確定該等資產是否出現任何減值虧損跡象。倘存在任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損 (如有) 之數額。

有形及無形資產之可收回金額乃進行個別估計，倘不可能個別估計可收回金額，則本集團估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一致之分配基準，亦將企業資產分配至個別現金產生單位，或分配至可識別合理及一致之分配基準之現金產生單位最小組別。

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

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

Taxation

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

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

3. 主要會計政策 (續)

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

倘資產 (或現金產生單位) 之可收回金額估計低於其賬面值, 則該資產 (或現金產生單位) 之賬面值會減至可收回金額。於分配減值虧損時, 首先分配減值虧損以減低任何商譽的賬面值 (倘適用), 其後按比例根據單位內各資產之賬面值分配至其他資產。資產之賬面值不得減低至低於以下三者中最高者: 其公平值減出售成本 (倘可計量)、其使用價值 (倘可釐定) 及零。原可分配至資產之減值虧損金額會按比例分配至單位內之其他資產。減值虧損即時於損益確認。

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

稅項

所得稅開支指現時應付稅項與遞延稅項之總和。

現時應付稅項按年度應課稅溢利計算。應課稅溢利因其他年度之應課稅或可扣減之收入或支出項目及毋須課稅或不可扣稅之項目有別於綜合損益表所呈報之「除稅前溢利/虧損」。本集團之即期稅項負債按報告期末已頒佈或實質頒佈之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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 profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項按綜合財務報表中資產及負債之賬面值與計算應課稅溢利所用相應稅基之暫時性差額確認。所有應課稅暫時性差額通常會確認遞延稅項負債。所有可扣稅暫時性差額通常會確認遞延稅項資產，惟僅以可能將會有應課稅溢利可供動用可扣稅暫時性差額為限。倘首次確認（業務合併除外）交易資產及負債產生之暫時性差額既不影響應課稅溢利亦不影響溢利會計處理方式，則不會確認有關遞延稅項資產及負債。此外，倘暫時性差額乃因首次確認商譽而產生，則不會確認遞延稅項負債。

遞延稅項負債就投資附屬公司之應課稅暫時性差額而確認，惟本集團可控制暫時性差額撥回，且暫時性差額有可能未必於可見將來撥回之情況除外。因該等投資相關之可扣減暫時性差額之遞延稅項資產，僅以可能有足夠應課稅溢利可供動用暫時性差額之利益，且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於各報告期末審閱，並扣減至不可能有足夠應課稅溢利可供收回所有或部分資產為止。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and 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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債以預期於負債償還或資產變現期間所適用之稅率計量，根據於各報告期末前已頒佈或實質上已頒佈之稅率（及稅法）計算。

遞延稅項負債及資產之計量反映本集團預期於各報告期末收回或清償其資產及負債賬面值之方式所導致之稅務後果。

倘有在法律上可強制執行之權利將即期稅項資產與即期稅項負債抵銷，且彼等與同一稅務機關徵收之所得稅相關，而本集團擬按淨額基準償付其即期稅項資產及負債，則會抵銷遞延稅項資產及負債。

即期及遞延稅項於損益確認，惟其於其他全面收益或直接於權益中確認之項目相關者除外，於該情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益中確認。

退休福利成本

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

短期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利之未折現金額確認。所有短期僱員福利均確認為開支，除非其他香港財務報告準則規定或允許將福利計入資產成本，則作別論。

於扣除任何已付金額後，本集團就僱員福利（如工資及薪金、年假和病假）確認負債。

137

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

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

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for restoration, rehabilitation and environmental costs

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

3. 主要會計政策 (續)

借貸成本

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

所有其他借貸成本於產生期間於損益確認。

撥備

當本集團因過往事件承擔當前之法定或推定責任,而本集團可能須履行該項責任且可對責任金額作出可靠估計時,即確認撥備。

確認為撥備之金額乃於報告期末對履行當前責任所需代價作出之最佳估計,並計及有關責任所涉及之風險及不確定因素。倘撥備按履行當前責任估計所需之現金流量計量,則其賬面值為該等現金流量之現值(倘資金時間值之影響屬重大)。

倘結算撥備所需之部分或全部經濟利益預期可自第三方收回,則在實質上確定將可獲償付及應收款項金額可作可靠計量時,應收款項確認為資產。

恢復、修復及環境成本撥備

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern basis

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the basis as set out in Note 1 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定性之主要來源

在應用附註3所述本集團會計政策時，董事須對未能輕易從其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素作出。實際結果或會與該等估計不同。

估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂估計之期間，則有關修訂於該期間確認，倘同時影響現時及未來期間，則於修訂估計之期間及未來期間確認。

應用實體會計政策時所作關鍵判斷

以下為董事應用本集團會計政策過程中所作對綜合財務報表確認之金額產生最重大影響之關鍵判斷，惟涉及估計者（見下文）除外。

持續經營基準

綜合財務報表按持續經營基準編製，其是否有效取決於綜合財務報表附註1所列之基準。

139

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies (continued)

Control over subsidiaries

The Group owns 49% equity interest in 山西煤炭運銷集團能源投資開發有限公司 ("Shanxi Coal"). The Group's ownership of 49% equity interest in Shanxi Coal gives the Group the same percentage of the voting rights in Shanxi Coal. The Group's 49% equity interest in Shanxi Coal was acquired on 7 June 2013 and there has been no change in the Group's ownership in Shanxi Coal since then. The remaining 51% of the registered capital of Shanxi Coal is owned by two equity interest holders, who holds 41% and 10% respectively, belonging to a same group of companies. The Directors made an assessment as at the date of completion of acquisition as to whether or not the Group has control over Shanxi Coal based on whether the Group has the practical ability to direct the relevant activities of Shanxi Coal unilaterally.

The Directors concluded that it has had control over Shanxi Coal since the completion of acquisition on 7 June 2013 on the basis that under the memorandum and articles of association of Shanxi Coal (as amended on 21 December 2009), the Group is able to appoint five directors out of nine on the board of directors of Shanxi Coal through its wholly owned subsidiaries and a resolution to be passed by the board of directors of Shanxi Coal requires a simple majority. Upon Shanxi Coal being effectively acquired by the Group on 7 June 2013, the Group is able to control the decision making of the board of directors of Shanxi Coal through its wholly owned subsidiaries.

In addition, all the shareholders of Shanxi Coal agreed that they will approve the plans and proposals, including operating and investment plan, financial budgeting, profit appropriation, extraction of discretionary reserve and the issuance of bonds, proposed by the board of directors of Shanxi Coal. The Directors concluded that the Group has the practical ability to direct the relevant activities of Shanxi Coal, and accordingly Shanxi Coal is accounted for as subsidiary of the Company.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

應用實體會計政策時所作關鍵判斷 (續)

對附屬公司之控制權

本集團擁有山西煤炭運銷集團能源投資開發有限公司(「山西煤炭」)49%股本權益。本集團於山西煤炭擁有之49%股本權益令本集團於山西煤炭擁有相同比例之投票權。本集團於二零一三年六月七日收購山西煤炭49%股本權益，自此本集團於山西煤炭之所有權並無改變。山西煤炭註冊資本中餘下51%權益由兩名股本權益持有人擁有，該兩名持有人分別持有41%及10%權益，歸屬於同一集團公司。董事於完成收購當日根據本集團是否可單方面實際指示山西煤炭之相關活動評估本集團對山西煤炭是否擁有控制權。

董事認為，本集團自二零一三年六月七日完成收購以來對山西煤炭擁有控制權，原因是根據山西煤炭之組織章程大綱及細則(於二零零九年十二月二十一日經修訂)，本集團可透過其全資附屬公司委任山西煤炭董事會之九名成員中五名董事，而須由山西煤炭董事會通過之決議案須由過半數成員通過。本集團於二零一三年六月七日實際收購山西煤炭後，本集團能透過其全資附屬公司控制山西煤炭董事會所作出之決策。

此外，山西煤炭之全體股東同意，彼等將批准由山西煤炭董事會提出之計劃及建議，包括經營和投資計劃、財務預算、利潤分配、提取酌情儲備及發行債券。董事認為，本集團有實際能力指示山西煤炭之相關活動，因此，山西煤炭列為本公司之附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Impairment of property, plant and equipment

The Group reviews at each of the reporting date the carrying amounts of its property, plant and equipment for indications of impairment in accordance with accounting policies stated in Note 3. Determining whether property, plant and equipment are impaired requires an estimation of the recoverable amount of the property, plant and equipment. Such estimation was based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. These calculations require the use of estimates such as the future revenue and discount rates.

As at 31 December 2018, the carrying amounts of property, plant and equipment are approximately HK\$1,788,156,000 net of accumulated depreciation and impairment of HK\$776,001,000 (2017: HK\$1,829,128,000, net of accumulated depreciation and impairment of HK\$406,320,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源

以下為對未來之主要假設及於報告期末估計不確定性之其他主要來源，兩者均可能導致須對下一個財政年度之資產及負債賬面值作出重大調整。

物業、廠房及設備之折舊

物業、廠房及設備以直線法按估計可使用年期折舊，當中已計及估計剩餘價值。釐定可使用年期及剩餘價值涉及管理層估計。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期，倘預期與原有估計有差異，則該差異可能會影響該年度之折舊，而未來期間之估計亦會改變。

物業、廠房及設備之減值

於各報告日期，本集團根據附註3所述之會計政策評估其物業、廠房及設備之賬面值是否有出現任何減值迹象。釐定物業、廠房及設備是否出現減值時，須估計物業、廠房及設備之可收回金額。有關估計乃基於若干假設，其存在不確定性及可能與實際結果有重大差異。該等計算須對未來收入及貼現率等作出估計。

於二零一八年十二月三十一日，物業、廠房及設備之賬面值約為1,788,156,000港元，扣除累計折舊及減值776,001,000港元（二零一七年：1,829,128,000港元，扣除累計折舊及減值406,320,000港元）。

141

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Impairment of mining rights

Under the full cost method of accounting for mining rights, such costs are capitalised by reference to appropriate cost pools, and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgement as to (i) the likely future commerciality of the asset and when such commerciality should be determined; and (ii) future revenues and costs pertaining to the asset in question, and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value. While conducting an impairment review of its assets, the Group makes certain judgements in making assumptions about the future product prices, reserves and future development and production costs. Changes in these estimates may result in significant changes to the consolidated statement of profit or loss. As at 31 December 2018 the carrying amount of mining right is HK\$6,018,475,000 net of accumulated amortisation and impairment losses of HK\$5,079,872,000 (2017: HK\$9,492,873,000 net of accumulated amortisation and impairment losses of HK\$2,198,321,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

採礦權之減值

根據將採礦權入賬之全面成本法，有關成本參照適當成本組別資本化，若有跡象顯示採礦權賬面值可能已超出可收回價值，則評估減值。此評估涉及判斷(i)資產未來在商業上可行之可能性及商業上可行之時間；及(ii)有關資產未來之收入及成本，以及為計算可收回價值對該等收入及成本運用之貼現率。對資產進行減值檢討時，本集團就未來產品價格、儲量及未來發展與生產成本作出假設時，作出若干判斷。該等估計如有變動，或會導致綜合損益表出現重大變化。於二零一八年十二月三十一日，採礦權之賬面值為6,018,475,000港元，扣除累計攤銷及減值虧損5,079,872,000港元（二零一七年：9,492,873,000港元，扣除累計攤銷及減值虧損2,198,321,000港元）。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Provision of ECL for trade receivables and bills receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on aging of trade and bills receivables as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and bills receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and bills receivables are disclosed in Note 36.

Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proven" and "probable". Proven and probable mine reserve estimates are updated on regular intervals taking into account recent production and technical information of each mine. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mine reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rates and impairment of mining rights.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

貿易應收款項及應收票據之預期信貸虧損撥備

本集團採用撥備矩陣計算貿易應收款項之預期信貸虧損。撥備率乃根據具類似虧損模式之不同債務人組別之貿易及票據應收款項賬齡而釐定。撥備矩陣則根據本集團的過往違約率得出，計及合理及可靠且無需付出不必要的成本或努力即可獲得的前瞻性資料。於各報告日期，本集團重新評估歷史觀察違約率並考慮前瞻性資料之變動。此外，具重大結餘且出現信貸減值之貿易應收款項及應收票據乃就預期信貸虧損進行個別評估。

預期信貸虧損撥備易受估計變動影響。有關預期信貸虧損及本集團貿易應收款項及應收票據的資料披露於附註36。

礦區儲量

由於本集團礦區儲量工程估計編製時涉及主觀判斷，故工程估計本身並不精確，僅為概約金額。於估計礦區儲量可指定為「探明」及「可能」前，須符合有關工程條件之官方指引。探明及可能礦區儲量之估計會定期更新，並計及各礦區近期產量及技術資料。計算儲量時，需對地質、技術及經濟等因素作出估計及假設，該等因素包括產量、品位、生產技術、回採率、生產成本、運輸成本、商品需求及商品價格。此外，由於價格及成本水平每年變動，故探明及可能礦區儲量估計亦有所變動。進行會計處理時，該變動視為估計變動，按前瞻基準計入相關攤銷率及採礦權減值。

143

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Mine reserves (continued)

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment losses. The capitalised cost of mining rights is amortised over the estimated unit of production. The estimated unit of production are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines.

Estimation of current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determinations are made. As at 31 December 2018, the carrying amount of income tax liabilities is approximately HK\$28,294,000 (2017: HK\$1,946,000) and deferred tax liabilities is approximately HK\$1,304,801,000 (2017: HK\$2,166,859,000).

Fair value of derivative component of convertible loan notes

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative components of the convertible loan notes, assumptions are made based on quoted market rates adjusted for specific features of the instrument. As at 31 December 2018, the carrying amount of derivative components of convertible loan notes recognised as current liabilities of HK\$2,330,000 and as current assets of HK\$7,356,000 (2017: as current liabilities of HK\$223,857,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續) 礦區儲量 (續)

雖然該等工程估計本身並不精確，但用於釐定折舊開支及減值虧損。採礦權之資本化成本於估計生產單位攤銷。估計生產單位根據本集團生產計劃以及礦區探明及可能儲量每年檢討。

即期及遞延所得稅估計

本集團於多個司法權區須繳納所得稅。釐定所得稅撥備時須作出重大判斷。日常業務過程中存在最終稅項釐定並不確定之交易及計算。倘此等事宜之最終稅務結果與首次記賬金額不同，則有關差額會影響作出此等釐定期間之即期及遞延所得稅撥備。於二零一八年十二月三十一日，所得稅負債之賬面值約為28,294,000港元（二零一七年：1,946,000港元），遞延稅項負債約為1,304,801,000港元（二零一七年：2,166,859,000港元）。

可換股貸款票據之衍生工具部分公平值

董事為並無於活躍市場報價之金融工具挑選適當估值技術時作出判斷，採用市場從業者普遍使用之估值技術。對於可換股貸款票據之衍生工具部分，所作假設是根據所報市值並就該工具之特定特徵作出調整。於二零一八年十二月三十一日，確認為流動負債及流動資產之可換股貸款票據之衍生工具部分之分別賬面值為2,330,000港元及7,356,000港元（二零一七年：223,857,000港元確認為流動負債）。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Provision for restoration, rehabilitation and environmental costs

The provision for restoration, rehabilitation and environmental costs has been determined by the management of the Group based on their best estimates. The management of the Group estimated this liability for final reclamation and mine closure based upon detailed forecast of the amounts and timing of future cash flows for a third party to perform work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, the estimate of the associated expenditures may be subject to change due to new government environmental policy in the future. The provision is reviewed regularly to ensure that it properly reflects the present value of the obligation arising from the mining activities. As at 31 December 2018, the carrying amount of provision for restoration, rehabilitation and environmental costs was HK\$74,279,000 (2017: HK\$74,927,000).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which included convertible loan notes disclosed in Note 25, amounts due to related companies disclosed in Note 20, amounts due to non-controlling interests holders disclosed in Note 24, and obligation under finance lease, net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital, convertible preference shares and reserves). The Directors review the capital structure monthly. As a part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as issue of new debt or the redemption of existing debt.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

恢復、修復及環境成本撥備

恢復、修復及環境成本撥備乃本集團管理層根據其最佳估計釐定。本集團管理層估計此項最終開墾及礦場關閉之責任時，乃基於第三方進行所需工程所耗用之未來現金流量之金額及時間之詳盡預測，並因應通脹而調高，然後按可反映現行市場對貨幣時間值之評估及負債之特定風險之貼現率貼現，以使撥備反映預期履行責任所需開支之現值。然而，相關開支之估計可能因未來政府推出新環境政策而出現變動。本公司會定期檢討撥備，以確定其正確反映採礦活動產生之債務之現值。於二零一八年十二月三十一日，恢復、修復及環境成本撥備之賬面值為74,279,000港元（二零一七年：74,927,000港元）。

5. 資本風險管理

本集團之資本管理旨在確保本集團所有實體均可持續經營，同時透過優化債務與權益結餘，盡量為利益相關者帶來最大回報。本集團之整體策略自去年以來維持不變。

本集團之資本架構包括債務淨額，當中包括附註25披露之可換股貸款票據、附註20披露之應付關連公司款項、附註24披露之應付非控股權益持有人款項及融資租賃項下之責任（扣除現金及現金等價物）以及本公司擁有人應佔權益（包括已發行股本、可轉換優先股及儲備）。董事每月檢討資本結構，當中涉及考慮資本成本及與各類資本相關之風險。本集團將按董事之建議透過發行新股及股份回購以及新增債務或贖回現有債務平衡其整體資本結構。

145

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

6. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the Board (being the chief operating decision maker ("CODM")) for the purpose of resources allocation and performance assessment are as follows:

Cassava starch operation	– Provision of cultivation and processing of cassava starch for sale
Mining operation	– Geological survey, exploration and development of coal deposits, and selling of coking coal
Coal operation	– Provision of coal trading and logistics services
Systems integration services and software solutions	– Sales of information technology products, provision of systems integration services, technology services, software development and solution services

For management purpose, the Group is organised into business units based on their products and services. The management of the Group monitors the operating results of its business units separately for the purposes of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the consolidated statement of profit or loss.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews other segment information.

6. 分部資料

依照就分配資源及評估表現而向董事會（即主要經營決策者（「主要經營決策者」））呈報之資料，本集團之經營分部如下：

木薯澱粉業務	– 提供種植及木薯澱粉加工以作銷售
採礦業務	– 煤炭礦藏之地質研究、勘探及開發以及銷售焦煤
煤炭業務	– 提供煤炭貿易及物流服務
系統集成服務及軟件解決方案	– 資訊科技產品銷售、提供系統集成服務、技術服務、軟件開發及解決方案服務

為方便管理，本集團根據其產品及服務劃分為不同業務單位。本集團管理層對其業務單位之經營業績進行個別監察，以在資源分配及表現評估方面作出決定。分部表現根據經營溢利或虧損評估，誠如下表所闡述，當中若干方面之計量方法有別於綜合損益表之經營溢利或虧損。

就監察分部表現及於分部間分配資源而言，主要經營決策者亦審閱其他分部資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable and operating segments.

		Systems integration services and software solutions 系統集成服務及軟件解決方案		Mining operation 採礦業務		Coal operation 煤炭業務		Cassava starch operation 木薯澱粉業務		Total 總計	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度										
REVENUE	收入										
Sales to external customers	向外部客戶作出之銷售	23,131	63,063	980,902	381,766	-	-	603	70,080	1,004,636	514,909
RESULTS	業績										
Segment (loss)/profit	分部(虧損)/溢利	(600)	5,452	(2,986,918)	1,137,642	-	(156)	(30,492)	(14,137)	(3,018,010)	1,128,801
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具部分之公平值變動									235,973	(52,429)
Unallocated income	未分配收入									699	42,514
Unallocated expenses	未分配支出									(40,849)	(42,365)
Finance costs	融資成本									(331,158)	(323,441)
(Loss)/profit before taxation	除稅前(虧損)/溢利									(3,153,345)	753,080

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the (loss)/profit from each segment without allocation of central administrative expenses, including directors' and chief executive's emoluments, change in fair value of derivative component of convertible loan notes, certain other income and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

For the purpose of assessment by the CODM, the finance cost of amount due to non-controlling interests holders, related companies and obligation under finance leases were not included in segment results while the corresponding liabilities have been included in the segment liabilities.

6. 分部資料(續)

分部收入及業績

以下載列按可呈報及經營分部分析之本集團收入及業績。

可呈報及經營分部之會計政策與本集團之會計政策相同。分部(虧損)/溢利指各分部產生之(虧損)/溢利,而並未分配中央行政開支,包括董事及行政總裁酬金、可換股貸款票據衍生工具部分之公平值變動、若干其他收入及融資成本,此乃就資源分配及表現評估向主要經營決策者報告之計量方式。

就主要經營決策者進行評估而言,應付非控股權益持有人款項之融資成本、應付關連公司款項及融資租賃項下之責任並未計入分部業績,而相應負債已計入分部負債。

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

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

Segment assets

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Systems integration services and software solutions	系統集成服務及軟件解決方案	13,547	10,413
Mining operation	採礦業務	7,990,465	11,438,235
Coal operation	煤炭業務	-	17
Cassava starch operation	木薯澱粉業務	237,799	171,662
Total segment assets	分部資產總值	8,241,811	11,620,327
Unallocated	未分配	18,084	129,508
Consolidated total assets	綜合資產總值	8,259,895	11,749,835

Segment liabilities

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Systems integration services and software solutions	系統集成服務及軟件解決方案	10,755	5,800
Mining operation	採礦業務	5,969,878	5,772,845
Coal operation	煤炭業務	-	57,549
Cassava starch operation	木薯澱粉業務	37,143	3,059
Total segment liabilities	分部負債總額	6,017,776	5,839,253
Unallocated	未分配		
- Convertible loan notes	- 可換股貸款票據	644,009	926,380
- Deferred tax liabilities	- 遞延稅項負債	1,304,801	2,166,859
- Others	- 其他	56,446	14,787
		2,005,256	3,108,026
Consolidated total liabilities	綜合負債總值	8,023,032	8,947,279

6. 分部資料 (續)

分部資產及負債

以下為按可呈報及經營分部分析之本集團資產及負債。

分部資產

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
--	----------------------------------	----------------------------------

分部負債

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
--	----------------------------------	----------------------------------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain prepayments, deposits and other receivables, amounts due from related companies, amount due from a director, certain bank balances and cash, derivative component of convertible loan notes, and assets jointly used by reportable segments.
- all liabilities are allocated to reportable segments other than certain other payables, certain amounts due to related companies, other borrowings, derivative component of convertible loan notes, liabilities component of convertible loan notes, deferred tax liabilities and liabilities jointly liable by reportable segments.

Other segment information

		Systems integration services and software solutions 系統集成服務及軟件解決方案		Mining operation 採礦業務		Coal operation 煤炭業務		Cassava starch operation 木薯淀粉業務		Unallocated 未分配		Consolidated 綜合	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度												
Amounts included in the measure of segment profit/(loss) or segment assets:	計量分部溢利/(虧損)或分部資產時計及以下款項:												
Depreciation	折舊	13	92	119,421	43,821	-	-	8,294	1,013	509	417	128,237	45,343
Amortisation of mining right	採礦權攤銷	-	-	407,944	186,208	-	-	-	-	-	-	407,944	186,208
Amortisation of intangible assets	無形資產攤銷	-	-	1,659	343	-	-	-	-	-	-	1,659	343
Addition of non-current assets	添置非流動資產	5	15	392,205	163,465	-	-	69,707	12,957	1,008	921	462,925	177,358
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	-	-	-	-	-	-	16,739	-	-	-	16,739
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	-	-	-	-	-	(150)	-	(140)	-	(290)	-
Impairment loss on mining rights, net	就採礦權之減值虧損，淨額	-	-	2,571,010	-	-	-	-	-	-	-	2,571,010	-
Reversal of impairment loss recognised in respect of mining rights, net	就採礦權確認之減值虧損撥回，淨額	-	-	-	(1,111,806)	-	-	-	-	-	-	-	(1,111,806)
Impairment loss on property, plant and equipment, net	就物業、廠房及設備之減值虧損，淨額	-	-	278,692	-	-	-	-	-	-	-	278,692	-
Reversal of impairment loss recognised in respect of property, plant and equipment, net	就物業、廠房及設備確認之減值虧損撥回，淨額	-	-	-	(180,034)	-	-	-	-	-	-	-	(180,034)
Impairment loss reversal in respect of trade receivable	有關貿易應收款項之減值虧損撥回	-	(13,022)	-	-	-	-	-	-	-	-	-	(13,022)
Amounts regularly provided to CODM but not included in the measure of segment profit/(loss):	定期提供予主要經營決策者但並無計入計量分部溢利/(虧損)之款項:												
Interest income	利息收入	(6)	(361)	(51)	-	-	-	(33)	(35)	(9)	(244)	(99)	(640)
Interest expenses	利息開支	-	1,471	260,968	266,710	-	-	-	-	70,190	55,260	331,158	323,441

6. 分部資料 (續)

分部資產及負債 (續)

就監察分部表現及於分部間分配資源而言：

- 所有資產均分配至各可呈報分部，惟不包括若干物業、廠房及設備、若干預付款項、按金及其他應收款項、應收關連公司款項、應收一名董事款項、若干銀行結餘及現金、可換股貸款票據之衍生工具部分以及由各可呈報分部共同使用之資產。
- 所有負債均分配至各可呈報分部，惟不包括若干其他應付款項、若干應付關連公司款項、其他借貸、可換股貸款票據之衍生工具部分、可換股貸款票據之負債部分、遞延稅項負債以及由各可呈報分部共同承擔之負債。

149

其他分部資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (continued)

Geographical information

The Group's operations are located in Hong Kong, elsewhere in PRC and Cambodia.

The Group's revenue from external customers is presented based on the location of the operation. Information about the Group's non-current assets is presented based on the geographical locations of the assets.

6. 分部資料 (續)

其他分部資料 (續)

地區資料

本集團業務位於香港、中國其他地區及柬埔寨。

本集團來自外部客戶之收入按經營地點呈列。有關本集團非流動資產之資料則按資產所在地區呈列。

	Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Cambodia 柬埔寨		Consolidated 綜合	
	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Segment revenue	分部收入							
Revenue from external customers	來自外部客戶之收入							
	-	-	1,004,636	444,829	-	70,080	1,004,636	514,909
Non-current assets	非流動資產							
	596	822	7,773,161	11,353,646	127,375	58,913	7,901,132	11,413,381

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

6. SEGMENT INFORMATION (CONTINUED)

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sale of computer products	銷售電腦產品	16,675	63,063
Sale of mining products	銷售礦業產品	980,902	381,766
Sale of cassava starch	銷售木薯澱粉	603	70,080
Provision of system integration and software solution services	提供系統集成及軟件解決方案服務	6,456	-
		1,004,636	514,909

Information about major customers

Revenue from customers of the corresponding years contributing 10% or more of the total sales of the Group is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A ¹	客戶A ¹	469,736	191,797
Customer B ¹	客戶B ¹	N/A不適用 ³	63,944
Customer C ²	客戶C ²	N/A不適用 ³	66,506
Customer D ¹	客戶D ¹	265,168	N/A不適用 ³

¹ Revenue from mining operation.

² Revenue from cassava starch operation.

³ The corresponding revenue did not contribute 10% or more of the total revenue of the Group in the respective year.

6. 分部資料 (續)

主要產品及服務之收入

以下為本集團主要產品及服務之收入分析：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sale of computer products	16,675	63,063
Sale of mining products	980,902	381,766
Sale of cassava starch	603	70,080
Provision of system integration and software solution services	6,456	-
	1,004,636	514,909

有關主要客戶之資料

佔本集團相關年度總銷售10%或以上之客戶之收入如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A ¹	469,736	191,797
Customer B ¹	N/A不適用 ³	63,944
Customer C ²	N/A不適用 ³	66,506
Customer D ¹	265,168	N/A不適用 ³

¹ 採礦業務之收入。

² 木薯澱粉業務之收入。

³ 相應收入並無佔本集團於各年度總收入之10%或以上。

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

7. REVENUE AND OTHER OPERATING INCOME

i) Revenue from goods and Services Disaggregation of revenue

Segments	分部	Systems integration services and software solutions 系統集成服務及軟件解決方案		Mining operation 採礦業務		Coal operation 煤炭業務		Cassava starch operation 木薯澱粉業務		Total 總計	
		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	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
		HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元	HK'000 千港元
			(Note (i)) (附註(i))		(Note (i)) (附註(i))		(Note (i)) (附註(i))		(Note (i)) (附註(i))		
Types of goods or services	貨品或服務類型										
Sales of goods	銷售貨品										
- Coal	- 煤炭	-	-	980,902	381,766	-	-	-	-	980,902	381,766
- Computer products	- 電腦產品	16,675	63,063	-	-	-	-	-	-	16,675	63,063
- Cassava starch	- 木薯澱粉	-	-	-	-	-	-	603	70,080	603	70,080
Provision of system integration and software solution services	提供系統集成及軟件解決方案服務	6,456	-	-	-	-	-	-	-	6,456	-
		23,131	63,063	980,902	381,766	-	-	603	70,080	1,004,636	514,909
Timing of revenue recognition	收入確認時間										
A point in time	時點	16,675	63,063	980,902	381,766	-	-	603	70,080	998,180	514,909
Over time	一段時間	6,456	-	-	-	-	-	-	-	6,456	-
		23,131	63,063	980,902	381,766	-	-	603	70,080	1,004,636	514,909

Notes:

- The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (see Note 2).
- For sales of coal, computer products and cassava starch, revenue is recognised when control of goods has transferred, being when the goods have been accepted by customers (acceptance) after goods delivered to the specific location or picked up by customers. Following acceptance, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 60 days upon acceptance.

附註：

- 本集團已使用累計影響法首次應用香港財務報告準則第15號。根據此方法，比較資料不予重列及根據香港會計準則第18號編製（見附註2）。
- 就銷售煤炭、電腦產品及木薯澱粉而言，於貨品控制權已轉讓時（即（貨品交付至特定地點或客戶取走貨品後）客戶接受貨品（驗收））時確認收入。於驗收後，客戶可全權酌情決定發貨方式及貨品售價，並承擔銷售貨品之主要責任及貨品報廢及損失之風險。於驗收後，正常信貸期為30至60天。

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

7. REVENUE AND OTHER OPERATING INCOME (CONTINUED)

ii) Other operating income

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	290	-
Gain on disposal of subsidiaries (Note 30)	出售附屬公司之收益(附註30)	550	41,874
Interest income [#]	利息收入 [#]	99	640
Rental income	租金收入	34	-
Sundry income	雜項收入	4,110	7
Waiver of other payables	豁免其他應付款項	2,045	8,103
		7,128	50,624

Notes:

[#] Interest income, which earned from bank deposits, were derived from financial assets not at fair value through profit or loss.

附註：

[#] 銀行存款賺取之利息收入乃源自並非按公平值計入損益之金融資產。

153

8. FINANCE COSTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest expenses on borrowings wholly repayable within five years:	須於5年內悉數償還之借貸之利息開支：		
- effective interest expenses on convertible loan notes (Note 25)	- 可換股貸款票據之實際利息開支(附註25)	70,190	55,260
- other borrowings	- 其他借貸	11,812	1,472
- finance lease	- 融資租賃	18,602	10,642
- amounts due to non-controlling interests holders	- 應付非控股權益持有人款項	359,163	367,703
Total borrowing costs	總借貸成本	459,767	435,077
Less: amounts capitalised in construction in progress	減：於在建工程撥充資本之金額	(131,885)	(114,573)
Imputed interest for provision for restoration, rehabilitation and environmental costs (Note 27)	恢復、修復及環境成本撥備之應計利息(附註27)	3,276	2,937
		331,158	323,441

8. 融資成本

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

9. (LOSS)/PROFIT BEFORE TAXATION

9. 除稅前(虧損)/溢利

154

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/profit before taxation has been arrived at after charging:	除稅前(虧損)/溢利已扣除:		
Auditor's remuneration	核數師酬金	2,000	1,280
Amortisation of mining rights included in cost of sales (Note 16)	採礦權攤銷(計入銷售成本)(附註16)	407,944	186,208
Amortisation of intangible assets	無形資產攤銷	1,659	343
Amounts of inventories recognised as expense:	已確認為開支之存貨金額:		
– System integration services and software solutions and cassava starch operation	– 系統集成服務及軟件解決方案以及木薯澱粉業務	23,270	109,066
– Mining and coal operations	– 採礦及煤炭業務	844,605	264,946
		867,875	374,012
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備的折舊(附註15)	128,237	45,343
Directors' and chief executive's emoluments (Note 14)	董事及行政總裁酬金(附註14)	8,693	17,252
Impairment loss recognised in respect of trade receivables (Note 19)	就貿易應收款項確認之減值虧損(附註19)	–	16,739
Management fee paid to a non-controlling interests holder of a subsidiary	支付予一間附屬公司一名非控股權益持有人的管理費	–	366
Payment under operating leases in respect of land and buildings	土地及樓宇之經營租賃付款	32,078	12,896
Staff cost (excluding directors' and chief executive's emoluments) (Note 13)	員工成本(不包括董事及行政總裁酬金)(附註13)	85,217	52,920

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

10. INCOME TAX (CREDIT)/EXPENSE

10. 所得稅(抵免)/開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax (credit)/expense:	即期稅項(抵免)/開支:		
PRC Enterprise Income Tax (the "EIT")	中國企業所得稅(「企業所得稅」)	78,369	9,267
Cambodia profits tax	柬埔寨利得稅	-	(1,792)
Deferred tax (credit)/expense (Note 28)	遞延稅項(抵免)/開支(附註28)	(748,611)	233,041
Income tax (credit)/expense	所得稅(抵免)/開支	(670,242)	240,516

155

(i) Pursuant to the rules and regulations of Bermuda, Independent State of Samoa ("Samoa") and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda, Samoa and the BVI.

(ii) No provisions for Hong Kong Profits Tax have been made for subsidiaries established in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax for both years.

(iii) Profits of the subsidiaries established in the PRC are subject to PRC EIT.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

(iv) Under the Law of the Cambodia, the tax rate of the Cambodia subsidiaries is 20% for both years.

(i) 依據百慕達、薩摩亞獨立國(「薩摩亞」)及英屬處女群島(「英屬處女群島」)之規則及規例,本集團無須於百慕達、薩摩亞及英屬處女群島繳納任何所得稅。

(ii) 由於在香港成立之附屬公司於兩個年度內均無任何須繳納香港利得稅之應課稅溢利,故並無就該等附屬公司計提香港利得稅撥備。

(iii) 於中國成立之附屬公司之溢利須繳納中國企業所得稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,中國附屬公司於該兩個年度之稅率為25%。

(iv) 根據柬埔寨法例,柬埔寨附屬公司於兩個年度之稅率為20%。

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

10. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

10. 所得稅(抵免)/開支(續)

年內所得稅開支與綜合損益表之除稅前溢利對賬如下：

156

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(3,153,345)	753,080
(National tax on loss before tax)/ tax expenses calculated at rates applicable in the jurisdictions concerned	(除稅前虧損的國稅)/ 按有關司法權區適用稅率計算之 稅項開支	(805,989)	198,067
Tax effect of income not subject to tax	毋須課稅收入之稅務影響	(47,253)	(147,416)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	183,000	185,166
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	-	4,748
Tax effect of deductible temporary difference not recognised	未確認之可扣稅暫時差額之 稅務影響	-	(49)
Income tax (credit)/expense for the year	年內所得稅(抵免)/開支	(670,242)	240,516

11. DIVIDENDS

No dividend was paid or proposed for both years ended 31 December 2018 and 2017, nor has any dividend been proposed since the end of the reporting period.

11. 股息

截至二零一八年及二零一七年十二月三十一日止兩個年度並無已派或擬派股息。自報告期末以來亦無建議派發任何股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company for the year is based on the following data:

12. 每股（虧損）／盈利

本年度本公司擁有人應佔每股基本及攤薄（虧損）／盈利乃按以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/earnings	(虧損)／盈利		
(Loss)/profit for the year attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	用以計算每股基本（虧損）／盈利之本公司擁有人應佔年度（虧損）／溢利	(1,182,062)	94,108
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Interest on convertible loan notes (Note 25)	可換股貸款票據之利息（附註25）	-	37,294
Change in fair value of derivative component of convertible loan notes (Note 25)	可換股貸款票據衍生工具部分之公平值變動（附註25）	-	(42,095)
(Loss)/earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之（虧損）／盈利	(1,182,062)	89,307
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	用以計算每股基本（虧損）／盈利之普通股加權平均數	7,310,365,348	7,296,746,300
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Convertible loan notes	可換股貸款票據	-	598,715,720
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用以計算每股攤薄（虧損）／盈利之普通股加權平均數	7,310,365,348	7,895,462,020

For the year ended 31 December 2018, no adjustment has been made to the basic loss per share presented as the impact of the share options had anti-dilutive effect on the basic loss per share amount presented.

截至二零一八年十二月三十一日止年度，由於購股權之影響對所呈列之每股基本虧損金額具反攤薄影響，故並無就所呈列之每股基本虧損作出調整。

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

12. (LOSS)/EARNINGS PER SHARE (CONTINUED)

For the year ended 31 December 2017, the computation of diluted earnings per share does not assume the exercise of the Company's share options as the exercise prices of the share options are higher than the average market price of the shares.

The calculation of diluted loss per share for the year ended 31 December 2018 does not assume the conversion of all convertible loan notes, since these conversions would result in an anti-dilutive effect on loss per share.

The calculation of diluted earnings per share for the year ended 31 December 2017 does not assume the conversion of the convertible loan notes issued in 2017 since its conversion would result in an anti-dilutive effect on earnings per share.

13. STAFF COSTS (EXCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS)

Wages, salaries and other benefits	工資、薪金及其他福利
Retirement benefit scheme contributions	退休福利計劃供款
Share based payment	股份付款

The subsidiaries in Hong Kong operate the MPF Scheme which are available to qualified employees. The assets of the scheme are held separately from those of the subsidiaries in independently administered funds. Monthly contributions made by the subsidiaries are calculated based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the relevant requirements, as appropriate.

12. 每股(虧損)/盈利(續)

截至二零一七年十二月三十一日止年度，由於購股權之行使價高於股份平均市價，故計算每股攤薄盈利時並無假設本公司購股權獲行使。

由於兌換可換股貸款票據會對每股虧損產生反攤薄影響，故計算截至二零一八年十二月三十一日止年度之每股攤薄虧損時並無假設兌換所有可換股貸款票據。

由於兌換可換股貸款票據會對每股盈利產生反攤薄影響，故計算截至二零一七年十二月三十一日止年度之每股攤薄盈利時並無假設兌換二零一七年已發行之可換股貸款票據。

13. 員工成本(不包括董事及行政總裁酬金)

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

		75,624	46,250
		7,078	6,670
		2,515	-
		85,217	52,920

香港附屬公司設有強積金計劃，供合資格僱員參加。計劃資產與附屬公司之資產分開，由獨立管理基金持有。附屬公司每月按適用薪酬開支之若干百分比供款或按相關規定訂明之固定款額供款(視情況而定)。

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

13. STAFF COSTS (EXCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS) (CONTINUED)

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in the PRC participate in respective government retirement benefit scheme (the "Scheme") whereby the subsidiaries are required to contribute to the Scheme to fund the retirement benefits of the eligible employees. Monthly contributions made to the Scheme are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme.

The retirement benefit scheme contributions represent gross contributions by the Group to the Scheme operated by the relevant authorities of the PRC and the MPF Scheme operated in Hong Kong.

13. 員工成本（不包括董事及行政總裁酬金）（續）

根據中國有關當局之規例，本集團中國附屬公司須參加相關政府退休福利計劃（「有關計劃」），據此，該等附屬公司須向有關計劃供款，為合資格僱員之退休福利提供資金。有關計劃之每月供款按中國規定所訂適用薪酬開支之若干百分比計算。中國有關當局負責向退休僱員支付全部退休金。本集團對有關計劃之唯一責任為持續支付有關計劃規定之供款。

退休福利計劃供款指本集團向由中國有關當局營辦之有關計劃及於香港營辦之強積金計劃供款之總額。

159

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

14. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the seven (2017: seven) directors and the chief executive were as follows:

For the year ended 31 December 2018

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Share-based payment	Total
	袍金 HK\$'000 千港元	薪金、津貼及其他福利 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	股份付款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors					
Mr. Zhang Sanhuo	-	1,560	18	-	1,578
Mr. Huang Boqi	-	522	8	-	530
(Resigned on 3 May 2018)					
Mr. Tse Michael Nam	-	1,560	18	4,335	5,913
Non-executive director					
Mr. Zou Cheng Jian	168	-	-	-	168
Independent non-executive directors					
Mr. Leung Po Wing, Bowen Joseph GBS, JP	168	-	-	-	168
Mr. Zhou Chunsheng	168	-	-	-	168
Ms. Leung Yin Fai	168	-	-	-	168
	672	3,642	44	4,335	8,693

For the year ended 31 December 2017

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Share-based payment	Total
	袍金 HK\$'000 千港元	薪金、津貼及其他福利 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	股份付款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors					
Mr. Zhang Sanhuo	-	4,887	18	-	4,905
Mr. Huang Boqi	-	1,396	18	-	1,414
Mr. Tse Michael Nam	-	1,463	18	8,780	10,261
Non-executive director					
Mr. Zou Cheng Jian	168	-	-	-	168
Independent non-executive directors					
Mr. Leung Po Wing, Bowen Joseph GBS, JP	168	-	-	-	168
Mr. Zhou Chunsheng	168	-	-	-	168
Ms. Leung Yin Fai	168	-	-	-	168
	672	7,746	54	8,780	17,252

- i) There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.
- ii) In 2017, Mr. Tse Michael Nam ("Mr. Tse") was granted share option in respect of his services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 34 to the Company's consolidated financial statements.

14. 董事、行政總裁及高級管理人員酬金

(a) 董事及行政總裁酬金

已付或應付七名(二零一七年:七名)董事及行政總裁之酬金分別如下:

截至二零一八年十二月三十一日止年度

截至二零一七年十二月三十一日止年度

- i) 年內，並無有關董事或行政總裁放棄或同意放棄任何薪酬之安排。
- ii) 於二零一七年，謝南洋先生(「謝先生」)根據本公司之購股權計劃就其向本集團提供之服務獲授予購股權。購股權計劃之詳情載於本公司綜合財務報表附註34。

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

14. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, two (2017: three) were directors (including the chief executive) of the Company whose emoluments are set out above. The emoluments of the remaining three (2017: two) highest paid individuals were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	2,306	1,902
Retirement benefit scheme contributions	退休福利計劃供款	54	33
		2,360	1,935

Their emoluments were within the following bands:

		2018 二零一八年 No. of employees 僱員人數	2017 二零一七年 No. of Employees 僱員人數
Nil to HK\$1,000,000	0至1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1

(c) No emoluments have been paid by the Group to any directors, the chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of the office during the two years ended 31 December 2018 and 2017.

14. 董事、行政總裁及高級管理人員酬金 (續)

(b) 高級管理人員酬金

本集團五名最高薪酬人士包括本公司兩名(二零一七年:三名)董事(包括行政總裁),彼等之酬金載於上文。其餘三名(二零一七年:兩名)最高薪酬人士之酬金如下:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and other benefits	2,306	1,902
Retirement benefit scheme contributions	54	33
	2,360	1,935

彼等之酬金介乎下列範圍:

	2018 二零一八年 No. of employees 僱員人數	2017 二零一七年 No. of Employees 僱員人數
Nil to HK\$1,000,000	2	1
HK\$1,000,001 to HK\$1,500,000	1	1

(c) 截至二零一八年及二零一七年十二月三十一日止兩個年度,本集團並無向任何董事、行政總裁或五名最高薪酬人士支付酬金,以吸引其加入本集團或作為加入本集團之獎勵或離職補償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction Mining structure	in progress ("CIP")	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Plants and machineries	Freehold land	Total
		採礦構架物	在建工程 ("在建工程")	樓宇	租賃物業 裝修	固定裝置及 辦公室設備	汽車	廠房及設備	永久業權土地	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017:	於二零一七年一月一日:									
Cost	成本	174,737	1,590,952	80,205	3,385	16,409	11,924	67,268	-	1,944,880
Accumulated depreciation and impairment	累計折舊及減值	(71,161)	(338,255)	(32,093)	(3,303)	(12,719)	(7,507)	(42,551)	-	(507,589)
Carrying amount	賬面值	103,576	1,252,697	48,112	82	3,690	4,417	24,717	-	1,437,291
At 1 January 2017, net of accumulated depreciation and impairment	於二零一七年一月一日，扣除累計折舊及減值	103,576	1,252,697	48,112	82	3,690	4,417	24,717	-	1,437,291
Additions	添置	6,283	139,765	3,307	1,180	4,207	8,035	12	-	162,789
Transfer from CIP	轉撥自在建工程	681,858	(744,197)	62,339	-	-	-	-	-	-
Disposals	出售	(236)	-	-	-	(178)	(13)	-	-	(427)
Depreciation provided during the year	年內折舊撥備	(22,287)	-	(8,417)	(566)	(4,557)	(2,746)	(6,770)	-	(45,343)
Reversal of impairment, net	減值撥回·淨額	-	180,034	-	-	-	-	-	-	180,034
Disposal of subsidiaries (Note 30)	出售附屬公司(附註30)	-	-	-	-	(10)	(190)	-	-	(200)
Exchange realignment	匯兌調整	16,135	70,813	2,496	6	36	233	5,265	-	94,984
At 31 December 2017, net of accumulated depreciation and impairment	於二零一七年十二月三十一日，扣除累計折舊及減值	785,329	899,112	107,837	702	3,188	9,736	23,224	-	1,829,128
At 31 December 2017 and at 1 January 2018:	於二零一七年十二月三十一日及二零一八年一月一日:									
Cost	成本	893,278	1,065,270	151,839	4,594	18,261	20,568	81,638	-	2,235,448
Accumulated depreciation and impairment	累計折舊及減值	(107,949)	(166,158)	(44,002)	(3,892)	(15,073)	(10,832)	(58,414)	-	(406,320)
Carrying amount	賬面值	785,329	899,112	107,837	702	3,188	9,736	23,224	-	1,829,128
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日，扣除累計折舊及減值	785,329	899,112	107,837	702	3,188	9,736	23,224	-	1,829,128
Additions	添置	1,197	418,858	-	11,625	694	17,787	231	4,501	454,893
Disposals	出售	(156)	-	-	-	(158)	(33)	-	-	(347)
Impairment, net	減值·淨額	(100,072)	(142,073)	(35,777)	-	(674)	(32)	(64)	-	(278,692)
Depreciation provided during the year	年內折舊撥備	(101,141)	-	(9,932)	(920)	(2,534)	(7,945)	(5,765)	-	(128,237)
Exchange realignment	匯兌調整	(26,116)	(58,949)	(2,895)	(24)	(402)	(96)	(107)	-	(88,589)
At 31 December 2018, net of accumulated depreciation and impairment	於二零一八年十二月三十一日，扣除累計折舊及減值	559,041	1,116,948	59,233	11,383	114	19,417	17,519	4,501	1,788,156
At 31 December 2018:	於二零一八年十二月三十一日:									
Cost	成本	850,207	1,415,838	147,794	16,156	13,166	35,499	80,996	4,501	2,564,157
Accumulated depreciation and impairment	累計折舊及減值	(291,166)	(298,890)	(88,561)	(4,773)	(13,052)	(16,082)	(63,477)	-	(776,001)
Carrying amount	賬面值	559,041	1,116,948	59,233	11,383	114	19,417	17,519	4,501	1,788,156

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

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Mining structure	10%
Leasehold improvements	33 $\frac{1}{3}$ % or over the lease terms, whichever is shorter
Furniture, fixtures and office equipment	20% to 33 $\frac{1}{3}$ %
Motor vehicles	33 $\frac{1}{3}$ %
Plants and machineries	10% or over the lease terms, whichever is shorter
Buildings	10%
Freehold land	N/A

The net book value of property, plants and equipment of approximately HK\$1,788,156,000 as at 31 December 2018 includes an amount of approximately HK\$48,486,000 (2017: approximately HK\$131,284,000) in respect of assets held under finance leases.

During the year ended 31 December 2018, based on the valuation reports and the technical reports in relation to the mining operation as obtained by the Group, the Group recognised impairment loss of approximately HK\$53,453,000 (2017: HK\$126,257,000) in respect of property, plant and equipment during interim period for the six months ended 30 June 2018. A further assessment was carried out at the end of 2018 to further update the status of the mining operations and the Group recognised impairment loss on property, plant and equipment of approximately HK\$278,692,000 for the year ended 31 December 2018 as a whole (2017: Reversal of impairment loss of HK\$180,034,000).

Particulars regarding impairment assessment are disclosed in Note 29.

15. 物業、廠房及設備 (續)

以上物業、廠房及設備項目以直線法按以下年率計算折舊：

採礦構築物	10%
租賃物業裝修	33 $\frac{1}{3}$ %或租期 (以較短者為準)
傢俬、固定裝置及辦公室設備	20%至33 $\frac{1}{3}$ %
汽車	33 $\frac{1}{3}$ %
廠房及設備	10%或租期 (以較短者為準)
樓宇	10%
永久業權土地	不適用

於二零一八年十二月三十一日，物業、廠房及設備之賬面淨值約1,788,156,000港元包括根據融資租賃持有之資產約48,486,000港元（二零一七年：約131,284,000港元）。

於截至二零一八年十二月三十一日止年度，根據本集團取得之有關採礦業務之估值報告及技術報告，本集團於截至二零一八年六月三十日止六個月就物業、廠房及設備確認減值虧損約53,453,000港元（二零一七年：126,257,000港元）。本公司於二零一八年末另行評估以進一步提供有關採礦業務之最新資料且本集團就截至二零一八年十二月三十一日止整個年度確認有關物業、廠房及設備之減值虧損約278,692,000港元（二零一七年：減值虧損撥回180,034,000港元）。

減值評估之詳情於附註29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

16. MINING RIGHTS

16. 採礦權

164

		HK\$'000 千港元
COST	成本	
At 1 January 2017	於二零一七年一月一日	10,845,438
Exchange realignment	匯兌調整	845,756
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	11,691,194
Exchange realignment	匯兌調整	(592,847)
At 31 December 2018	於二零一八年十二月三十一日	11,098,347
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1 January 2017	於二零一七年一月一日	2,901,363
Amortisation for the year	年內攤銷	186,208
Reversal of impairment loss recognised for the year, net	年內確認之減值虧損撥回，淨額	(1,111,806)
Exchange realignment	匯兌調整	222,556
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	2,198,321
Amortisation for the year	年內攤銷	407,944
Impairment loss recognised for the year, net	年內確認之減值虧損，淨額	2,571,010
Exchange realignment	匯兌調整	(97,403)
At 31 December 2018	於二零一八年十二月三十一日	5,079,872
CARRYING VALUES	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	6,018,475
At 31 December 2017	於二零一七年十二月三十一日	9,492,873

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

16. MINING RIGHTS (CONTINUED)

The five mining licenses in relation to the coal mines will expire from 28 November 2019 to 8 January 2021 and subject to renewal. In the view of the Directors, the Group will be able to renew the mining licenses in relation to the coal mines with the relevant government authority continuously at insignificant cost.

During the year ended 31 December 2018, based on the valuation reports and the technical reports in relation to the mining operation as obtained by the Group, the Group recognised impairment loss of approximately HK\$74,032,000 (2017: HK\$259,490,000) in respect of mining rights during the interim period for the six months ended 30 June 2018. A further assessment was carried out at the end of 2018 to further update the status of the mining operation and the Group recorded impairment losses in respect of mining rights of HK\$2,571,010,000 for the year ended 31 December 2018 as a whole (2017: Reversal of impairment loss of HK\$1,111,806,000).

Particulars regarding impairment assessment are disclosed in Note 29.

16. 採礦權 (續)

五份有關煤礦之採礦許可證將於二零一九年十一月二十八日至二零二一年一月八日期間到期，並可以續期。董事認為，本集團將能以極低成本持續向相關政府機關為有關煤礦之採礦許可證續期。

於截至二零一八年十二月三十一日止年度，根據本集團取得之有關採礦業務之估值報告及技術報告，本集團於截至二零一八年六月三十日止六個月中期間就採礦權確認減值虧損約74,032,000港元（二零一七年：259,490,000港元）。本公司於二零一八年末另行評估以進一步提供有關採礦業務之最新資料且本集團於截至二零一八年十二月三十一日止整個年度錄得採礦權減值虧損2,571,010,000港元（二零一七年：減值虧損撥回1,111,806,000港元）。

減值評估之詳情於附註29披露。

165

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

17. GOODWILL

17. 商譽

166

		HK\$'000 千港元
COST	成本	
At 1 January 2017, 31 December 2017 and 2018	於二零一七年一月一日、二零一七年及 二零一八年十二月三十一日	3,676,679
IMPAIRMENT	減值	
At 1 January 2017, 31 December 2017 and 2018	於二零一七年一月一日、二零一七年及 二零一八年十二月三十一日	3,676,679
CARRYING VALUES	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	-
At 31 December 2017	於二零一七年十二月三十一日	-

Goodwill arising from acquisition of cash generating units were allocated to cash generating units in the following segments:

因收購現金產生單位而產生之商譽分配至以下分部之現金產生單位：

		HK\$'000 千港元
Mining operation	採礦業務	3,661,555
Systems integration services and software solutions	系統集成服務及軟件解決方案	15,124
At 31 December 2018	於二零一八年十二月三十一日	3,676,679

Please refer to Note 29 for particulars regarding impairment testing of goodwill.

有關商譽之減值測試詳情，請參閱附註29。

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

18. INVENTORIES

18. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Consumables, at cost	消耗品，按成本計	2,081	4,277

167

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	192,028	26,201
Less: Loss allowance	減：虧損撥備	(18,516)	(18,516)
		173,512	7,685
Prepayments, deposits, bills receivables and other receivables	預付款項、按金、應收票據及其他應收款項	148,693	206,265

The Group does not hold any collateral over these balances.

本集團並無就該等結餘持有任何抵押品。

As at 31 December 2018, the prepayments, deposits, bills receivables and other receivables included an amount due from a non-controlling interests holder which amounted to HK\$8,600 (2017: HK\$8,700).

於二零一八年十二月三十一日，預付款項、按金、應收票據及其他應收款項包括應收一名非控股權益持有人之款項8,600港元（二零一七年：8,700港元）。

The Group normally grants to its customers credit periods ranging from 30 days to 60 days (2017: from 30 days to 180 days) which are subject to periodic review by management.

本集團一般給予客戶30天至60天（二零一七年：30天至180天）不等之信貸期，並由管理層定期檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

Prior to 1 January 2018, the Group recognised the allowance for certain trade receivables which has been past due and considered as doubtful debts or irrecoverable by the management.

Starting from 1 January 2018, the Group applied simplified approach to provide the expected credit losses prescribed by HKFRS 9. The impairment methodology is set out in Notes 3 and 36.

Included in the Group's trade receivables balance as at 31 December 2018 and 2017 are aggregate carrying amounts of HK\$121,000 and HK\$7,685,000 respectively which are past due at the reporting date for which the Group has not made impairment loss, as there has not been a significant change in credit quality and the amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

No allowance during the year ended 31 December 2018 has been recognised for trade receivables in accordance with the simplified approach i.e. lifetime ECL set out in HKFRS 9. During the year ended 31 December 2018, there was no credit impaired trade receivables and no impairment loss was made for it accordingly.

19. 貿易及其他應收款項 (續)

於接納任何新客戶前，本集團會評估潛在客戶之信貸質素並按客戶界定信用額度。授予客戶的額度及評分乃定期進行檢討。

於二零一八年一月一日前，本集團須就已逾期且管理層視為呆賬或不可收回之若干貿易應收款項確認撥備。

自二零一八年一月一日起，本集團應用簡化方法計提香港財務報告準則第9號所規定的預期信貸虧損。減值方法載列於附註3及36。

於二零一八年及二零一七年十二月三十一日，本集團貿易應收款項結餘包括賬面總值121,000港元及7,685,000港元，該等金額於報告日期已逾期而本集團並未作出減值虧損，此乃由於信貸質素並無顯著變化且根據過往經驗該等金額仍被視為可收回。本集團並無持有任何該等結餘之抵押品。

截至二零一八年十二月三十一日止年度，概無根據簡化方法（即香港財務報告準則第9號所載之整個存續期的預期信貸虧損）就貿易應收款項確認任何撥備。於截至二零一八年十二月三十一日止年度，概無任何出現信貸減值之貿易應收款項，因而並無就其作出減值虧損。

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

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The ageing analysis of the trade receivables, net of impairment losses recognised, based on the invoice dates at the end of the reporting period was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30天內	136,685	-
31 days to 60 days	31天至60天	36,706	-
61 days to 90 days	61天至90天	-	-
91 days to 180 days	91天至180天	-	6,533
181 days to 365 days	181天至365天	-	1,025
Over 365 days	超過365天	121	127
		173,512	7,685

- (b) The movements in provision for impairment losses of trade receivables were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	18,516	14,298
Impairment loss recognised during the year	年內確認之減值虧損	-	16,739
Reversal of impairment loss	減值虧損撥回	-	(13,022)
Exchange realignment	匯兌調整	-	501
At 31 December	於十二月三十一日	18,516	18,516

Reversal of impairment loss on trade debtors in 2017 represents the recovery of debts through disposal of subsidiaries to an independent third party (Note 30).

As at 31 December 2018, the Group's trade receivables of HK\$18,516,000 (2017: HK\$18,516,000) were individually determined to be impaired. The individual impaired receivables related to customers that have defaulted on repayment and management assessed that the receivables are not expected to be recovered. Consequently, loss allowance of HK\$18,156,000 (2017: HK\$18,516,000) were recognised as at 31 December 2018. The Group does not hold any collateral over these balances.

19. 貿易及其他應收款項 (續)

- (a) 於報告期末，扣除已確認減值虧損後，依照發票日期計算之貿易應收款項賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	136,685	-
31 days to 60 days	36,706	-
61 days to 90 days	-	-
91 days to 180 days	-	6,533
181 days to 365 days	-	1,025
Over 365 days	121	127
	173,512	7,685

- (b) 貿易應收款項減值虧損撥備之變動如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	18,516	14,298
Impairment loss recognised during the year	-	16,739
Reversal of impairment loss	-	(13,022)
Exchange realignment	-	501
At 31 December	18,516	18,516

於二零一七年，應收賬款之減值虧損撥回指透過向一名獨立第三方出售附屬公司收回債務（附註30）。

於二零一八年十二月三十一日，本集團貿易應收款項18,516,000港元（二零一七年：18,516,000港元）個別釐定為減值。個別減值之應收款項與拖欠還款之客戶有關，且管理層評估有關應收款項預計無法收回。因此，於二零一八年十二月三十一日確認虧損撥備18,156,000港元（二零一七年：18,516,000港元）。本集團並無就該等結餘持有任何抵押品。

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

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (c) At the end of the reporting period, the analysis of trade receivables that were past due but not impaired, based on past due date, are as follows:

19. 貿易及其他應收款項 (續)

- (c) 於報告期末，依照逾期日期計算之已逾期但未減值之貿易應收款項分析如下：

170

		Total	Neither past due nor impaired 未逾期 亦未減值 HK\$'000 千港元	Past due but not impaired 已逾期但未減值			
				Less than 90 days 少於90天 HK\$'000 千港元	91 to 180 days 91至 180天 HK\$'000 千港元	181 to 365 days 181至 365天 HK\$'000 千港元	over 1 year 1年以上 HK\$'000 千港元
31 December 2018	二零一八年十二月三十一日	173,512	173,391	-	-	-	121
31 December 2017	二零一七年十二月三十一日	7,685	-	6,533	1,025	-	127

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. In the opinion of the management of the Group, apart from those balances for which allowances has been provided, other trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group, subsequent settlement, and the forward-looking information and any change in the expected life of the trade receivables at the end of the reporting period. The management believes that no impairment allowance is necessary in respect of unsettled balances in 2018.

釐定貿易應收款項可收回性時，本集團會考慮由首次授出信貸日期直至報告期末貿易應收款項信貸質素之任何變動。於報告期末，本集團管理層經考慮有關客戶之高信貸狀況、與本集團之良好往績、其後結算、以及前瞻性資料及貿易應收款項預計存續期內之任何變動後認為，除該等已就結餘計提撥備之貿易應收款項外，各報告期末之其他貿易應收款項均具有良好信貸質素。管理層認為無需就二零一八年之未清償結餘計提減值撥備。

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

20. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

The amounts due from related companies are unsecured, non-interest bearing and repayable on demand. The maximum balance during the year ended 31 December 2018 was HK\$7,579,000 (2017: HK\$9,000). The related companies are wholly owned by a director of the Company, who is also the ultimate controlling party of the Company.

At 31 December 2018, certain related companies of the Group had confirmed that the payment terms of certain amounts due by the Group of approximately HK\$148,742,000 are extended for 18 months, and the respective amounts are classified as non-current liabilities as at 31 December 2018.

Included in amounts due to related companies under non-current liabilities as at 31 December 2018 is an amount of HK\$50,000,000 (2017: under current liabilities of HK\$50,000,000) which is unsecured, interest free (2017: carried interest at 6%) per annum and repayable after one year (2017: repayable on demand). The remaining balance is unsecured, non-interest bearing and repayable after one year (2017: repayable on demand). The related companies are wholly owned by a director of the Company, who is also the ultimate controlling party of the Company.

21. AMOUNT DUE FROM/TO A DIRECTOR

The amounts were unsecured, non-interest bearing and repayable on demand. The maximum amount outstanding for amount due from Mr. Tse during the year is HK\$19,500 (2017: HK\$Nil).

20. 應收／(付) 關連公司款項

應收關連公司款項為無抵押、不計息及須按
要求償還。於截至二零一八年十二月三十一
日止年度之最高結餘為7,579,000港元(二零
一七年: 9,000港元)。該等關連公司由本公司
一名董事全資擁有, 該董事亦為本公司之最
終控股人士。

於二零一八年十二月三十一日, 本集團之若
干關連公司已確認, 本集團應付之若干款項
約148,742,000港元之付款期限已延長18個
月, 且於二零一八年十二月三十一日各筆款
項已分類為非流動負債。

於二零一八年十二月三十一日, 非流動負債項
下應付關連公司款項為50,000,000港元(二
零一七年: 流動負債項下50,000,000港元),
為無抵押、免息(二零一七年: 按年利率6%計
息)及須於一年後償還(二零一七年: 須按要
求償還)。餘額為無抵押、不計息及須於一年
後償還(二零一七年: 須按要
求償還)。該等
關連公司由本公司一名董事全資擁有, 該董
事亦為本公司之最終控股人士。

21. 應收／付一名董事款項

該等款項均為無抵押、不計息及須按要
求償還。年內應收謝先生之款項之最高未收回金
額為19,500港元(二零一七年: 零港元)。

171

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

22. BANK BALANCES AND CASH

(a) Cash and cash equivalents comprise

172

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deposits with banks	銀行存款	19,538	118,218
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	綜合財務狀況表及綜合現金流量表之現金及現金等價物	19,538	118,218

As at 31 December 2018, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

Details of impairment assessment of bank deposits are set out in Note 36.

The Group's bank balances and cash denominated in foreign currencies other than functional currencies of the relevant group entities are set out as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$	美元	537	47,609
RMB	人民幣	3	-
HK\$	港元	40	42

Bank balances earns interest at floating rates based on daily bank deposit rates.

22. 銀行結餘及現金

(a) 現金及現金等價物包括

於二零一八年十二月三十一日，本集團對銀行結餘進行減值評估，斷定對手方銀行違約的可能性並不重大，因此概無就信貸虧損作出撥備。

銀行存款減值評估的詳情載列於附註36。

本集團以並非相關集團實體功能貨幣之外幣計值之銀行結餘及現金載列如下：

銀行結餘根據每日銀行存款利率按浮息賺取利息。

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

22. BANK BALANCES AND CASH (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

		Amounts due to related companies	Amounts due to non-controlling interests holders	Other borrowings	Finance leases	Convertible loan notes	Amount due to a director	Total
		應付 關連公司款項 HK\$'000 千港元	應付 非控股權益 持有人款項 HK\$'000 千港元	其他借貸 其他借貸 HK\$'000 千港元	融資租賃 融資租賃 HK\$'000 千港元	可換股 貸款票據 HK\$'000 千港元	應付一名 董事款項 HK\$'000 千港元	總計 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	344,157	3,928,215	40,007	62,346	438,592	-	4,813,317
Changes from financing cash flows	融資現金流量之變動	(147,041)	74,178	-	(24,680)	378,663	-	281,120
Exchange adjustments	匯兌調整	15,392	312,652	-	5,251	-	-	333,295
Interest expense accrued	應計利息開支	-	367,703	1,472	10,642	55,260	-	435,077
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具 部分之公平值變動	-	-	-	-	52,429	-	52,429
Disposal of subsidiaries	出售附屬公司	-	-	(41,416)	-	-	-	(41,416)
Other non-cash movements	其他非現金變動	-	(67,718)	(63)	-	1,436	-	(66,345)
At 31 December 2017	於二零一七年十二月三十一日	212,508	4,615,030	-	53,559	926,380	-	5,807,477
At 1 January 2018	於二零一八年一月一日	212,508	4,615,030	-	53,559	926,380	-	5,807,477
Changes from financing cash flows	融資現金流量之變動	(55,719)	-	-	(32,919)	(25,351)	14,508	(99,481)
Exchange adjustments	匯兌調整	(8,047)	(247,616)	-	(3,133)	-	-	(258,796)
Interest expense accrued	應計利息開支	-	359,163	-	18,602	70,190	-	447,955
Inception of finance lease	設立融資租賃	-	-	-	486	-	-	486
Change in fair value of derivative component of convertible loan notes	可換股貸款票據衍生工具 部分之公平值變動	-	-	-	-	(235,973)	-	(235,973)
Issue of convertible loan notes	發行可換股貸款票據	-	-	(317,568)	-	317,568	-	-
Recognition of deferred day one gain	確認遞延首日收益	-	-	(2,940)	-	2,940	-	-
Recognition of deemed contribution	確認視作供款	-	-	(74,492)	-	-	-	(74,492)
Conversions of convertible loan notes	兌換可換股貸款票據	-	-	-	-	(10,000)	-	(10,000)
Transfer to other borrowings	轉撥至其他借貸	-	-	409,101	-	(409,101)	-	-
Other non-cash movements	其他非現金變動	-	3,931	-	-	-	-	3,931
At 31 December 2018	於二零一八年十二月三十一日	148,742	4,730,508	14,101	36,595	636,653	14,508	5,581,107

173

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

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

174

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付款項	2,039	6,411
Other payables (current portion):	其他應付款項(即期部分):		
– Receipts in advance	– 預收款項	21,684	24,538
– Accrued staff costs	– 應計員工成本	29,599	35,667
– Other taxes payable	– 其他應付稅項	10,484	40,481
– Considerations for acquisition of subsidiaries	– 收購附屬公司之代價	219,948	368,410
– Payables for construction works and purchase of machineries	– 建築工程及購入機器應付款項	69,617	305,851
– Accrued expenses and other payables	– 應計費用及其他應付款項	250,234	114,712
		601,566	889,659
Other payables (non-current portion):	其他應付款項(非即期部分):		
– Considerations for acquisition of subsidiaries	– 收購附屬公司之代價	89,836	–
– Payables for construction works and purchase of machineries	– 建築工程及購買機器之應付款項	216,492	–
– Accrued expenses and other payables	– 應計開支及其他應付款項	117,262	–
		423,590	–

As at 31 December 2018, certain creditors of the Group had confirmed that certain amounts due by the Group of approximately HK\$423,590,000 are extended for 18 months, and the respective amounts are classified as non-current liabilities as at 31 December 2018.

於二零一八年十二月三十一日，本集團若干債權人已確認，本集團應付之若干款項約423,590,000港元已延長18個月，且於二零一八年十二月三十一日各筆款項已分類為非流動負債。

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

23. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of the trade payables based on the invoiced dates at the end of the reporting period was as follows:

Within 30 days	30天內
31 days to 60 days	31天至60天
61 days to 90 days	61天至90天
91 days to 180 days	91天至180天
181 days to 365 days	181天至365天
Over 365 days	超過365天

2018	2017
二零一八年	二零一七年
HKS'000	HK\$'000
千港元	千港元

242	-
-	-
-	-
16	-
-	1,778
1,781	4,633
2,039	6,411

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

23. 貿易及其他應付款項 (續)

於報告期末，依照發票日期計算之貿易應付款項賬齡分析如下：

2018	2017
二零一八年	二零一七年
HKS'000	HK\$'000
千港元	千港元

242	-
-	-
-	-
16	-
-	1,778
1,781	4,633
2,039	6,411

購買貨品之平均賒賬期限為90天。本集團設有財務風險管理政策，確保全部應付款項均於賒賬期限內結清。

24. AMOUNTS DUE TO NON-CONTROLLING INTERESTS HOLDERS

As at 31 December 2018, the amounts due to non-controlling interests holders classified as current liabilities amounting to HK\$706,633,000 (2017: HK\$4,615,030,000) are unsecured, interest-free (2017: carried interest at fixed rates ranging from 5.22% to 7.65%) per annum and are repayable within twelve months from the end of the reporting period.

During the year, non-controlling interests holders of the Group had confirmed that the repayment terms of amounts of HK\$4,023,875,000 due by the Group are extended for three years from the original dates on which they are falling due. Accordingly, the respective amounts are classified as non-current liabilities as at 31 December 2018. Such amounts are unsecured, interest bearing at fixed rates ranging from 5.34% to 7.50% per annum. The amounts were entrusted loans provided by non-controlling interests holders of a subsidiary through banks.

24. 應付非控股權益持有人款項

於二零一八年十二月三十一日，分類為流動負債之應付非控股權益持有人款項706,633,000港元（二零一七年：4,615,030,000港元）為無抵押，免息（二零一七年：按定息每年5.22%至7.65%計息）及須於由報告期末起十二個月內償還。

年內，本集團非控股權益持有人已確認，本集團應付款項4,023,875,000港元之還款期限已由原到期日延長三年。因此，於二零一八年十二月三十一日各筆款項已分類為非流動負債。有關款項為無抵押，按定息每年5.34%至7.50%計息。該筆款項乃一間附屬公司之非控股權益持有人透過銀行提供之委託貸款。

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

25. CONVERTIBLE LOAN NOTES

2013 Convertible Loan Notes A

On 7 June 2013, the Company issued convertible loan notes to the shareholders of City Bloom Limited (“City Bloom”), a company incorporated in the BVI, with an aggregate principal amount of HK\$3,548,271,713 (the “2013 Convertible Loan Notes A”) with coupon rate equal to the rate of dividend per share from time to time declared and paid by the Company to the shareholders as if the 2013 Convertible Loan Notes A have been converted in full into shares at the same time when the relevant dividend is payable to the shareholder, in respect of the acquisition of entire interests in Lexing Holdings Limited. The 2013 Convertible Loan Notes A had a maturity date of 6 June 2018 and can be converted up to an aggregate of 20,872,186,547 ordinary shares of HK\$0.01 each at HK\$0.17 per share. The notes were denominated in HK\$ and entitled the holders to convert them into ordinary shares of the Company at any time during the period commencing from immediately after the date of issue of the 2013 Convertible Loan Notes A up to the maturity date. The effective interest rate of the liability component is 9.78% per annum.

The Company may redeem in whole or part of the 2013 Convertible Loan Notes A at 100% of the outstanding principal amount together with declared but unpaid dividend of the 2013 Convertible Loan Notes A (the “Redemption Amount”) at any time after six months of the date of issue of the 2013 Convertible Loan Notes A and before the maturity date with prior notice to the shareholders of City Bloom.

25. 可換股貸款票據

A類二零一三年可換股貸款票據

於二零一三年六月七日，本公司就收購樂興控股有限公司之全部權益發行本金總額3,548,271,713港元之可換股貸款票據（「A類二零一三年可換股貸款票據」）予城興有限公司（「城興」，一間於英屬處女群島註冊成立之公司）之股東，票面息率相等於本公司不時向股東宣派及派付之每股股息率，猶如A類二零一三年可換股貸款票據已於向股東派付相關股息時獲悉數兌換為股份。A類二零一三年可換股貸款票據之到期日為二零一八年六月六日，可按每股0.17港元兌換為最多合共20,872,186,547股每股面值0.01港元之普通股。該等票據以港元計值，賦予持有人權利於緊隨A類二零一三年可換股貸款票據發行日後至到期日期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為9.78%。

本公司可於A類二零一三年可換股貸款票據發行日滿六個月後及到期日前隨時透過事先知會城興之股東，按未償還本金額之100%連同A類二零一三年可換股貸款票據之已宣派但未付股息（「贖回額」）贖回全部或部分A類二零一三年可換股貸款票據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

2013 Convertible Loan Notes A (continued)

The shareholders of City Bloom may at any time after one year of the date of issue of the 2013 Convertible Loan Notes A and before the maturity date with prior notice to request the Company to redeem whole or part of the 2013 Convertible Loan Notes A at Redemption Amount.

On 18 March 2016, the conversion price of the 2013 Convertible Loan Notes A was adjusted from HK\$0.17 per share to HK\$0.07 per share pursuant to certain adjustment terms of the 2013 Convertible Loan Notes A as a result of the placing of the Company's shares on the same date.

On 30 December 2016, the holder of the 2013 Convertible Loan Notes A converted principal amounts approximately HK\$1,001,286,972 into 14,304,099,595 ordinary shares of the Company.

On 28 August 2017, the conversion price of the 2013 Convertible Loan Notes A was adjusted from HK\$0.07 per share to HK\$0.7 per share pursuant to share consolidation (Note 26(c)). The number of ordinary shares available for conversion was also changed from 5,987,157,200 ordinary shares to 598,715,720 ordinary shares.

On 18 January 2018, a holder of the 2013 Convertible Loan Notes A converted principal amounts approximately HK\$10,000,000 into 14,285,714 ordinary shares of the Company.

All the remaining principal of the outstanding 2013 Convertible Loan Notes A, with the mature date of 6 June 2018, were held by China OEPC, Ms. Hao Ting (the spouse of Mr. Zhang) ("Ms. Hao"), and two independent third parties (collectively the "Holders"). The remaining principal of the expired 2013 Convertible Loan Notes A of HK\$409,101,000 was classified as "Other borrowings" under current liabilities upon the maturity, whereas HK\$380,000,000 payable to Mr. Zhang and HK\$15,000,000 payable to Ms. Hao were offset with the issuance of convertible loan notes on 30 July 2018.

25. 可換股貸款票據 (續)

A類二零一三年可換股貸款票據 (續)

城興之股東可於A類二零一三年可換股貸款票據發行日滿一周年後及到期日前隨時透過事先發出通知，要求本公司按贖回額贖回全部或部分A類二零一三年可換股貸款票據。

於二零一六年三月十八日，因本公司於同日配售股份而根據A類二零一三年可換股貸款票據之若干調整條款，A類二零一三年可換股貸款票據之兌換價由每股0.17港元調整為每股0.07港元。

於二零一六年十二月三十日，A類二零一三年可換股貸款票據持有人將約1,001,286,972港元之本金額兌換為14,304,099,595股本公司普通股。

於二零一七年八月二十八日，A類二零一三年可換股貸款票據之兌換價根據股份合併（附註26(c)）由每股0.07港元調整為每股0.7港元。可供兌換普通股數目亦由5,987,157,200股普通股變為598,715,720股普通股。

於二零一八年一月十八日，A類二零一三年可換股貸款票據持有人將約10,000,000港元之本金額兌換為14,285,714股本公司普通股。

所有未兌換之A類二零一三年可換股貸款票據（到期日為二零一八年六月六日）剩餘本金額由中國能源、郝婷女士（張先生之配偶）（「郝女士」）及兩名獨立第三方（統稱「持有人」）持有。已到期之A類二零一三年可換股貸款票據剩餘本金額409,101,000港元於到期後被分類為流動負債項下的「其他借貸」，而應付張先生380,000,000港元及應付郝女士15,000,000港元被二零一八年七月三十日發行的可換股貸款票據抵銷。

177

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

2017 Convertible Loan Notes A

On 10 July 2017, the Company issued convertible loan notes which will be matured on the third anniversary of the issue date (“the Initial Maturity Date”) with an aggregate principal amount of US\$50,000,000 (equivalent to approximately HK\$391,436,000 (“2017 Convertible Loan Notes A”) and with coupon rate of 6.5% per annum, settled semi-annually. The 2017 Convertible Loan Notes A can be convertible into up to an aggregate of 11,926,605,505 ordinary shares at a conversion price of HK\$0.0327 per share. The notes were denominated in US\$ and entitled the holders to convert them into ordinary shares of the Company on the Initial Maturity Date. At any time following the first anniversary of the issued date, the Company may, if it gives the relevant noteholder written notice not less than thirty days prior to the proposed redemption date and obtains such noteholder’s consent with seven business days after the day of such written notice, redeem the whole or any part (in multiple of US\$1,000,000) of the principal amount of the 2017 Convertible Loan Notes A held by such noteholder on the early redemption date. The effective interest rate of the liability component is 13.97% per annum.

On 28 August 2017, the conversion price of the 2017 Convertible Loan Note A was adjusted from HK\$0.0327 per share to HK\$0.327 per share pursuant to share consolidation (Note 26(c)). After adjustment, the 2017 Convertible Loan Notes A can be convertible into up to an aggregate of 1,192,660,550 ordinary shares.

As at 31 December 2018, the remaining principal of the 2017 Convertible Loan Notes A was US\$50,000,000 (equivalent to HK\$390,000,000) (2017: US\$50,000,000, equivalent to HK\$390,000,000).

25. 可換股貸款票據 (續)

A類二零一七年可換股貸款票據

於二零一七年七月十日，本公司發行本金總額50,000,000美元（相等於約391,436,000港元）、票面息率每年6.5%及到期日為發行日期起第三週年（「初始到期日」）之可換股貸款票據（「A類二零一七年可換股貸款票據」），利息每半年結算一次。A類二零一七年可換股貸款票據可按兌換價每股0.0327港元兌換為最多合共11,926,605,505股普通股。該等票據以美元計值，賦予持有人權利於初始到期日將票據兌換為本公司普通股。於發行日期第一週年後任何時間，倘本公司於建議贖回日期前不少於三十日向相關票據持有人發出書面通知，並於發出書面通知當日後七個營業日內取得有關票據持有人之同意，則本公司可於提早贖回日期贖回有關票據持有人持有之全部或任何部分（為1,000,000美元的倍數）A類二零一七年可換股貸款票據之本金額。負債部分之實際年利率為13.97%。

於二零一七年八月二十八日，根據股份合併（附註26(c)），A類二零一七年可換股貸款票據之兌換價由每股0.0327港元調整為每股0.327港元。於作出調整後，A類二零一七年可換股貸款票據合共可兌換為最多1,192,660,550股普通股。

於二零一八年十二月三十一日，A類二零一七年可換股貸款票據之剩餘本金額為50,000,000美元（相等於390,000,000港元）（二零一七年：50,000,000美元（相等於390,000,000港元））。

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

2018 Convertible Loan Notes A

On 30 July 2018, the Company issued convertible loan notes to China OEPC which will be matured on the second anniversary of the issue date with an aggregate principal amount of HK\$380,000,000 ("2018 Convertible Loan Notes A") and with coupon rate of 1.5% per annum, settled quarterly in arrears or such other date as noteholder and the Company may agree in writing. The 2018 Convertible Loan Notes A can be convertible into up to an aggregate of 1,151,515,151 ordinary shares at a conversion price of HK\$0.33 per share. The notes were denominated in HK\$ and entitled the holder to convert them into ordinary shares of the Company on the second anniversary of the issue date. The Company may at any time before the maturity date by written notices to the holder, and with consent of the holder, redeem the 2018 Convertible Loan Note A (in whole or in part) at 100% of the principal amount of the part of the 2018 Convertible Loan Notes A to be redeemed together with accrued and unpaid interest. The effective interest rate of the liability component is 13.12% per annum. As at 31 December 2018, the remaining principal of the 2018 Convertible Loan Notes A was HK\$380,000,000.

2018 Convertible Loan Notes B

On 30 July 2018, the Company issued convertible loan notes to Ms. Hao which will be matured on the second anniversary of the issue date with an aggregate principal amount of HK\$15,000,000 ("2018 Convertible Loan Notes B") and with coupon rate at 1.5% per annum, settled quarterly in arrears or such other date as noteholder and the Company may agree in writing. The 2018 Convertible Loan Notes B can be convertible into up to an aggregate of 45,454,545 ordinary shares at a conversion price of HK\$0.33 per share. The notes were denominated in HK\$ and entitled the holder to convert them into ordinary shares of the Company on the second anniversary of the issue date. The Company may at any time before the maturity date by written notices to the holder, and with consent of the holder, redeem the 2018 Convertible Loan Note B (in whole or in part) at 100% of the principal amount of the part of the 2018 Convertible Loan Notes B to be redeemed together with accrued and unpaid interest. The effective interest rate of the liability component is 13.12% per annum. As at 31 December 2018, the remaining principal of 2018 Convertible Loan Notes B was HK\$15,000,000.

25. 可換股貸款票據 (續)

A類二零一八年可換股貸款票據

於二零一八年七月三十日，本公司向中國能源發行本金總額380,000,000港元、票面息率每年1.5%及到期日為發行日期起第二週年之可換股貸款票據（「A類二零一八年可換股貸款票據」），利息每季度或於票據持有人與本公司可能書面協定之有關其他日期結算一次。A類二零一八年可換股貸款票據可按兌換價每股0.33港元兌換為最多合共1,151,515,151股普通股。該等票據以港元計值，賦予持有人權利於發行日期起第二週年將票據兌換為本公司普通股。本公司可於到期日前任何時間書面通知持有人，且經持有人同意後，按將贖回之A類二零一八年可換股貸款票據部分本金額的100%贖回全部或部分A類二零一八年可換股貸款票據連同應計及未付利息。負債部分之實際年利率為13.12%。於二零一八年十二月三十一日，A類二零一八年可換股貸款票據之剩餘本金額為380,000,000港元。

B類二零一八年可換股貸款票據

於二零一八年七月三十日，本公司向郝女士發行本金總額15,000,000港元、票面息率每年1.5%及到期日為發行日期起第二週年之可換股貸款票據（「B類二零一八年可換股貸款票據」），利息每季度或於票據持有人與本公司可能書面協定之有關其他日期結算一次。B類二零一八年可換股貸款票據可按兌換價每股0.33港元兌換為最多合共45,454,545股普通股。該等票據以港元計值，賦予持有人權利於發行日期起第二週年將票據兌換為本公司普通股。本公司可於到期日前任何時間書面通知持有人，且經持有人同意後，按將贖回之B類二零一八年可換股貸款票據部分本金額的100%贖回全部或部分B類二零一八年可換股貸款票據連同應計及未付利息。負債部分之實際年利率為13.12%。於二零一八年十二月三十一日，B類二零一八年可換股貸款票據之剩餘本金額為15,000,000港元。

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

The movements of the liability and derivative components of the convertible loan notes are set out below:

25. 可換股貸款票據 (續)

可換股貸款票據負債及衍生工具部分之變動載列如下：

180

		2013 Convertible Loan Notes A A類 二零一三年 可換股 貸款票據 HK\$'000 千港元	2017 Convertible Loan Notes A A類 二零一七年 可換股 貸款票據 HK\$'000 千港元	2018 Convertible Loan Notes A A類 二零一八年 可換股 貸款票據 HK\$'000 千港元	2018 Convertible Loan Notes B B類 二零一八年 可換股 貸款票據 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities component	負債部分					
At 1 January 2017	於二零一七年一月一日	370,998	-	-	-	370,998
Issue of convertible loan notes	發行可換股貸款票據	-	287,602	-	-	287,602
Effective interest expenses (Note 8)	實際利息開支(附註8)	37,294	17,966	-	-	55,260
Interest paid during the year	年內已付利息	-	(11,337)	-	-	(11,337)
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	408,292	294,231	-	-	702,523
Issue of convertible loan notes	發行可換股貸款票據	-	-	301,516	11,902	313,418
Effective interest expenses (Note 8)	實際利息開支(附註8)	10,809	41,647	17,061	673	70,190
Interest paid during the year	年內已付利息	-	(25,351)	-	-	(25,351)
Conversion of convertible loan notes	兌換可換股貸款票據	(10,000)	-	-	-	(10,000)
Transfer to other borrowings	轉撥至其他借貸	(409,101)	-	-	-	(409,101)
At 31 December 2018	於二零一八年 十二月三十一日	-	310,527	318,577	12,575	641,679
Presented by:	按以下方式呈列：					
As at 31 December 2018	於二零一八年 十二月三十一日					
Current liabilities	流動負債	-	-	-	-	-
Non-current liabilities	非流動負債	-	310,527	318,577	12,575	641,679
		-	310,527	318,577	12,575	641,679
As at 31 December 2017	於二零一七年 十二月三十一日					
Current liabilities	流動負債	408,292	-	-	-	408,292
Non-current liabilities	非流動負債	-	294,231	-	-	294,231
		408,292	294,231	-	-	702,523

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

25. 可換股貸款票據 (續)

		2013 Convertible Loan Notes A A類 二零一三年 可換股 貸款票據 HK\$'000 千港元	2017 Convertible Loan Notes A A類 二零一七年 可換股 貸款票據 HK\$'000 千港元	2018 Convertible Loan Notes A A類 二零一八年 可換股 貸款票據 HK\$'000 千港元	2018 Convertible Loan Notes B B類 二零一八年 可換股 貸款票據 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Derivative component	衍生工具部分					
At 1 January 2017	於二零一七年一月一日	67,594	-	-	-	67,594
Issue of convertible loan notes	發行可換股貸款票據	-	103,834	-	-	103,834
Change in fair value	公平值變動	(42,095)	94,524	-	-	52,429
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	25,499	198,358	-	-	223,857
Issue of convertible loan notes	發行可換股貸款票據	-	-	3,992	158	4,150
Recognition of deferred day one gain	確認遞延首日收益	-	-	-	2,940	2,940
Amortisation of deferred day one gain in profit or loss	於損益攤銷遞延 首日收益	-	-	-	(620)	(620)
Change in fair value of embedded derivative	嵌入式衍生工具 公平值變動	(25,499)	(205,714)	(3,983)	(157)	(235,353)
		(25,499)	(205,714)	(3,983)	(777)	(235,973)
At 31 December 2018	於二零一八年 十二月三十一日	-	(7,356)	9	2,321	(5,026)
Presented by:	按以下方式呈列:					
As at 31 December 2018	於二零一八年 十二月三十一日					
Current assets	流動資產	-	(7,356)	-	-	(7,356)
Current liabilities	流動負債	-	-	9	2,321	2,330
		-	(7,356)	9	2,321	(5,026)
As at 31 December 2017	於二零一七年 十二月三十一日					
Current liabilities	流動負債	25,499	198,358	-	-	223,857
		25,499	198,358	-	-	223,857

181

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

182

25. CONVERTIBLE LOAN NOTES (CONTINUED)

The derivative component of 2013 Convertible Loan Notes A which represented the conversion option of the holder and the redemption option of the Company, was valued 31 December 2017 based on the valuations performed by Greater China Appraisal Limited ("Greater China"), using Black-Scholes model with Trinomial Lattice Tree model. 2013 Convertible Loan Notes A were matured on 6 June 2018. The significant inputs to the models were as follows:

		31 December 2017 二零一七年 十二月三十一日
Spot price (HK\$)	現貨價 (港元)	0.385%
Risk free rate	無風險利率	1.0183%
Expected option period (year)	預期期權期限 (年)	0.43
Expected volatility	預期波幅	38.8%

The derivative component of 2017 Convertible Loan Notes A which represented the conversion option of the holder and the redemption option of the Company, was valued on issue date 10 July 2017, 31 December 2017 and 31 December 2018 based on the valuations performed by Greater China, using Black-Scholes model with trinomial tree model. The significant inputs to the models were as follows:

		31 December 2018 二零一八年 十二月三十一日	31 December 2017 二零一七年 十二月三十一日	10 July 2017 二零一七年 七月十日
Spot price (HK\$)	現貨價 (港元)	0.0420	0.385	0.028
Risk free rate	無風險利率	1.7646%	1.3934%	0.962%
Expected option period (year)	預期期權期限 (年)	3.5233	4.52	5.00
Expected volatility	預期波幅	51.2421%	39.52%	37.65%

25. 可換股貸款票據 (續)

A類二零一三年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於二零一七年十二月三十一日依照漢華評值有限公司（「漢華」）利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。A類二零一三年可換股貸款票據已於二零一八年六月六日到期。該等模型之重大輸入值如下：

A類二零一七年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於發行日期二零一七年七月十日、二零一七年十二月三十一日及二零一八年十二月三十一日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。該等模型之重大輸入值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

25. CONVERTIBLE LOAN NOTES (CONTINUED)

The derivative component of 2018 Convertible Loan Notes A and B represented the conversion option of the holders and the redemption option of the Company, was valued on issue date 30 July 2018 and 31 December 2018 based on the valuations performed by Greater China, using Black-Scholes model with trinomial tree model. The significant inputs to the models were as follows:

		31 December 2018 二零一八年 十二月三十一日	30 July 2018 二零一八年 七月三十日
Spot price (HK\$)	現貨價 (港元)	0.0420	0.1280
Risk free rate	無風險利率	1.6993%	1.7970%
Expected option period (year)	預期期權期限 (年)	1.58	2.00
Expected volatility	預期波幅	56.1591%	54.3300%

The gain on change in fair value of embedded derivatives of the convertible loan notes for the year ended 31 December 2018 of HK\$235,353,000 (2017: loss of HK\$52,429,000) and amortisation of deferred day one gain of HK\$620,000 (2017: Nil) were recognised as "Change in fair value of derivative component of convertible loan notes" in the consolidated statement of profit or loss, of which HK\$210,474,000 were held at the end of the current reporting period. The related interest expense of the liability component of the convertible loan notes for the year ended 31 December 2018 amounted to HK\$70,190,000 (2017: HK\$55,260,000), which was calculated using the effective interest method.

25. 可換股貸款票據 (續)

A類及B類二零一八年可換股貸款票據之衍生工具部分指持有之兌換權及本公司之贖回權，已於發行日期二零一八年七月三十日及二零一八年十二月三十一日依照漢華利用布萊克-肖爾斯期權定價模型及三項式樹狀定價法進行之估值估算。該等模型之重大輸入值如下：

截至二零一八年十二月三十一日止年度，可換股貸款票據嵌入式衍生工具公平值變動之收益235,353,000港元（二零一七年：虧損52,429,000港元）及攤銷遞延首日收益620,000港元（二零一七年：無）於綜合損益表確認為「可換股貸款票據衍生工具部分之公平值變動」，其中210,474,000港元乃於本報告期末持有。截至二零一八年十二月三十一日止年度，可換股貸款票據負債部分之相關利息開支為70,190,000港元（二零一七年：55,260,000港元），乃採用實際利率法計算。

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

26. SHARE CAPITAL

26. 股本

184

		Number of shares		Share capital	
		股份數目		股本	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
				HK\$'000	HK\$'000
				千港元	千港元
Ordinary shares	普通股				
Authorised:	法定:				
At 1 January	於一月一日	20,000,000,000	196,905,061,616	2,000,000	1,969,051
Share subdivision (Note a)	股份拆細 (附註a)	180,000,000,000	-	-	-
Share consolidation (Note c)	股份合併 (附註c)	-	(177,214,555,455)	-	-
		200,000,000,000	19,690,506,161	2,000,000	1,969,051
Increase	增加	-	309,493,839	-	30,949
At 31 December	於十二月三十一日	200,000,000,000	20,000,000,000	2,000,000	2,000,000
Issued and fully paid:	已發行及繳足:				
At beginning of the financial year	於財政年度開始時	7,296,746,300	72,967,463,002	729,675	729,675
Issue of shares upon:	因以下事項發行股份:				
Share consolidation (Note c)	股份合併 (附註c)	-	(65,670,716,702)	-	-
Conversion of convertible loan notes (Note b)	兌換可換股貸款票據 (附註b)	14,285,714	-	1,428	-
Share reduction (Note a)	股份削減 (附註a)	-	-	(657,993)	-
At the end of the financial year	於財政年度結束時	7,311,032,014	7,296,746,300	73,110	729,675

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

26. SHARE CAPITAL (CONTINUED)

Notes:

- a. Pursuant to a special resolution passed by shareholders at the special general meeting had on 31 October 2018, capital reorganisation was completed by way of (i) a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued existing shares so that the nominal value of each issued shares will be reduced from HK\$0.10 to HK\$0.01; (ii) a subdivision of each authorised but unissued existing shares of HK\$0.10 (which shall include the authorised but unissued share capital resulting from the capital reduction) into ten new shares of HK\$0.01 each; and (iii) a transfer of the credit arising from the capital reduction to the contributed surplus account of the Company.

Upon the capital reorganisation taking effect, the authorised share capital will be HK\$2,000,000,000 divided into 200,000,000,000 new shares of HK\$0.01 each, of which 7,311,032,014 shares issued. All ordinary shares rank equally with regard to the Company's residual assets.

- b. On 18 January 2018, a holder of 2013 Convertible Loan Notes A converted principal amounts approximately HK\$10,000,000 into 14,285,714 ordinary shares of the Company.
- c. Pursuant to an ordinary resolution passed by shareholders at the special general meeting had on 25 August 2017, the share consolidation of every ten issued and unissued shares of HK\$0.01 each into one consolidated share of HK\$0.1 each became effective on 28 August 2017.

Upon the share consolidation taking effect, all the authorised but unissued share capital of the Company, which included (i) the authorised but unissued convertible preference shares (class A) of HK\$0.1 each in the share capital of the Company; (ii) the authorised but unissued convertible preference shares of HK\$0.01 each in the share capital of the Company; and (iii) the fractional new shares arising from the share consolidation, were cancelled in its entirety. The authorised share capital of the Company was increased to HK\$2,000,000,000 by creation of such number of additional new shares. Immediately before the share consolidation, there was 547,638,384 convertible preference shares (class A) and 2,547,300,000 convertible preference shares.

26. 股本 (續)

附註:

- a. 根據股東於二零一八年十月三十一日舉行之股東特別大會上通過之特別決議案，本公司按如下方式完成股本重組：(i)削減本公司之已發行股本，透過註銷本公司每股已發行現有股份之繳足股本0.09港元，將使每股已發行股份之面值由0.10港元減至0.01港元；(ii)將每股面值0.10港元之法定但未發行現有股份（包括因股本削減而產生之法定但未發行股本）拆細為十股每股面值0.01港元之新股；及(iii)將股本削減所產生之進賬轉撥至本公司繳入盈餘賬。

於股本重組生效後，法定股本將為2,000,000,000港元，分為每股面值0.01港元之200,000,000,000股新股，當中7,311,032,014股股份已發行。就本公司剩餘資產而言，所有普通股享有同等地位。

- b. 於二零一八年一月十八日，A類二零一三年可換股貸款票據持有人將約10,000,000港元之本金額兌換為14,285,714股本公司普通股。
- c. 根據股東於二零一七年八月二十五日舉行之股東特別大會上通過之普通決議案，每十股每股面值0.01港元之已發行及未發行股份合併為一股每股面值0.1港元之合併股份之股份合併於二零一七年八月二十八日生效。

於股份合併生效後，全面註銷本公司所有法定但未發行股本，包括(i)本公司股本中每股面值0.1港元之法定但未發行可換股優先股(A類)；(ii)本公司股本中每股面值0.01港元之法定但未發行可換股優先股；及(iii)股份合併產生之零碎新股。本公司法定股本藉增設該等額外新股份數目，增加至2,000,000,000港元。緊接股份合併前，本公司有547,638,384股可換股優先股(A類)及2,547,300,000股可換股優先股。

185

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

27. PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

27. 恢復、修復及環境成本撥備

186

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	66,682
Imputed interest expense (Note 8)	估算利息開支(附註8)	2,937
Exchange realignment	匯兌調整	5,308
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	74,927
Imputed interest expense (Note 8)	估算利息開支(附註8)	3,276
Exchange realignment	匯兌調整	(3,924)
At 31 December 2018	於二零一八年十二月三十一日	74,279

The restoration and rehabilitation works will be performed in the years from 2022 to 2040. The provision is carried at amortised cost at effective interest rate ranges from 4.1% to 6.96% per annum.

恢復及修復之工作將於二零二年至二零四零年進行。撥備乃按實際年利率介乎4.1%至6.96%計算之攤銷成本列賬。

28. DEFERRED TAX LIABILITIES

28. 遞延稅項負債

The following is the movements of deferred tax liabilities during the current and prior years:

本年度及過往年度之遞延稅項負債變動如下：

		Mining rights 採礦權 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	1,795,426
Charged to profit or loss (Note 10)	自損益扣除(附註10)	233,041
Exchange difference	匯兌差額	138,392
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	2,166,859
Credited to profit or loss (Note 10)	計入損益(附註10)	(748,611)
Exchange difference	匯兌差額	(113,447)
At 31 December 2018	於二零一八年十二月三十一日	1,304,801

As at 31 December 2017 and 2018, deferred tax liabilities mainly comprised of the impairment loss or reversal of impairment loss on mining rights of the Group.

於二零一七年及二零一八年十二月三十一日，遞延稅項負債主要包括本集團採礦權的減值虧損或減值虧損撥回。

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

28. DEFERRED TAX LIABILITIES (CONTINUED)

At the 31 December 2017 and 2018, the Group had insignificant unused tax losses. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

Under the Tax Law of the Cambodia, withholding tax is imposed on dividends in respect of profits earned by the Cambodia subsidiaries. As at 31 December 2018, deferred taxation has not been provided for in the consolidation financial statements in respect of temporary difference as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Under the New Enterprises Income Tax Law of the PRC, withholding tax is imposed on dividends in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards (the "Post-2008 Earnings"). As at 31 December 2018 and 2017, deferred taxation has not been provided for in the consolidation financial statements in respect of temporary difference attributable to the "Post-2008 Earnings" as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. 遞延稅項負債 (續)

於二零一七年及二零一八年十二月三十一日，本集團的未動用稅項虧損並不重大。由於未能預期未來溢利來源，因此並無就有關稅項虧損確認遞延稅項資產。

根據柬埔寨稅法，有關柬埔寨附屬公司所賺取溢利之股息須繳納預扣稅。於二零一八年十二月三十一日，本集團並未就暫時差額於綜合財務報表作出遞延稅項撥備，原因是本集團能控制撥回暫時差額之時間，且有關暫時差額不大可能於可見將來撥回。

根據中國新企業所得稅法，有關中國附屬公司自二零零八年一月一日起所賺取溢利（「二零零八年後盈利」）之股息須繳納預扣稅。於二零一八年及二零一七年十二月三十一日，本集團並未就「二零零八年後盈利」帶來之暫時差額，於綜合財務報表作出遞延稅項撥備，原因是本集團能控制撥回暫時差額之時間，且有關暫時差額不大可能於可見將來撥回。

187

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

29. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT

Impairment testing of mining rights, property, plant and equipment in relation to mining operation

In 2018, the Directors considered (i) decrease in gross profit ratio of coal mines business; and (ii) change of production schedules of certain coal mines. In the opinion of the Directors, impairment indications existed as at 31 December 2018 due to the deteriorated financial performance and change of production schedules of certain coal mines.

For the purpose of impairment testing, the assets and liabilities of the Group's mining operations were allocated into five cash generating units ("CGUs") namely Bolong, 山西煤炭運銷集團古交遼源煤業有限公司 ("Liaoyuan"), Xinfeng, 山西煤炭運銷集團古交福昌煤業有限公司 ("Fuchang") and 山西煤炭運銷集團古交世紀金鑫有限公司 ("Jinxin"), which represented five subsidiaries in the mining operation segment to determine their recoverable amounts.

The recoverable amounts of the five CGUs in the mining operations CGUs were determined from value-in-use calculation. Their recoverable amounts are based on certain similar key assumptions. The management of the Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and cash flows beyond 5-year period were extrapolated using 3% (2017: 3%) growth rate over nine to eighteen (2017: nine to eighteen) years which does not exceed the long-term growth rate, assuming the extension of mining licenses is available and administrative in nature. In preparing the forecast, management made reference to the latest verified levels of mineral reserves presently verified and the production cost projection and the future production capacity according to the technical report issued by John T. Boyd ("JT Boyd") dated as of 28 February 2017.

29. 採礦權、物業、廠房及設備減值

與採礦業務有關之採礦權、物業、廠房及設備減值測試

於二零一八年，董事認為(i)採礦業務毛利率下跌；及(ii)若干煤礦的生產時間表變動。董事認為，由於若干煤礦的財務表現惡化及生產時間表的變動，於二零一八年十二月三十一日存在減值跡象。

就減值測試而言，本集團採礦業務之資產負債分配至五個現金產生單位（「現金產生單位」），即鉑龍、山西煤炭運銷集團古交遼源煤業有限公司（「遼源」），鑫峰、山西煤炭運銷集團古交福昌煤業有限公司（「福昌」）及山西煤炭運銷集團古交世紀金鑫有限公司（「金鑫」），代表採礦業務分部之五間附屬公司，以釐定其可收回金額。

採礦業務現金產生單位中五個現金產生單位之可收回金額按使用價值計算法釐定。其可收回金額乃根據若干類似主要假設釐定。本集團管理層按最近期經管理人員批准之財務預算編製現金流量預測，超過五年期間之現金流量則按3%（二零一七年：3%）增長率（並無超過長期增長率）作出九至十八年（二零一七年：九至十八年）推算，當中假設採礦許可證可續期且續期屬行政性質。管理人員參考約翰T.博德公司（「JT博德」）發出之日期為二零一七年二月二十八日之技術報告現階段測定之最新經測定礦物儲量水平、生產成本預測及未來產能編製預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

29. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment testing of mining rights, property, plant and equipment in relation to mining operation (continued)

The key assumptions for the value-in-use calculation are those regarding discount rates, anticipated changes to future selling prices, production costs, anticipated changes to future market supply and demand conditions, and anticipated production capacity, as follows:

- Management used a discount rate which was derived from the Company's cost of capital, representing the expected return on the Company's capital, and assigned the following pre-tax discount rates to each mine approximately at:

Bolong	鉑龍
Fuchang	福昌
Jinxin	金鑫
Liaoyuan	遼源
Xinfeng	鑫峰

- Future selling prices were estimated with reference to existing and past quoted commodity prices in the mining industry.
- Future production costs were derived in accordance with feasibility reports issued by JT Boyd with reference to the mines' preliminary design report and current industry cost indicators.
- Future production capacity estimation was made in accordance with the feasibility report issued by JT Boyd dated 28 February 2017 (2017: 28 February 2017).

29. 採礦權、物業、廠房及設備減值 (續)

與採礦業務有關之採礦權、物業、廠房及設備減值測試 (續)

使用價值計算法所用之主要假設涉及貼現率、未來售價預期變動、生產成本、未來市場供需狀況預期變動及預期產能，詳情如下：

- 管理人員所用貼現率按本公司資本成本（即本公司資本之預期回報）及下列各個礦區之指定概約稅前貼現率釐定：

2018	2017
二零一八年	二零一七年
%	%

18	21
24	27
19	24
19	22
N/A不適用	24

- 未來售價參考現有及過往礦業商品報價估計。
- 未來生產成本乃根據JT博德發出之可行性報告並參考礦區之最初設計報告及目前行業成本指標計算。
- 未來產能根據JT博德發出之日期為二零一七年二月二十八日（二零一七年：二零一七年二月二十八日）之可行性報告估計。

189

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

29. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment testing of mining rights, property, plant and equipment in relation to mining operation (continued)

As extracted from Greater China's valuation reports for the recoverable amounts as at 31 December 2018 and 2017 (the "Valuation Reports"), the recoverable amounts of the relevant mining operations CGUs are determined as follows:

Bolong	鉞龍
Liaoyuan	遼源
Xinfeng	鑫峰
Fuchang	福昌
Jinxin	金鑫

The recoverable amounts of the relevant mining operations CGUs were lower than their carrying amounts as at 31 December 2018 (2017: the recoverable amounts of the relevant mining operations CGUs exceeded their carrying amounts). The Directors were of the opinion that, based on the Valuation Reports, impairment loss for the mining operations CGUs had occurred during the year ended 31 December 2018 (2017: reversal of impairment loss). These impairment loss (2017: reversal of impairment loss) were allocated to the assets of the CGUs, except for goodwill, pro rata with their carrying amounts. Accordingly, the carrying amounts of the mining rights were decreased to HK\$6,018,475,000 (2017: HK\$9,492,873,000) and carrying amounts of property, plant and equipment decreased to HK\$1,725,993,000 (2017: HK\$1,796,920,000) under the mining operations. The amounts for impairment loss (2017: reversal of impairment loss) on mining rights and property, plant and equipment are disclosed in Note 16 and Note 15 respectively. The impairment losses made in 2018 were attributable to the deteriorated financial performance and change of production schedules of certain coal mines.

29. 採礦權、物業、廠房及設備減值 (續)

與採礦業務有關之採礦權、物業、廠房及設備減值測試 (續)

誠如漢華估值報告(「估值報告」)所列於二零一八年及二零一七年十二月三十一日之可收回金額,有關採礦業務現金產生單位之可收回金額釐定如下:

31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
--	--

4,082,106	4,693,342
1,688,478	1,882,968
-	2,149,140
1,034,439	1,552,767
939,445	1,011,576

有關採礦業務現金產生單位之可收回金額低於其於二零一八年十二月三十一日之賬面值(二零一七年:相關採礦業務現金產生單位之可收回金額超出其賬面值)。董事認為,根據估值報告,已於截至二零一八年十二月三十一日止年度撥回採礦業務現金產生單位之減值虧損(二零一七年:減值虧損撥回)。該等減值虧損(二零一七年:減值虧損撥回)按賬面值比例分配至現金產生單位(商譽除外)之資產。因此,採礦業務下採礦權之賬面值已減至6,018,475,000港元(二零一七年:9,492,873,000港元)及物業、廠房及設備之賬面值已減至1,725,993,000港元(二零一七年:1,796,920,000港元)。就採礦權及物業、廠房及設備之減值虧損(二零一七年:減值虧損撥回)的金額,分別於附註16及附註15披露。於二零一八年作出減值虧損乃由於若干煤礦的財務表現惡化及生產時間表的變動。

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

29. IMPAIRMENT OF MINING RIGHTS, PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment testing of mining rights, property, plant and equipment in relation to mining operation (continued)

During the year ended 31 December 2018, the impairment provision on property, plant and equipment of Bolong, Xinfeng, Fuchang and Jinxin were HK\$46,552,000, HK\$96,034,000, HK\$143,704,000 and HK\$14,479,000 respectively (2017: reversal of impairment loss of HK\$90,408,000, HK\$19,920,000, HK\$71,385,000 and HK\$47,848,000 respectively) while there was reversal of impairment loss on property, plant and equipment of Liaoyuan of HK\$22,077,000 (2017: impairment loss of HK\$49,527,000).

During the year ended 31 December 2018, the impairment provision on mining rights of Bolong, Xinfeng, Fuchang and Jinxin were HK\$408,240,000, HK\$1,984,337,000, HK\$202,318,000 and HK\$25,114,000 respectively (2017: reversal of impairment loss of HK\$690,496,000, HK\$313,562,000, HK\$138,613,000 and HK\$130,230,000 respectively) while there was reversal of impairment loss on mining rights of Liaoyuan of HK\$48,999,000 (2017: impairment loss of HK\$161,095,000).

29. 採礦權、物業、廠房及設備減值 (續)

與採礦業務有關之採礦權、物業、廠房及設備減值測試 (續)

截至二零一八年十二月三十一日止年度，就鉑龍、鑫峰、福昌及金鑫之物業、廠房及設備之減值撥備分別為46,552,000港元、96,034,000港元、143,704,000港元及14,479,000港元（二零一七年：減值虧損撥回90,408,000港元、19,920,000港元、71,385,000港元及47,848,000港元），而就遼源之物業、廠房及設備之減值虧損撥回為22,077,000港元（二零一七年：減值虧損49,527,000港元）。

截至二零一八年十二月三十一日止年度，就鉑龍、鑫峰、福昌及金鑫之採礦權之減值撥備分別為408,240,000港元、1,984,337,000港元、202,318,000港元及25,114,000港元（二零一七年：減值虧損撥回690,496,000港元、313,562,000港元、138,613,000港元及130,230,000港元），而就遼源之採礦權之減值虧損撥回為48,999,000港元（二零一七年：減值虧損161,095,000港元）。

191

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

30. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2018

On 12 January 2018, a wholly-owned subsidiary of the Company (“the Vendor”) entered into a sale and purchase agreement with a company which is ultimately controlled by Mr. Zhang, the ultimate controlling party of the Company (“the Purchaser”), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire 100% equity interest in its subsidiary, Rong Xin Finance Limited, for a consideration of HK\$1,880,382. The disposal was completed on 12 January 2018. The net liabilities of the subsidiary at the date of disposal were as follows:

		On the completion date 於完成日期 HK\$'000 千港元
Net liabilities disposed of:	已出售負債淨額：	
Prepayments and deposits	預付款項及按金	1,206
Cash and bank balances	現金及銀行結餘	154
Amount due to an immediate holding company	應付一間直接控股公司款項	(11,535)
Other payables and receipts in advances	其他應付款項及預收款項	(30)
		(10,205)
Total consideration	總代價	1,880
Net liabilities disposal of	已出售負債淨額	10,205
Assignment of amount due to a group company	轉讓應付一間集團公司款項	(11,535)
Gain on disposal of a subsidiary (Note 7)	出售一間附屬公司之收益(附註7)	550
Satisfied by:	由以下償付：	
Cash	現金	1,880
Analysis of the net inflow of cash and cash equivalents in respect of disposal of a subsidiary:	就出售一間附屬公司之現金及現金等價物之流入淨額分析：	
Cash	現金	1,880
Less: cash and cash equivalent balances disposed of	減：已出售現金及現金等價物結餘	(154)
		1,726

30. 出售附屬公司

截至二零一八年十二月三十一日止年度

於二零一八年一月十二日，本公司一間全資附屬公司（「賣方」）與一間由本公司最終控股方張先生最終控制之公司（「買方」）訂立一份買賣協議，據此，賣方已有條件同意出售而買方已有條件同意購買其附屬公司融信財務有限公司的100%股權，代價為1,880,382港元。該出售已於二零一八年一月十二日完成。於出售日期附屬公司之負債淨額如下：

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

30. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31 December 2017

On 21 June 2017, a wholly-owned subsidiary of the Company ("the Vendor") entered into a sale and purchase agreement with an independent third party ("the Purchaser"), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire 100% equity interest in its subsidiaries, Topasia Computer Limited and its subsidiaries, for a consideration of HK\$35,724,274. The disposal was completed on 27 June 2017. The net liabilities of the subsidiary at the date of disposal were as follows:

30. 出售附屬公司 (續)

截至二零一七年十二月三十一日止年度

於二零一七年六月二十一日，本公司一間全資附屬公司(「賣方」)與一名獨立第三方(「買方」)訂立一份買賣協議，據此，賣方已有條件同意出售而買方已有條件同意購買其附屬公司冠亞電腦有限公司及其附屬公司的100%股權，代價為35,724,274港元。該出售已於二零一七年六月二十七日完成。於出售日期附屬公司之負債淨額如下：

193

		On the completion date 於完成日期 HK\$'000 千港元
Net liabilities disposed of:	已出售負債淨額：	
Property, plant and equipment	物業、廠房及設備	200
Inventories	存貨	3,844
Trade and other receivables	貿易及其他應收款項	37,597
Amount due from a fellow subsidiary	應收一間同系附屬公司款項	72
Cash and bank balances	現金及銀行結餘	7,581
Amount due to an immediate holding company	應付一間直接控股公司款項	(22,282)
Amount due to a former fellow subsidiary	應付一間前同系附屬公司款項	(5,755)
Trade and other payables	貿易及其他應付款項	(47,157)
Tax payable	應付稅項	(2,523)
		(28,423)
Total consideration	總代價	35,724
Net liabilities disposal of	已出售負債淨額	28,423
Assignment of amount due from group companies	轉讓應收集團公司款項	18,876
Assignment of amount due to group companies	轉讓應付集團公司款項	(49,012)
Exchange reserve	匯兌儲備	7,863
Gain on disposal of subsidiaries (Note 7)	出售附屬公司之收益(附註7)	41,874
Satisfied by:	由以下償付：	
Offset with the Purchaser's current account	以買方之往來賬戶抵銷	35,724
Analysis of the net outflow of cash and cash equivalents in respect of disposal of subsidiaries:	就出售附屬公司之現金及現金等價物之流出淨額分析：	
Cash	現金	-
Less: cash and cash equivalent balances disposed of	減：已出售現金及現金等價物結餘	(7,581)
		(7,581)

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

31. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant transactions with related parties during the year:

Transaction with 古交市金牛大廈房地產開發有限公司:

Rental expense paid 已付租金開支

Mr. Zhang a director and chairman of the Company is also a director of 古交市金牛大廈房地產開發有限公司。

Compensation of key management personnel

The remunerations of the Directors and other members of key management during the year were as follows:

Short-term benefits 短期福利
Post-employment benefits 離職後福利
Share-based payments 股份付款

The remunerations of Directors and other members of key management were determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 關聯方交易

除綜合財務報表其他部分所披露的交易及餘額之外，本集團於年內曾與關聯方訂立以下重大交易：

與古交市金牛大廈房地產開發有限公司進行之交易：

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

2,702	-
-------	---

本公司董事兼主席張先生亦為古交市金牛大廈房地產開發有限公司之董事。

主要管理人員補償

年內，董事及其他主要管理層成員之薪酬如下：

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

6,620	10,320
98	87
4,335	8,780
11,053	19,187

董事及其他主要管理層成員之薪酬由薪酬委員會按個人表現及市場趨勢釐定。

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

32. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2017, the Group disposed certain property, plant and equipment amounted to approximately HK\$427,000, of which the consideration from such disposal transaction was offset with other payable due to the purchaser.
- (b) During the year ended 31 December 2018, the Company issued 2018 Convertible Loan Notes A and B of which the principal amounts of these two convertible loan notes were offset by the other loans (Note 25).

33. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

(a) Commitments under operating leases

The Group as lessee

The Group's leases certain of its office premises, lands for coal mines operations and staff quarters under operating lease arrangements. Leases for properties are negotiated for a term ranging from two years to three years and rentals are fixed. Certain leases for lands for coal mines operations are negotiated for a term ranging from ten years up to the end of the coal mines operations.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Land and buildings:	土地及樓宇：
– 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)
– over five years	– 五年以上

32. 主要非現金交易

- (a) 於截至二零一七年十二月三十一日止年度，本集團出售約427,000港元之若干物業、廠房及設備，有關出售交易之代價被其他應付買方款項抵銷。
- (b) 於截至二零一八年十二月三十一日止年度，本公司發行A類及B類二零一八年可換股貸款票據，其中該等兩類可換股貸款票據之本金額被其他貸款抵銷（附註25）。

33. 承擔

於報告期末，本集團有以下承擔：

(a) 經營租賃承擔

本集團作為承租人

本集團根據經營租賃安排租賃若干寫字樓物業、供煤礦運營之用的土地及員工宿舍。物業租期議定為兩年至三年不等，並支付定額租金。供煤礦運營土地的若干租約乃就介乎十年至煤礦運營結束期間磋商。

於報告期末，本集團根據不可撤銷經營租賃在以下期間到期之未來最低租金承擔如下：

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

		13,754	6,650
		33,692	2,435
		18,825	160
		66,271	9,245

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

33. COMMITMENTS (CONTINUED)

(b) Other capital commitments

Contracted but not provided for in respect of:	已訂約但未撥備：
– acquisition of property, plant and equipment	– 收購物業、廠房及設備

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元
755,162	331,903

196

34. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company:

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 28 May 2015 for the primary purpose of providing incentives to directors and eligible employees and loan arrangement with an independent third party (the "Lender"), and will expire on 27 May 2025. Under the Scheme, the Directors may grant options to eligible employees, including Directors and directors of its subsidiaries, to subscribe for shares in the Company.

Options granted must be taken up within 28 days of the date upon which it is made provided that no such offer shall be open for acceptance after the earlier of the 10th anniversary of the date of adoption or the termination of Scheme or the participant to whom such offer is made has ceased to be a participant.

A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an option. An option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the participant together with the said consideration of HK\$1.00 is received by the Company. The exercise price is determined by the board of directors at its absolute discretion but in any event will not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant.

33. 承擔 (續)

(b) 其他資本承擔

34. 股份支付交易

本公司之權益結算購股權計劃：

本公司根據於二零一五年五月二十八日通過之決議案採納購股權計劃(「該計劃」)，主要作為董事及合資格僱員以及獨立第三方(「貸款人」)訂立貸款安排之獎勵，將於二零二五年五月二十七日屆滿。根據該計劃，董事可向合資格僱員(包括董事及其附屬公司之董事)授出購股權，以認購本公司之股份。

已授出之購股權必須於由提呈要約日期起計28日內承購，惟有有關要約不得於由該計劃採納日期起計滿10週年之日或該計劃終止之日，或獲提呈要約之參與者不再為參與者之日(以較早者為準)後仍可供接納。

承授人須於接納購股權時支付1.00港元之不可退回名義代價。當本公司收訖參與者妥為簽署之函件(構成購股權之接納)複本連同上述1.00港元代價時，購股權將被視為已獲接納。行使價可由董事會全權酌情釐定，但於任何情況下均不會低於以下三者之最高者：(i)股份於授出日期(該日須為營業日)在聯交所每日報價表所示之收市價；(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)股份於授出日期之面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

On 14 July 2015, share options to subscribe for 825,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company were granted to certain individuals. During the year, 16,000,000 options were lapsed, and as at 31 December 2018, 45,900,000 options remained outstanding (2017: 61,900,000 options).

On 29 May 2017, share options to subscribe for 729,674,000 ordinary shares of HK\$0.01 each in the share capital of the Company were granted to Mr. Tse, an executive Director and the chief executive officer. At 31 December 2018 and 2017, 72,967,400 options (after adjustment on share consolidation) remained outstanding.

Due to the share consolidation (Note 26(c)), the exercise price of the share options granted on 14 July 2015 was adjusted from HK\$0.15 to HK\$1.5, whereas the exercise price of share options granted on 29 May 2017 was adjusted from HK\$0.0352 to HK\$0.352.

On 2 November 2017, share options to subscribe for 58,373,970 ordinary shares of HK\$0.1 each in the share capital of the Company were granted to an employee. At 31 December 2018 and 2017, 58,373,970 options remained outstanding.

On 24 May 2018, share options to subscribe for 20,000,000 ordinary shares of HK\$0.1 each in the share capital of the Company were granted to a consultant. At 31 December 2018, 20,000,000 options remained outstanding.

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

於二零一五年七月十四日，本公司向若干人士授出可認購本公司股本中825,000,000股每股面值0.01港元之普通股之購股權。年內，16,000,000份購股權已失效及於二零一八年十二月三十一日，45,900,000份購股權仍未行使（二零一七年：61,900,000份購股權）。

於二零一七年五月二十九日，本公司向執行董事兼行政總裁謝先生授出可認購本公司股本中729,674,000股每股面值0.01港元之普通股之購股權。於二零一八年及二零一七年十二月三十一日，72,967,400份購股權（就股份合併作出調整後）仍未行使。

因股份合併（附註26(c)），於二零一五年七月十四日授出之購股權之行使價已由0.15港元調整為1.5港元，而於二零一七年五月二十九日授出之購股權之行使價則由0.0352港元調整為0.352港元。

於二零一七年十一月二日，本公司向一名僱員授出可認購本公司股本中58,373,970股每股面值0.1港元之普通股之購股權。於二零一八年及二零一七年十二月三十一日，58,373,970份購股權仍未行使。

於二零一八年五月二十四日，認購本公司股本中20,000,000股每股0.1港元的普通股之購股權已授予一名顧問。於二零一八年十二月三十一日，20,000,000份購股權仍未行使。

197

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Details of specific categories of options are as follows:

Option granted on 14 July 2015

Grantee	Vesting proportion	Vesting period	Exercisable period	Exercise price	Exercise price (adjusted)	Fair value at grant date (adjusted)
承授人	歸屬比例	歸屬期	行使期	行使價	行使價 (經調整)	公平值 (經調整)
				HK\$ 港元	HK\$ 港元	HK\$ 港元
Directors	17%	N/A	14 July 2015 to 13 July 2025	0.15	1.5	0.815
董事		不適用	二零一五年七月十四日至 二零二五年七月十三日			
Directors	17%	14 July 2015 to 13 July 2016	14 July 2016 to 13 July 2025	0.15	1.5	0.831
董事		二零一五年七月十四日至 二零一六年七月十三日	二零一六年七月十四日至 二零二五年七月十三日			
Senior Management & Employees	9%	N/A	14 July 2015 to 13 July 2025	0.15	1.5	0.453
高級管理層及僱員		不適用	二零一五年七月十四日至 二零二五年七月十三日			
Senior Management & Employees	9%	14 July 2015 to 13 July 2016	14 July 2016 to 13 July 2025	0.15	1.5	0.575
高級管理層及僱員		二零一五年七月十四日至 二零一六年七月十三日	二零一六年七月十四日至 二零二五年七月十三日			
The Lender	1%	N/A	14 July 2015 to 13 July 2025	0.15	1.5	1.051
貸款人		不適用	二零一五年七月十四日至 二零二五年七月十三日			
The Lender	1%	14 July 2015 to 13 July 2016	14 July 2016 to 13 July 2025	0.15	1.5	1.051
貸款人		二零一五年七月十四日至 二零一六年七月十三日	二零一六年七月十四日至 二零二五年七月十三日			
Employees	46%	N/A	14 July 2015 to 13 July 2025	0.15	1.5	0.453
僱員		不適用	二零一五年七月十四日至 二零二五年七月十三日			

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

購股權之具體類別詳情如下：

於二零一五年七月十四日授出之購股權

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Option granted on 29 May 2017

Grantee	Vesting proportion	Vesting period	Exercisable period	Exercise price	Exercise price (adjusted)	Fair value at grant date (adjusted)
承授人	歸屬比例	歸屬期	行使期	行使價	行使價 (經調整)	公平值 (經調整)
				HK\$ 港元	HK\$ 港元	HK\$ 港元
Director and chief executive officer 董事兼行政總裁	33.33%	Immediately Vested 即時歸屬	29 May 2017 to 28 May 2027 二零一七年五月二十九日至 二零二七年五月二十八日	0.0352	0.352	0.192
	33.33%	29 May 2017 to 28 May 2018 二零一七年五月二十九日至 二零一八年五月二十八日	29 May 2018 to 28 May 2027 二零一八年五月二十九日至 二零二七年五月二十八日	0.0352	0.352	0.192
	33.33%	29 May 2017 to 28 May 2019 二零一七年五月二十九日至 二零一九年五月二十八日	29 May 2019 to 28 May 2027 二零一九年五月二十九日至 二零二七年五月二十八日	0.0352	0.352	0.196

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

於二零一七年五月二十九日授出之購股權

199

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Details of the share options outstanding during the year are as follows:

Option granted on 2 November 2017

Grantee	Vesting proportion	Vesting period	Exercisable period	Exercise price	Exercise price (adjusted)	Fair value at grant date (adjusted)
承授人	歸屬比例	歸屬期	行使期	行使價	行使價 (經調整)	於授出日期之公平值 (經調整)
				HK\$ 港元	HK\$ 港元	HK\$ 港元
Employee 僱員	33.33%	2 November 2017 to 1 May 2018 二零一七年十一月二日至 二零一八年五月一日	2 May 2018 to 1 November 2027 二零一八年五月二日至 二零二七年十一月一日	0.368	N/A	0.11292
	33.33%	2 November 2017 to 1 May 2019 二零一七年十一月二日至 二零一九年五月一日	2 May 2019 to 1 November 2027 二零一九年五月二日至 二零二七年十一月一日	0.368	N/A	0.12552
	33.33%	2 November 2017 to 1 May 2020 二零一七年十一月二日至 二零二零年五月一日	2 May 2020 to 1 November 2027 二零二零年五月二日至 二零二七年十一月一日	0.368	N/A	0.13761

Option granted on 24 May 2018

於二零一八年五月二十四日授出之購股權

Consultant 顧問	50.00%	Immediately Vested 即時歸屬	24 May 2018 to 23 May 2028 二零一八年五月二十四日至 二零二八年五月二十三日	0.35	N/A	0.08127
	50.00%	24 May 2018 to 23 May 2019 二零一八年五月二十四日至 二零一九年五月二十三日	24 May 2019 to 23 May 2028 二零一九年五月二十四日至 二零二八年五月二十三日	0.35	N/A	0.08315

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

年內尚未行使購股權詳情如下：

於二零一七年十一月二日授出之購股權

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Option granted on 14 July 2015

		Outstanding at 1 January 2018 於二零一八年 一月一日 尚未行使 '000 千份	Granted during year 年內授出 '000 千份	Exercised during year 年內行使 '000 千份	Lapsed during the year (before adjustment) 年內失效 (調整前) '000 千份	Adjustment 調整 '000 千份	Lapsed during the year (after adjustment) 年內失效 (調整後) '000 千份	Outstanding at 31 December 2018 於二零一八年 十二月三十一日 尚未行使 '000 千份	Exercisable at 31 December 2018 於二零一八年 十二月三十一日 可予行使 '000 千份
Option granted on 14 July 2015	於二零一五年 七月十四日 授出之購股權	61,900	-	-	(16,000)	-	(16,000)	45,900	45,900
Weighted average exercise price	加權平均行使價	1.5	-	-	-	-	1.5	1.5	1.5

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

於二零一五年七月十四日授出之購股權

		Outstanding at 1 January 2017 於二零一七年 一月一日 尚未行使 '000 千份	Granted during year 年內授出 '000 千份	Exercised during year 年內行使 '000 千份	Lapsed during the year (before adjustment) 年內失效 (調整前) '000 千份	Adjustment 調整 '000 千份	Lapsed during the year (after adjustment) 年內失效 (調整後) '000 千份	Outstanding at 31 December 2017 於二零一七年 十二月三十一日 尚未行使 '000 千份	Exercisable at 31 December 2017 於二零一七年 十二月三十一日 可予行使 '000 千份
Option granted on 14 July 2015	於二零一五年 七月十四日 授出之購股權	807,000	-	-	(118,000)	(620,100)	(7,000)	61,900	61,900
Weighted average exercise price	加權平均行使價	0.15	-	-	-	1.35	1.5	1.5	1.5

201

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

Option granted on 29 May 2017 and 2 November 2017

202

		Outstanding at 1 January 2017	Granted during year	Exercised during year	Forfeited during the year	Adjustment	Outstanding at 31 December 2017, 1 January 2018 and 31 December 2018	Exercisable at 31 December 2017	Exercisable at 31 December 2018
		於二零一七年 一月一日 尚未行使 '000 千份	年內授出 '000 千份	年內行使 '000 千份	年內沒收 '000 千份	調整 '000 千份	於二零一七年 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 尚未行使 '000 千份	於二零一七年 十二月三十一日 可予行使 '000 千份	於二零一八年 十二月三十一日 可予行使 '000 千份
Option granted on 29 May 2017	於二零一七年 五月二十九日 授出之購股權	-	729,674	-	-	(656,707)	72,967	24,320	48,640
Option granted on 2 November 2017	於二零一七年 十一月二日 授出之購股權	-	58,374	-	-	-	58,374	-	19,456
Weighted average exercise price (for option granted on 29 May 2017)	加權平均行使價 (就於二零一七年 五月二十九日授出之 購股權而言)	-	0.0352	-	-	0.3168	0.352	0.352	0.352
Weighted average exercise price (for option granted on 2 November 2017)	加權平均行使價 (就於二零一七年 十一月二日授出之 購股權而言)	-	0.368	-	-	-	0.368	0.368	0.368

Option granted on 24 May 2018

於二零一八年五月二十四日授出之購股權

		Outstanding at 1 January 2018	Granted during year	Exercised during year	Forfeited during the year	Adjustment	Outstanding at 31 December 2018	Exercisable at 31 December 2018
		於二零一八年 一月一日 尚未行使 '000 千份	年內授出 '000 千份	年內行使 '000 千份	年內沒收 '000 千份	調整 '000 千份	於二零一八年 十二月三十一日 尚未行使 '000 千份	於二零一八年 十二月三十一日 可予行使 '000 千份
Option granted on 24 May 2018	於二零一八年 五月二十四日 授出之購股權	-	20,000	-	-	-	20,000	10,000
Weighted average exercise price	加權平均行使價	-	0.35	-	-	-	0.35	0.35

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

The estimated fair value of share options granted on 29 May 2017, 2 November 2017 and 24 May 2018 were approximately HK\$14,108,000, HK\$7,317,000 and HK\$1,644,000 respectively. The weighted average remaining contractual life is 8.08 years (2017: 8.95 years).

The Group recognised the total share based payment expense of HK\$8,147,000 (2017: HK\$8,780,000) for the year ended 31 December 2018 in relation to share options granted by the Company.

34. 股份支付交易 (續)

本公司之權益結算購股權計劃： (續)

於二零一七年五月二十九日、二零一七年十一月二日及二零一八年五月二十四日授出之購股權之估計公平值分別約為14,108,000港元、7,317,000港元及1,644,000港元。加權平均餘下合約年期為8.08年(二零一七年：8.95年)。

於截至二零一八年十二月三十一日止年度，本集團就本公司授出之購股權確認總股份支付開支8,147,000港元(二零一七年：8,780,000港元)。

203

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

34. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company: (continued)

These fair values were calculated using The Black-Scholes pricing model with Binomial Tree method. The inputs into the model were as follows:

Weighted average share price	加權平均股價
Exercise price	行使價
Exercise price (adjusted)	行使價(經調整)
Expected volatility	預期波幅
Expected life	預期年期
Risk-free rate	無風險利率
Expected dividend yield	預期股息率
Suboptimal factor	次優系數
Directors	董事
Senior management and employees	高級管理層及僱員
Consultant	顧問

Expected volatility was determined by using the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

34. 股份支付交易(續)

本公司之權益結算購股權計劃： (續)

該等公平值乃使用布萊克-肖爾斯期權定價模型及二項式樹狀定價法計算。模型之輸入數據如下：

Options granted on 29 May 2017 於二零一七年 五月二十九日 授出之購股權	Options granted on 2 November 2017 於二零一七年 十一月二日 授出之購股權	Options granted on 24 May 2018 於二零一八年 五月二十四日 授出之購股權
HK\$0.035港元	HK\$0.365港元	HK\$0.28港元
HK\$0.0352港元	HK\$0.368港元	HK\$0.35港元
HK\$0.352港元	N/A 不適用	N/A 不適用
53.73%	39.8%	39.28%
10 years 年	10 years 年	10.01 years 年
1.2702%	1.7771%	2.2141%
0%	0%	0%
2.8	N/A 不適用	N/A 不適用
N/A 不適用	1.5	N/A 不適用
N/A 不適用	N/A 不適用	1.5

預期波幅按本公司股份股價於去年之歷史波幅釐定。模型所用之預期年期已按照管理層之最佳估計，就不可轉讓性、行使限制及行為考慮之影響作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 本公司財務狀況表

			2018 二零一八年	2017 二零一七年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		69	128
Investments in subsidiaries	於附屬公司之投資		390	390
			459	518
Current assets	流動資產			
Other receivables	其他應收款項		8,350	8,187
Amounts due from subsidiaries	應收附屬公司款項	(a)	5,496,946	5,535,397
Amount due from a director	應收一名董事款項		4	-
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分		7,356	-
Bank balances and cash	銀行結餘及現金		196	48,985
			5,512,852	5,592,569
Current liabilities	流動負債			
Other payables	其他應付款項		9,008	8,033
Amounts due to subsidiaries	應付附屬公司款項	(a)	1,477	63,756
Amount due to a related company	應付一間關連公司款項		-	909
Amount due to a director	應付一名董事款項		14,508	-
Other borrowings	其他借貸		14,101	-
Liabilities component of convertible loan notes	可換股貸款票據之負債部分		-	408,292
Derivative component of convertible loan notes	可換股貸款票據之衍生工具部分		2,330	223,857
			41,424	704,847
Net current assets	流動資產淨值		5,471,428	4,887,722
Total assets less current liabilities	資產總值減流動負債		5,471,887	4,888,240
Capital and reserves	資本及儲備			
Share capital	股本		73,110	729,675
Reserves	儲備	(c)	4,741,210	3,864,334
Total equity	權益總額		4,814,320	4,594,009
Non-current liabilities	非流動負債			
Amount due to a related company	應付一間關連公司款項	(b)	15,888	-
Liabilities component of convertible loan notes	可換股貸款票據之負債部分		641,679	294,231
			657,567	294,231
			5,471,887	4,888,240

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

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

(a) Amounts due from/(to) subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand. The fair values of the amounts at the end of the reporting period were approximated to the corresponding carrying amounts due to their short-term maturity.

(b) Amount due to a related company

A related company of the Company had confirmed that the amount due by the Company of approximately HK\$15,888,000 was extended for 18 months as at 31 December 2018. In regard of this arrangement, the balance as at 31 December 2018 was unsecured, interest free and repayable after one year (2017: unsecured, interest free and repayable on demand).

(c) Reserves

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	8,874,292	458,561	78,329	-	(5,406,727)	4,004,455
Loss for the year	年度虧損	-	-	-	-	(148,901)	(148,901)
Recognition of share based payment expense	確認股份支付開支	-	-	8,780	-	-	8,780
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	8,874,292	458,561	87,109	-	(5,555,628)	3,864,334
Profit for the year	年度溢利	-	-	-	-	127,672	127,672
Recognition of share based payment expense	確認股份支付開支	-	-	8,147	-	-	8,147
Conversion of convertible loan notes	兌換可換股貸款票據	8,572	-	-	-	-	8,572
Share reduction	股份削減	-	657,993	-	-	-	657,993
Deemed contribution from immediate holding company	來自直接控股公司之視作貢獻	-	-	-	74,492	-	74,492
At 31 December 2018	於二零一八年十二月三十一日	8,882,864	1,116,554	95,256	74,492	(5,427,956)	4,741,210

35. 本公司財務狀況表 (續)

(a) 應收／(付) 附屬公司款項

該等款項為無抵押、免息及須於要求時償還。由於該等款項於短期內到期，故其於報告期末之公平值與賬面值相若。

(b) 應付一間關連公司款項

本公司一間關連公司已確認，於二零一八年十二月三十一日，本公司應付款項約15,888,000港元已延期18個月。就本安排而言，於二零一八年十二月三十一日的結餘為無抵押、免息及須於一年後償還（二零一七年：無抵押、免息及須應要求償還）。

(c) 儲備

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

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結餘及現金)	N/A 不適用	191,357
Financial assets at amortised cost	按攤銷成本計量之金融資產	218,162	N/A 不適用
Derivative financial instruments	衍生金融工具	7,356	-
Financial liabilities	金融負債		
Amortised cost	攤銷成本	6,591,644	6,455,152
Derivative financial instruments	衍生金融工具	2,330	223,857

(b) Financial risk management objectives and policies

The Group's major financial instruments include bills receivables, trade and other receivables, refundable deposits, amount due from related companies, amount due from a director, bank balances and cash, trade and other payables, amounts due to a director, liabilities and derivative component of convertible loan notes, other borrowings, amounts due to related companies, obligation under finance leases and amount due to non-controlling interests holders. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

36. 金融工具

(a) 金融工具之分類

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結餘及現金)	N/A 不適用	191,357
Financial assets at amortised cost	按攤銷成本計量之金融資產	218,162	N/A 不適用
Derivative financial instruments	衍生金融工具	7,356	-
Financial liabilities	金融負債		
Amortised cost	攤銷成本	6,591,644	6,455,152
Derivative financial instruments	衍生金融工具	2,330	223,857

(b) 財務風險管理目標及政策

本集團之主要金融工具包括應收票據、貿易及其他應收款項、可退還按金、應收關連公司款項、應收一名董事款項、銀行結餘及現金、貿易及其他應付款項、應付一名董事款項、可換股貸款票據之負債及衍生工具部分、其他借貸、應付關連公司款項、融資租賃項下之責任及應付非控股權益持有人款項。該等金融工具之詳情於相關附註內披露。與該等金融工具有關之風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。降低該等風險之政策載於下文。管理層管理及監控該等風險，確保及時有效地採取適當措施。

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk

Currency risk

Certain financial assets are denominated in currencies other than the functional currency of the respective group companies.

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from transactions or recognised assets or liabilities denominated in a currency (HK\$ and US\$) other than the functional currency of the entity to which they relate.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets	資產		
- US\$	- 美元	72,836	121,708
Liabilities	負債		
- HK\$	- 港元	52,826	-
- US\$	- 美元	310,527	294,231
		363,353	294,231

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

貨幣風險

若干金融資產以集團公司各自功能貨幣以外之貨幣計值。

下表顯示本集團於報告期末所面對以實體相關功能貨幣以外之貨幣(港元及美元)計值之交易或已確認資產或負債所產生之貨幣風險。

本集團現時並無外幣對沖政策。然而，管理層監控外匯風險，並會於有需要時考慮對沖重大外幣風險。

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Sensitivity analysis

As at 31 December 2018, assets and liabilities denominated in US\$ arise mainly from entities with functional currency of HK\$ (2017: HK\$). For the sensitivity analysis related to the currency risk of US\$, as HK\$ is pegged to US\$, management considered the foreign currency risk exposed to these US\$ assets and liabilities is insignificant.

At as 31 December 2018, the Group is mainly exposed to the currency of HK\$ against RMB (2017: HK\$ against RMB) with insignificant exposure.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate amounts due to a related company in 2017 (2018: interest free) (see Note 20), amounts due to non-controlling interests holders (Note 24) and convertible loan notes (see Note 25).

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

敏感度分析

於二零一八年十二月三十一日，以美元計值之資產及負債主要因以港元(二零一七年：港元)為功能貨幣之實體而產生。就與美元貨幣風險有關之敏感度分析而言，由於港元與美元掛鈎，故管理層認為該等美元資產及負債面對之外幣風險甚微。

於二零一八年十二月三十一日，本集團主要面對港元兌人民幣之貨幣風險(二零一七年：港元兌人民幣)，但風險並不重大。

利率風險

於二零一七年，本集團面臨有關應付一間關連公司定息款項(二零一八年：免息)(見附註20)、應付非控股權益持有人款項(附註24)及可換股貸款票據(見附註25)之公平值利率風險。

本集團現時並無任何利率對沖政策。然而，管理層監控利率風險，並會於有需要時考慮對沖重大利率風險。

209

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk

Overview of the Group's exposure to credit risk before adoption of HKFRS 9 as at 1 January 2018

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has no significant credit risks as it has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities with good repayment history.

The Group has no significant concentration of credit risk by customer, with exposure spreading over a number of counterparties and customers.

The Group's concentration of credit risk by geographical locations is mainly in the PRC with exposure spreading over a number of customers, which accounted for all trade receivables for year ended 31 December 2017.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

截至二零一八年一月一日本集團採納香港財務報告準則第9號前所面臨信貸風險概覽

信貸風險指債務人不履行責任償還其結欠本集團之款項而導致本集團蒙受損失之風險。倘對手方於財政年度結束時未能履行有關各類已確認金融資產之責任，則本集團面對之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。

由於本集團已制定政策確保產品及服務銷售予具合適信貸紀錄之客戶，故並無重大信貸風險。本集團採納之政策為僅與信譽良好之對手方進行交易（如適用），以盡量降低違約致財務損失之風險。本集團僅與還款紀錄良好之實體交易。

客戶方面，本集團並無任何重大集中信貸風險，風險分佈於不同對手方及客戶。

地區分佈方面，本集團信貸風險主要集中於中國，風險分佈於不同客戶，佔截至二零一七年十二月三十一日止年度全部貿易應收款項。

流動資金方面之信貸風險有限，原因為對手方均為獲國際信貸評級機構給予高信貸評級之銀行。

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018 (continued)

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group is exposed to concentration of credit risk at 31 December 2018 on trade receivables from the Group's top five major debtors amounting approximately to 100% of the Group's total trade receivables.

In order to minimise credit risk, the Group has delegated its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The finance team uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

截至二零一八年一月一日本集團採納香港財務報告準則第9號後所面臨信貸風險概覽 (續)

信貸風險指對手方將會違約其合約責任從而導致本集團財務虧損的風險。於報告期末，本集團將會對本集團造成財務虧損的最高信貸風險敞口乃由於對手方未能履行責任所致，乃產生於綜合財務狀況表入賬之各已確認金融資產的賬面值。

於二零一八年十二月三十一日，本集團面臨貿易應收款項信貸集中風險，來自本集團五大債務人，佔本集團貿易應收款項總額的100%。

為儘量減少信貸風險，本集團已委派其財務團隊發展及維持本集團的信貸風險評級，以根據違約風險程度將風險分類。財務團隊使用公開可用財務資料及本集團自有過往還款記錄以評估其主要客戶及債務人。本集團之信貸風險及其對手方之信貸評級受持續監控，而達成交易的總價值分佈於核准交易對手當中。

211

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018 (continued)

The Group's current credit risk grading framework comprises the following categories:

Category 類別	Description 說明	Basis for recognising ECL 確認預期信貸虧損之基準
Performing 良好	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約風險低，且無任何逾期款項	12m ECL 12個月的預期信貸虧損
Doubtful 呆賬	There has been a significant increase in credit risk since initial recognition 自初步確認起信貸風險大幅增加	Lifetime ECL – not credit-impaired 整個存續期的預期信貸虧損—並非信貸減值
In default 違約	There is evidence indicating the asset is credit impaired 有證據表明資產已信貸減值	Lifetime ECL – credit impaired 整個存續期的預期信貸虧損—信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據表明債務人處於嚴重財務困難及本集團無現實收回預期	Amount is written off 款項被撇銷

For trade receivables and bills receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. To measure the expected credit losses, trade receivables and bills receivables have been grouped based on shared credit risk characteristics (including high risk, normal risk and low risk type).

就貿易應收款項及應收票據而言，本集團已應用香港財務報告準則第9號之簡化法用於計量按整個存續期的預期信貸虧損的虧損撥備。本集團透過使用撥備矩陣釐定該等項目之預期信貸虧損，根據債務人的過往違約經驗及過往信貸虧損經驗估計、債務人經營所在行業的一般經濟狀況及對於報告日期目前及預期狀況的評估估計。為計量預期信貸虧損，貿易應收款項及應收票據已根據共享信貸風險特徵分類（包括高風險、一般風險及低風險類型）。

36. 金融工具（續）

(b) 財務風險管理目標及政策（續）

信貸風險（續）

截至二零一八年一月一日本集團採納香港財務報告準則第9號後所面臨信貸風險概覽（續）

本集團目前的信貸風險評級框架包括下列類別：

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Overview of the Group's exposure to credit risk after adoption of HKFRS 9 as at 1 January 2018 (continued)

As at 31 December 2018, no impairment loss was recognised for trade receivables and bills receivables in accordance with the simplified approach i.e. lifetime ECL set out in HKFRS 9. The Directors considered that the ECL for non-credit impaired trade receivables and bills receivables are insignificant as at 31 December 2018.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 31 December 2018, the Group had net current liabilities of HK\$1,046,921,000 (2017: HK\$6,029,556,000). The Directors have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. As detailed in Note 1 to the consolidated financial statements, the Directors believe that the Company will be able to operate as a going concern.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

截至二零一八年一月一日本集團採納香港財務報告準則第9號後所面臨信貸風險概覽 (續)

於二零一八年十二月三十一日，概無根據簡化方法（即香港財務報告準則第9號所載之整個存續期的預期信貸虧損）就貿易應收款項及應收票據確認減值虧損。董事認為，非信貸減值貿易應收款項及應收票據的預期信貸虧損於二零一八年十二月三十一日並不重大。

銀行結餘

銀行結餘之信貸風險有限，因為對手方為具有由信貸評級機構指定高信貸評級之銀行。

流動資金風險

管理流動資金風險時，本集團監察及維持管理層認為足夠之現金及現金等價物水平，以撥付本集團業務所需及減低現金流量波動之影響。

於二零一八年十二月三十一日，本集團流動負債淨額為1,046,921,000港元（二零一七年：6,029,556,000港元）。董事已仔細考慮目前就本集團流動資金狀況採取之措施。誠如綜合財務報表附註1所詳述，董事認為本公司能夠持續經營。

213

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity risk tables

		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31 December 於十二月 三十一日 之賬面值
		一年內或應要求	一年以上 但於兩年內	兩年以上 但於五年內	未貼現 現金流量總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	二零一八年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	581,921	423,590	-	1,005,511	1,005,511
Amount due to a director	應付一名董事款項	14,508	-	-	14,508	14,508
Other borrowings	其他借貸	14,101	-	-	14,101	14,101
Amounts due to related companies	應付關連公司款項	-	148,742	-	148,742	148,742
Amounts due to non-controlling interests holders	應付非控股權益持有人款項	706,633	679,866	4,006,149	5,392,648	4,730,508
Convertible loan notes	可換股貸款票據	25,350	861,563	-	886,913	641,679
Obligation under finance leases	融資租賃項下之責任	41,215	116	338	41,669	36,595
		1,383,728	2,113,877	4,006,487	7,504,092	6,591,644
2017	二零一七年					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	871,532	-	-	871,532	871,532
Amounts due to related companies	應付關連公司款項	215,508	-	-	215,508	212,508
Amounts due to non-controlling interests holders	應付非控股權益持有人款項	4,895,647	-	-	4,895,647	4,615,030
Convertible loan notes	可換股貸款票據	444,451	25,350	454,712	924,513	702,523
Obligation under finance leases	融資租賃項下之責任	18,089	54,438	-	72,527	53,559
		6,445,227	79,788	454,712	6,979,727	6,455,152

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

下表按協定還款期詳列本集團非衍生金融負債餘下合約到期情況。該表根據本集團最早可被要求付款日期按金融負債之未貼現現金流量編製。表中包括利息及本金現金流量。

流動資金風險列表

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Fair value

The Directors consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised cost approximate their fair values due to their immediate or short-term maturities.

The Directors also consider that the fair values of the long-term portion of financial assets and financial liabilities approximates to their carrying amounts.

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Derivative component of convertible loan notes

The fair value of the derivative component of convertible loan notes is determined by the inputs to Black-Scholes model with trinomial tree method including spot price, risk free rate, expected option period and expected volatility. Please refer to Note 25 for the details of the inputs.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

公平值

董事認為，由於按攤銷成本入賬之即期金融資產及即期金融負債均即時到期或於短期內到期，故其賬面值與公平值相若。

董事亦認為，金融資產及金融負債長期部分之公平值與賬面值相若。

金融資產及金融負債之公平值根據貼現現金流量分析以公認定價模型釐定。

可換股貸款票據之衍生工具部分

可換股貸款票據之衍生工具部分之公平值使用布萊克-肖爾斯期權定價模型及三項式樹狀定價法之輸入數據(包括現貨價、無風險利率、期權預計期限及預期波幅)釐定。有關輸入數據之詳情請參閱附註25。

於綜合財務狀況表確認之公平值計量

於首次確認後按公平值計量之金融工具根據公平值之可觀察程度分為第一至三層，分析載於下表。

- 第一層公平值計量使用相同資產或負債於活躍市場上之報價(未經調整)得出。

215

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers among level 1, 2 and 3 in the current and prior years.

As at 31 December 2018 and 2017, the only financial instruments measured at fair value was the derivative component of convertible loan notes which belongs to level 3 financial instruments.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

公平值 (續)

於綜合財務狀況表確認之公平值計量 (續)

- 第二層公平值計量使用資產或負債之直接 (即價格) 或間接 (即自價格衍生) 可觀察輸入數據 (第一層包括之報價除外) 得出。
- 第三層公平值計量使用估值技術 (包括並非建基於可觀察市場數據之資產或負債輸入數據 (不可觀察輸入數據)) 得出。

於本年度及過往年度, 第一、二及三層之間並無轉移。

於二零一八年及二零一七年十二月三十一日, 唯一按公平值計量之金融工具為可換股貸款票據之衍生工具部分, 屬於第三層金融工具。

Financial instrument 金融工具	Fair value as at 於下列日期之公平值		Fair value hierarchy 公平值架構	Valuation techniques and significant key or unobservable inputs 估值技術及主要關鍵或不可觀察輸入數據	
	31/12/2018 二零一八年 十二月三十一日 HK\$'000 千港元	31/12/2017 二零一七年 十二月三十一日 HK\$'000 千港元			
Derivative component of convertible loan notes 可換股貸款票據之 衍生工具部分					
- Financial liabilities - 金融負債	(2,330)	(223,857)	Level 3 第三層	Valuation technique: 估值技術: Key observable inputs: 關鍵可觀察輸入數據: Risk-free rate 無風險利率 Spot price 現貨價	Black-Scholes model with trinomial tree method 布萊克-肖爾斯期權定價模型及三項式樹狀定價法 1.69%-1.70% (2017: 1.02%-1.39%) 1.69%至1.70% (二零一七年: 1.02%至1.39%) HK\$0.042 (2017: HK\$0.385) 0.042港元 (二零一七年: 0.385港元)
- Financial assets - 金融資產	7,356	-	Level 3 第三層	Key unobservable inputs: 關鍵不可觀察輸入數據: Volatility 波幅	51.24%-56.16% (2017: 38.8%-39.52%) (Note i) 51.24%至56.16% (二零一七年: 38.8%至39.52%) (附註i)

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

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

Notes:

- i) An increase in the volatility used in isolation would result in an increase in the fair value measurement of the derivative component of convertible loan notes classified as financial liabilities and financial assets, and vice versa. A 10 % increase or decrease in the volatility with all other variables constant, the fair value of derivative component of convertible loan notes classified as financial liabilities and financial assets at 31 December 2018 and 2017 would not have material change.

Please refer to Note 25 for the reconciliation of Level 3 fair value measurements.

Valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The appropriate valuation techniques and inputs for the fair value measurements are determined by the Directors and the independent qualified valuer.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuer to perform the valuation. The Directors work closely with the independent qualified valuer to establish the appropriate valuation techniques and inputs to the model. The Directors will review the cause of fluctuations in fair value of the assets and liabilities semi-annually.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

公平值 (續)

於綜合財務狀況表確認之公平值計量 (續)

附註:

- i) 僅所使用之波幅增加將會導致分類為金融負債及金融資產之可換股貸款票據衍生工具部分之公平值計量增加，反之亦然。如波幅增加或減少10%，而所有其他變數維持不變，於二零一八年及二零一七年十二月三十一日分類為金融負債及金融資產之可換股貸款票據衍生工具部分之公平值不會出現重大變動。

有關第三層公平值計量之對賬，請參閱附註25。

估值過程

本集團部分資產及負債就財務申報而按公平值計量。公平值計量使用之適當估值技術及輸入數據由董事及獨立合資格估值師釐定。

於估計資產或負債之公平值時，本集團使用可獲得之市場可觀察數據。倘無法取得第一層輸入數據，本集團會委聘獨立合資格估值師進行估值。董事與獨立合資格估值師緊密合作，確立模型使用之適當估值技術及輸入數據。董事將每半年檢視資產及負債公平值波動之因由。

217

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

37. INVESTMENTS IN SUBSIDIARIES

At the end of the reporting period, the Company has interests in the following principal subsidiaries:

37. 於附屬公司之投資

於報告期末，本公司於下列主要附屬公司擁有權益：

218

Company 公司	Place of incorporation 註冊成立地點	Particulars of paid-up share/registered capital 實繳股份/註冊資本之詳情	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2018 二零一八年 %	2017 二零一七年 %	2018 二零一八年 %	2017 二零一七年 %	
Held directly: 直接持有：								
Guang Cheng Group Limited 廣城集團有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
North Asia Precious Metals Group Limited	BVI 英屬處女群島	US\$50,000 50,000美元	Ordinary 普通	N/A不適用	100	N/A不適用	100	Deregistered in 2018 (2017: Investment holding) 於二零一八年撤銷註冊 (二零一七年：投資控股)
Sanmu Investment Holdings Limited 三木投資控股有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Technology Venture Investments Limited	BVI 英屬處女群島	US\$1,000 1,000美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Held indirectly: 間接持有：								
Billion Zone Development Limited 兆維發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Hong Kong OEPC Limited 香港國際能源中心有限公司	Hong Kong 香港	HK\$2 2港元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
North Asia Financial Investment Holdings Limited 北亞金融投資控股有限公司	Hong Kong 香港	HK\$1 1港元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Rong Xin Finance Limited 融信財務有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	N/A不適用	100	N/A不適用	100	Disposed in 2018 (2017: Investment holding) 於二零一八年出售 (二零一七年：投資控股)
Sequent China/ Hong Kong Limited	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	N/A不適用	100	N/A不適用	100	Deregistered in 2018 (2017: Distribution of information technology products and provision of computer technology services) 於二零一八年撤銷註冊 (二零一七年： 分銷資訊科技產品及 提供電腦技術服務)

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

37. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

37. 於附屬公司之投資 (續)

Company 公司	Place of incorporation 註冊成立地點	Particulars of paid-up share/ registered capital 實繳股份/註冊 資本之詳情	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2018 二零一八年 %	2017 二零一七年 %	2018 二零一八年 %	2017 二零一七年 %	
Held indirectly: 間接持有: Topsoft Limited 宏昌軟件有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通	N/A不適用	100	N/A不適用	100	Deregistered in 2018 (2017: Distribution of information technology products and provision of computer technology services) 於二零一八年撤銷註冊 (二零一七年: 分銷資訊科技產品及 提供電腦技術服務)
Lexing Holdings Limited 樂興控股有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment holding 投資控股
Sky Rainbow Ventures Limited 天虹創投有限公司	BVI 英屬處女群島	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Technology Venture (Software) Holdings Limited	BVI 英屬處女群島	US\$1,000 1,000美元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Parkson Global Investments Limited 百盛環球投資有限公司	Samoa 薩摩亞	US\$1 1美元	Ordinary 普通	100	100	100	100	Investment Holding 投資控股
Green Leader Strach Food First Factory Co., Ltd.	Cambodia 柬埔寨	US\$6,000,000 6,000,000美元	Registered Capital 註冊資本	100	N/A不適用	100	N/A不適用	Processing of cassava starch for sales 加工木薯澱粉以供銷售
Seasonal Global Investment Co., Ltd.	Cambodia 柬埔寨	US\$10,000,000 10,000,000美元	Registered Capital 註冊資本	100	100	100	100	Cultivation and processing of cassava starch for sale 種植及加工木薯澱粉以供銷售
Bolong* 鉞龍*	The PRC 中國	RMB23,924,200 人民幣 23,924,200元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Fuchang* 福昌*	The PRC 中國	RMB2,000,000 人民幣 2,000,000元	Registered Capital 註冊資本	34	34	56	56	Coal mine development 煤礦開發
Jiangxi Jin Chuang Information Technology Limited ^a 江西金創信息技術有限公司	The PRC 中國	RMB\$2,000,000 人民幣 2,000,000元	Registered Capital 註冊資本	100	100	100	100	IT service, system integration 資訊科技服務·系統集成
Jiangxi Hengchuang Energy Investments Co., Ltd ^a 江西恒創能源投資有限公司	The PRC 中國	RMB60,300,000 人民幣 60,300,000元	Registered Capital 註冊資本	100	100	100	100	Coal trading and new energy development 煤炭貿易及新能源開發
Jiangxi Hengpuwei Energy Investments Co., Ltd ^a 江西恒普威能源投資有限公司	The PRC 中國	RMB51,350,000 人民幣 51,350,000元	Registered Capital 註冊資本	100	100	100	100	Energy wholesale and investment 能源批發及投資

219

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

37. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

37. 於附屬公司之投資 (續)

220

Company 公司	Place of incorporation 註冊成立地點	Particulars of paid-up share/ registered capital 實繳股份/註冊 資本之詳情	Class of shares held 所持股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held by the Company 本公司所持投票權比例		Principal activities 主要業務
				2018 二零一八年 %	2017 二零一七年 %	2018 二零一八年 %	2017 二零一七年 %	
				Held indirectly: 間接持有:				
Jiangxi Wantai Enterprise Co., Ltd [#] 江西萬泰實業有限公司	The PRC 中國	RMB113,000,000 人民幣 113,000,000元	Registered Capital 註冊資本	100	100	100	100	Coal Operation 煤炭業務
Jinxin* 金鑫*	The PRC 中國	RMB50,080,000 人民幣 50,080,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Liaoyuan* 遼源*	The PRC 中國	RMB2,000,000 人民幣 2,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發
Shanxi Changtong Energy Share Co., Ltd [#] 山西通能能源股份有限公司	The PRC 中國	RMB100,000,000 人民幣 100,000,000元	Registered Capital 註冊資本	100	100	100	100	Energy development and equipment trading 能源開發及設備貿易
Shanxi coal* 山西煤炭*	The PRC 中國	RMB370,000,000 人民幣 370,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal operating and trading 煤炭業務及貿易
Shanxi Guanghui Corporate Management Consultancy Limited [#] (Note 1) 山西廣慧企業管理諮詢有限公司 (附註1)	The PRC 中國	RMB\$10,000,000 人民幣 10,000,000元	Registered Capital 註冊資本	100	100	100	100	IT service, system integration, sales of equipments and services 資訊科技服務、系統集成、銷 售設備及服務
Shanxi Ruiying Investment and Management Co., Ltd [#] 山西瑞盈投資管理有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	Registered Capital 註冊資本	100	100	100	100	Investment holding 投資控股
Taiyuan Zhituo Investment Consultant Co., Ltd [#] 太原市智拓投資顧問有限公司	The PRC 中國	RMB1,100,000 人民幣 1,100,000元	Registered Capital 註冊資本	100	100	100	100	Investment holding 投資控股
Xinfeng* 鑫峰*	The PRC 中國	RMB62,000,000 人民幣 62,000,000元	Registered Capital 註冊資本	49	49	56	56	Coal mine development 煤礦開發

English name is for identification purpose only

英文名稱僅供識別

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

37. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Note 1: The Chinese name of this company was changed as “山西綠領企業管理諮詢有限公司” on 13 March 2018. The English name is also changed as “Shanxi Green Leader Corporate Management Consultancy Limited”, which is for identification propose only.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during both years ended 31 December 2018 and 2017.

* Although the Group only held 49% of equity in interest in Shanxi coal, Jinxin, Bolong, Liaoyuan, Xinfeng and 34% equity in Fuchang, the Directors concluded that the Group has control over these companies on the basis as set out in Note 4.

37. 於附屬公司之投資（續）

附註1：該公司的中文名稱於二零一八年三月十三日更改為「山西綠領企業管理諮詢有限公司」。英文名稱亦更改為「Shanxi Green Leader Corporate Management Consultancy Limited」，僅作識別用途。

概無附屬公司擁有任何於年結日或於截至二零一八年及二零一七年十二月三十一日止兩個年度任何時間尚未償還之債務證券。

* 儘管本集團僅持有山西煤炭、金鑫、鉞龍、遼源及鑫峰之49%股權以及福昌之34%股權，惟董事認為，按照附註4所載基準，本集團擁有該等公司之控制權。

221

英文名稱謹供識別

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

37. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests:

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

37. 於附屬公司之投資 (續)

存在重大非控股權益之非全資附屬公司詳情：

下表呈列存在重大非控股權益之本集團非全資附屬公司詳情：

Name of the subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests	Voting power held by the non-controlling interests	(Loss)/Profit allocated to non-controlling interests	Accumulated non-controlling interests
附屬公司名稱	註冊成立地點及主要營業地點	非控股權益持有之擁有權權益比例	非控股權益持有之投票權	分配予非控股權益之(虧損)/溢利	累計非控股權益
				HK\$'000 千港元	HK\$'000 千港元

2018

二零一八年

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司	The PRC 中國	51%	44%	(1,300,815)	2,065,640
--	---------------	-----	-----	-------------	-----------

2017

二零一七年

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司	The PRC 中國	51%	44%	418,456	3,483,554
--	---------------	-----	-----	---------	-----------

As at 31 December 2018 and 2017, the Group has only 49% ownership in Shanxi Coal, the Directors concluded that the Group has control over Shanxi Coal on the basis set out in Note 4. The 51% ownership interests in Shanxi Coal are owned by Shanxi Coal Transportation and Sales Group Co., Ltd* (41%) and 山西能源產業集團有限責任公司(10%).

於二零一八年及二零一七年十二月三十一日，本集團僅擁有山西煤炭之49%擁有權，董事認為，按照附註4所載基準，本集團擁有山西煤炭之控制權。山西煤炭之51%擁有權由山西煤炭運銷集團有限公司擁有41%及由山西能源產業集團有限責任公司擁有10%。

* English name is for identification purpose only

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

37. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Shanxi Coal and its subsidiaries 山西煤炭及其附屬公司

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	225,941	104,782
Non-current assets	非流動資產	7,755,308	11,353,393
Current liabilities	流動負債	(854,936)	(5,282,602)
Non-current liabilities	非流動負債	(5,953,514)	(2,290,386)
		1,172,799	3,885,187
Equity attributable to owners of the Company	本公司擁有人應佔權益	(892,841)	401,633
Non-controlling interests	非控股權益	2,065,640	3,483,554
		1,172,799	3,885,187
Revenue	收入	980,902	381,766
Expenses	開支	(1,392,054)	(788,905)
Impairment loss/(reversal of impairment losses) in respect of property, plant and equipment and mining rights, net	有關物業、廠房及設備以及採礦權之減值虧損／(減值虧損撥回)·淨額	(2,849,702)	1,291,840
(Loss)/profit for the year	年度(虧損)／溢利	(2,516,839)	740,087
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)／溢利	(1,216,024)	321,631
(Loss)/profit attributable to non-controlling interests	非控股權益應佔(虧損)／溢利	(1,300,815)	418,456
(Loss)/profit for the year	年度(虧損)／溢利	(2,516,839)	740,087
Other comprehensive (expense)/income attributable to owners of the Company	本公司擁有人應佔其他全面(開支)／收益	(78,450)	104,102
Other comprehensive (expense)/income attributable to non-controlling interests	非控股權益應佔其他全面(開支)／收益	(117,099)	129,211
Other comprehensive (expense)/income for the year	年度其他全面(開支)／收益	(195,549)	233,313
Total comprehensive (expenses)/income attributable to owners of the Company	本公司擁有人應佔全面(開支)／收益總額	(1,294,474)	425,733
Total comprehensive (expense)/income attributable to non-controlling interests	非控股權益應佔全面(開支)／收益總額	(1,417,914)	547,667
Total comprehensive (expense)/income for the year	年度全面(開支)／收益總額	(2,712,388)	973,400
Net cash inflow from operating activities	經營活動現金流入淨額	315,834	36,499
Net cash outflow from investing activities	投資活動現金流出淨額	(237,797)	(52,335)
Net cash (outflow)/inflow from financing activities	融資活動現金(流出)／流入淨額	(85,737)	1,135
Net cash outflow	現金流出淨額	(7,700)	(14,701)

37. 於附屬公司之投資(續)

本集團具有重大非控股權益之附屬公司之財務資料概要呈列如下。下述之財務資料概要為集團內抵銷前金額。

223

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

224

38. CHARGES ON ASSETS

As at 31 December 2017 and 2018, certain assets were pledged to secure the 2017 Convertible Loan Notes A, including (i) share charges of entire issued share capital of certain Company's subsidiaries; (ii) charges on account receivables from one of the Group's debtors with Nil balance with such debtor as at 31 December 2018 (2017: Nil); and (iii) land charges over certain lands located in Cambodia that to be acquired by the Group.

39. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2018, the Directors consider the immediate parent of the Group is China OEPC, a company incorporated in BVI. The Directors consider the ultimate holding company is Best Growth, a company incorporated in BVI. These entities do not produce financial statements available for public use. The Directors consider the ultimate controlling party is Mr. Zhang.

38. 資產抵押

於二零一七年及二零一八年十二月三十一日，若干資產已予質押以作為A類二零一七年可換股貸款票據之擔保，包括(i)本公司若干附屬公司之全部已發行股本之股份押記；(ii)來自本集團其中一名債務人之應收賬款之押記，於二零一八年十二月三十一日概無與有關債務人的結餘(二零一七年：無)；及(iii)本集團將予收購位於柬埔寨之若干土地之土地押記。

39. 直接及最終控股人士

於二零一八年十二月三十一日，董事認為，本集團之直接母公司為中國能源(一間於英屬處女群島註冊成立之公司)。董事認為最終控股公司為Best Growth，此乃為一間於英屬處女群島註冊成立之公司。該等實體並無編製可供公眾使用之財務報表。董事認為，最終控股人士為張先生。



Green Leader Holdings Group Limited
綠領控股集團有限公司

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

Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong
香港中環德輔道中189號李寶椿大廈20樓2001-2室