



HUSCOKE HOLDINGS LIMITED  
和嘉控股有限公司

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

(Stock Code 股份代號 : 704)

ANNUAL REPORT  
**2018**  
年報

# CONTENTS

## 目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	4
Management Discussion and Analysis 管理層討論及分析	7
Biographical Details of Directors and Senior Management 董事及管理層之履歷詳情	18
Report of the Directors 董事會報告	22
Corporate Governance Report 企業管治報告	41
Environmental, Social and Governance Report 環境、社會及管治報告	58
Independent Auditor's Report 獨立核數師報告	75
Consolidated Statement of Comprehensive Income 綜合全面收益表	83
Consolidated Statement of Financial Position 綜合財務狀況表	85
Consolidated Statement of Changes in Equity 綜合權益變動表	87
Consolidated Statement of Cash Flows 綜合現金流量表	89
Notes to the Consolidated Financial Statements 綜合財務報表附註	91
Particulars of Properties 物業詳情	196
Five-year Financial Summary 五年財務概要	197
Definitions 釋義	199

## BOARD OF DIRECTORS

### Executive Directors

Mr. Zhao Xu Guang (*Chairman and Chief Executive Officer*)

Mr. So Chiu Fung<sup>1</sup>

Mr. Li Baoqi<sup>2</sup>

### Non-Executive Directors

Mr. Wong Siu Hung, Patrick<sup>3</sup>

Mr. Huang Man Yem

### Independent Non-Executive Directors

Mr. Lam Hoy Lee, Laurie

Mr. To Wing Tim, Paddy

Dr. Wang Wei Hsin<sup>4</sup>

Mr. Lau Ka Ho<sup>5</sup>

## AUDIT COMMITTEE

Mr. To Wing Tim, Paddy (*Chairman*)

Mr. Lam Hoy Lee, Laurie

Mr. Huang Man Yem

Dr. Wang Wei Hsin<sup>4</sup>

Mr. Lau Ka Ho<sup>5</sup>

## REMUNERATION COMMITTEE

Mr. Lam Hoy Lee, Laurie (*Chairman*)

Mr. To Wing Tim, Paddy

Mr. Huang Man Yem

Dr. Wang Wei Hsin<sup>4</sup>

Mr. Lau Ka Ho<sup>5</sup>

## NOMINATION COMMITTEE

Mr. Zhao Xu Guang (*Chairman*)

Mr. Lam Hoy Lee, Laurie

Mr. To Wing Tim, Paddy

Dr. Wang Wei Hsin<sup>4</sup>

Mr. Lau Ka Ho<sup>5</sup>

## COMPANY SECRETARY

Mr. Li Chi Chung

<sup>1</sup> appointed on 7 September 2018

<sup>2</sup> appointed on 9 April 2018 and resigned on 7 September 2018

<sup>3</sup> re-designed from executive Director to non-executive Director on 9 April 2018

<sup>4</sup> appointed on 19 December 2018

<sup>5</sup> resigned on 14 December 2018

## 董事會

### 執行董事

趙旭光先生 (*主席及行政總裁*)

蘇晁鋒先生<sup>1</sup>

李寶琦先生<sup>2</sup>

### 非執行董事

黃少雄先生<sup>3</sup>

黃文鑫先生

### 獨立非執行董事

林開利先生

杜永添先生

王維新博士<sup>4</sup>

劉家豪先生<sup>5</sup>

## 審核委員會

杜永添先生 (*主席*)

林開利先生

黃文鑫先生

王維新博士<sup>4</sup>

劉家豪先生<sup>5</sup>

## 薪酬委員會

林開利先生 (*主席*)

杜永添先生

黃文鑫先生

王維新博士<sup>4</sup>

劉家豪先生<sup>5</sup>

## 提名委員會

趙旭光先生 (*主席*)

林開利先生

杜永添先生

王維新博士<sup>4</sup>

劉家豪先生<sup>5</sup>

## 公司秘書

李智聰先生

<sup>1</sup> 於二零一八年九月七日獲委任

<sup>2</sup> 於二零一八年四月九日獲委任及於二零一八年九月七日辭任

<sup>3</sup> 於二零一八年四月九日由執行董事調任為非執行董事

<sup>4</sup> 於二零一八年十二月十九日獲委任

<sup>5</sup> 於二零一八年十二月十四日辭任

**LEGAL ADVISER**

Michael Li & Co.

**AUDITORS**

Mazars CPA Limited

**STOCK CODE**

Hong Kong Stock Exchange: 704

**CORPORATE WEBSITE**

www.huscoke.com

**PRINCIPAL OFFICE**

Room 2301, 23rd Floor  
Tower One, Lippo Centre  
89 Queensway  
Admiralty, Hong Kong

**REGISTERED OFFICE**

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

**SHARE REGISTRARS AND TRANSFER OFFICE**

**In Hong Kong**

Tricor Secretaries Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

**In Bermuda**

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

**PRINCIPAL BANKERS**

Nanyang Commercial Bank, Limited  
The Bank of East Asia Limited  
The Hongkong and Shanghai Banking Corporation Limited

**法律顧問**

李智聰律師事務所

**核數師**

中審眾環(香港)會計師事務所有限公司

**股票代號**

香港聯交所：704

**公司網址**

www.huscoke.com

**主要辦事處**

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金鐘道89號  
力寶中心一座  
23樓2301室

**註冊辦事處**

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

**股份過戶登記處**

**香港**

卓佳秘書商務有限公司  
香港灣仔  
皇后大道東183號  
合和中心22樓

**百慕達**

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

**主要往來銀行**

南洋商業銀行有限公司  
東亞銀行有限公司  
香港上海滙豐銀行有限公司

On behalf of the Board of Huscoke Holdings Limited (formerly known as Huscoke Resources Holdings Limited), I am pleased to present the annual report of the Group for the year ended 31 December 2018.

## BUSINESS OVERVIEW

The PRC macroeconomy continued to maintain its stable growth and favorable development trend in 2018, with its gross domestic product exceeded RMB90 trillion for the first time, representing a year-on-year increase of 6.6%. Among which, its gross industrial product increased by 6.1% year-on-year, showing a steady trend amid moderate growth. Along with the continuous intensifying supply-side structural reforms and the issuance of various government environmental policies throughout the year, the restriction on production for environmental protection became normalized and coke production capacity demonstrated an overall downward trend, which resulted a concussion rise in coke prices. In addition, owing to the policies on limiting production as well as the demand recovery in the downstream sector, the coke and steel prices sustained at a relatively high level, which also boosted the coke prices at the high level.

However, due to high coke prices, tightening environmental protection policies and de-capacity policies, the coke inventory level recovered in downstream steel factories, which reduced the coke purchasing volume. On the other hand, the government paid high attention to environmental protection and issued policies such as the "Three-year Action Plan for Winning the Battle for a Blue Sky", and tightened the environmental index of production in the industry, which led to an increase in industry production operating costs. The management strived to improve the operation performance of the Group, strengthened cost control and risk management and overcame the aforesaid market adverse factors successfully. We also leveraged the advantages of the coke price and was able to maintain the profit for the year that approximates to last year.

本人謹此代表和嘉控股有限公司(原名為和嘉資源控股有限公司)董事會,欣然提呈本集團截至二零一八年十二月三十一日之年度報告。

## 業務回顧

二零一八年中國宏觀經濟繼續保持穩中向好的發展態勢,國內生產總值首超人民幣90萬億元,同比增長6.6%,其中工業生產總值同比增長6.1%,增速緩中趨穩。隨著供給側結構性改革的不斷深入,全年國家環保政策頻出,使環保限產常態化,焦炭產量整體呈下降趨勢,導致焦炭價格呈震盪上揚趨勢。另外,由於煤炭和鋼材價格受限產政策及下游需求回升處於相對高位,亦帶動焦炭價格高位徘徊。

然而,由於焦炭價格高企、環保政策收緊以及去產能政策所致,下游鋼廠的焦炭庫存回升,使焦炭的採購量有所降低。另一方面,由於國家全年高度重視環保以及發佈《打贏藍天保衛戰三年行動計劃》等政策,收緊行業的生產環保指標,加大行業的生產經營成本。管理層盡其所能改善本集團之營運表現,加強成本控制及風險管理,成功克服上述市場不利因素,並把握焦炭價格優勢,本集團保持全年盈利和去年相近。

### FINANCIAL PERFORMANCE OVERVIEW

The Group recorded total revenue of approximately HK\$1,478,049,000 for the year ended 31 December 2018 (“FY2018”), representing a growth of approximately 11.1% as compared to the same of approximately HK\$1,330,791,000 for the year ended 31 December 2017 (“FY2017”). Operating profit before interest and tax was approximately HK\$178,132,000 in FY2018, representing a growth of approximately 32.3% as compared to the operating profit before interest and tax of approximately HK\$134,674,000 in FY2017. Profit attributable to owners of the Company amounted to approximately HK\$128,391,000 in FY2018, representing a growth of approximately 8.9% as compared to the profit attributable to owners of the Company of approximately HK\$117,898,000 in FY2017. Basic earnings per share was 4.92 Hong Kong cents in FY2018, as compared to basic earnings per share of 4.54 Hong Kong cents in FY2017.

### PROSPECTS

The year of 2019 will be the inaugurated year of “de-capacity” in the coke industry. Whilst the efforts on policies such as restricting production for environmental protection may sustain, augmented by the policy that Shanxi Province encourages coke enterprises to “Close the Small and Upgrade to the Large”, it is expected to adjust the balance between supply and demand in the market effectively. Nevertheless, along with the capacity optimization in the coke industry, the concentration of overall industry chain will improve significantly. Along with the improvement of capacity utilization, the Group's operation will also improve. The Group will pay close attention to the coke market condition both domestically and abroad and will adjust our operation and development strategy as appropriate in response to the challenges and grasp the opportunities. Looking forward into 2019, it is full of prospects despite hidden dangers.

Meanwhile, the PRC government has implemented a series of environmental protection policies such as the “Three-year Action Plan for Winning the Battle for a Blue Sky” to solve the air pollution problem. It is expected to put more pressure on environmental governance of the coke industry. In response to such tougher challenges exposed to our operation and production as well as meeting the environmental standard imposed on the coke industry, the Group will further upgrade its existing equipment and facilities so as to achieve cleaner emissions.

### 財務業績回顧

截至二零一八年十二月三十一日止全年度（「二零一八年財政年度」），本集團錄得總收入約1,478,049,000港元，較截至二零一七年十二月三十一日止全年度（「二零一七年財政年度」）總收入約1,330,791,000港元，上升約11.1%。於二零一八財政年度，除利息及稅前經營溢利約178,132,000港元，較二零一七年財政年度則錄得除利息及稅前經營溢利約134,674,000港元，上升約32.3%。於二零一八年財政年度，本公司擁有人應佔溢利約128,391,000港元，較二零一七年財政年度之本公司擁有人應佔溢利約117,898,000港元，上升約8.9%。於二零一八年財政年度，每股基本盈利為4.92港仙，而二零一七年財政年度之每股基本盈利為4.54港仙。

### 前景

二零一九年將是焦化行業的「去產能」元年，環保限產等政策的力度可能也會維持，加上山西省鼓勵焦化企業「上大關小」，預計將有效調整市場供需平衡。但隨著焦化行業的產業優化，整個產業鏈的集中度將有顯著提高，產能利用率逐步提高，對本集團經營情況也將有所改善。本集團將密切關注國內外焦炭市場情況，適時調整經營發展策略，以應對挑戰，並把握機遇。展望二零一九年雖有隱憂，也充滿希望。

同時，中國政府為解決空氣污染問題，推行了《打贏藍天保衛戰三年行動計劃》等一系列環保政策，此將增加焦炭行業管理環保經營的壓力，為應付經營生產方面將可能面臨更艱巨的挑戰及達到焦炭行業的環保標準，本集團未來或將進一步為其生產設備及設施升級，以達到更清潔排放的目標。

The Group will explore collaborative opportunities relating to the exiting business and will integrate upstream and downstream assets and advanced technologies that provide synergies to the current coke production business. GRG Huscoke (Shan Xi) Limited (山西金岩和嘉能源有限公司), the joint venture subsidiary under the Group (the “JV Subsidiary”) entered into a debt transfer and conversion right agreement (the “Agreement”) with Shanxi Jinyan Energy Technology Company Limited (山西金岩能源科技有限公司) (“Energy Technology”) and other companies and the personal guarantor on 31 December 2018. Pursuant to which, the JV Subsidiary shall be entitled to convert the indebtedness into shares of not more than 12% of the enlarged issued share capital of Energy Technology. Energy Technology is a project entity of a coke project with annual capacity of 5 million tons of coke in Xiaoyi City, Shanxi Province in the PRC. Meanwhile, the Group also entered into a framework agreement with Energy Technology on 18 March 2018, planning to take up the interests and control of Energy Technology gradually, so as to expand the Group's business scale, enhance production technology and environmental standard in order to maintain the Group's sustainable development. At the same time, the Group will seek to broaden its business horizons by pursuing other suitable investment opportunities to initiate the growth point of new profit. We are confident that the Group will have a better development in the future and expand investment opportunities to bring long-term and stable returns for all our Shareholders.

#### APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to all Shareholders, for their continuous support and sincerely thank the Directors and staff for their dedication and diligence. I also wish to take this opportunity to express my gratitude to the business cooperation partners, long-term customers, banker and convertible bonds holders for their ongoing support.

**ZHAO Xu Guang**

*Chairman*

28 March 2019

本集團將積極物色與現存業務相關的合作機會，整合煤炭產業鏈上下游資源及先進技術，以發揮與焦炭生產業務的協同作用。本集團之合營附屬公司山西金岩和嘉能源有限公司（「合營附屬公司」）已於二零一八年十二月三十一日與山西金岩能源科技有限公司（「能源科技」）等公司及個人擔保人簽訂債務轉移及債轉股協議，據此合營附屬公司有權兌換為不超過能源科技經擴大已發行股本之12%，能源科技為中國山西省孝義市年產500萬噸焦炭項目之項目承載主體。同時，本集團已於二零一八年三月十八日與能源科技簽署併購框架協議以計劃逐步取得能源科技權益及控制權，以擴大本集團業務規模、提升其生產技術及環保水準，從而維持本集團可持續發展。與此同時，本集團也積極尋找其他合適投資機會以開拓業務領域，啟動新利潤增長點。本集團有信心在未來將會有更好業務發展，開拓可以為股東帶來長遠穩健回報的投資機會。

#### 致謝

本人僅代表董事會感謝全體股東、業務合作夥伴、長期客戶、銀行企業及可換股債券持有人的鼎力支持，以及向各董事及全體員工的努力不懈和寶貴貢獻致以衷心謝意。

主席

趙旭光

二零一九年三月二十八日

## BUSINESS REVIEW

The PRC macro-economy continued to maintain a moderate growth in 2018 with the economic sentiment remained stable and optimistic. China's coke market first showed a stagnation and then an upswing, with frequent price adjustments and broad volatility. Due to the frequent occurrence of pollution incidents from coke enterprises throughout the year, the government paid high attention to environmental protection, promulgating as well as propelling various policies such as the "Three-year Action Plan for Winning the Battle for a Blue Sky" which makes the restrictions of coke industry production for environmental protection to become regular. The capacity utilization in the coke industry kept at a low-level, which resulted a relatively intense situation in overall coke supply and drove the coke price upwards.

On the other hand, due to the consistency of pricing trend in both the upstream and downstream coke industry, the coal price continued to increase under the influence of de-capacity policy and rising coke price, and gross profit margin in coke industry became thinner and thinner accordingly. At the same time, due to the frequent promulgation of various government environmental policies throughout the year, the production environmental standard was tightened. In response to market price fluctuation and higher production costs, the management through measures in improving production and operating efficiency and strengthened cost control, therefore maintained similar profit of the Group for the year when compare with last year.

In addition, the management has always attached great importance to production safety and environmental protection, places huge efforts in developing as an enterprise embracing safety and treasures the environment, strictly complies with production safety and environment related laws and regulations, as well as complying with national emission standards.

## 業務回顧

二零一八年中國宏觀經濟保持溫和增長，經濟形勢穩中向好。國內焦炭走勢整體呈現先抑後揚格局，調價節奏頻繁，寬幅震蕩。由於全年焦化企業污染事故頻發，國家高度重視環保，並發佈推行《打贏藍天保衛戰三年行動計劃》等政策，使焦炭行業環保限產的常態化，焦化行業產能利用率在低水平運行，致使焦炭整體供應相對緊張，帶動焦炭價格保持震蕩向上的趨勢。

另一方面，由於焦炭行業上下游價格走勢一致性，焦煤價格在去產能政策及焦炭價格上揚影響下持續上升，焦炭行業毛利水平亦隨之相應收窄。同時由於全年國家環保政策頻出，生產環保指標收緊。為應對市場價格波動及高額生產成本，管理層通過提升生產經營效率以及加強成本控制，本集團保持本年度盈利和去年相近。

另外，管理層一直重視生產安全及環境保護，致力成為安全為本及注重環保的企業，嚴格遵守安全生產及環境保護相關法律法規，符合國內各項排放指標。



## FINANCIAL REVIEW

### Revenue, gross profit margin, net profit, profit attributable to owners of the Company and earnings per share

Total revenue of the Group for the year was approximately HK\$1,478,049,000 (2017: HK\$1,330,791,000), representing an increase of approximately 11.1% as compared to the same period of last year. The Group recorded gross profit margin of approximately 16.6% for the year as compared to approximately 16.0% in 2017. Profit for the year and profit attributable to owners of the Company amounted to HK\$145,981,000 and HK\$128,391,000 respectively, as compared to the profit and profit attributable to owners of the Company of approximately HK\$131,913,000 and HK\$117,898,000 respectively for the corresponding period in 2017. Basic earnings per share for the year was 4.92 Hong Kong cents, as compared to the basic earnings per share of 4.54 Hong Kong cents in 2017.

The Group is principally engaged in three business segments, namely: (i) trading of coke (the “**Coke Trading Segment**”); (ii) washing of raw coal into refined coal for sale and for further processing, and the sale of electricity and heat which are generated as by-products that produced during the washing of raw coal (the “**Coal-related Ancillary Segment**”); and (iii) processing of refined coal into coke for sale, and sale of coke by-products that are generated during coke production (the “**Coke Production Segment**”).

### Coke Trading Segment

The Group is engaged in coke and coal trading business and principally operates such business through Herong Resources Limited, a wholly-owned company incorporated in Hong Kong, and a PRC subsidiary. The PRC subsidiary operating the raw coal trading recorded a turnover of approximately HK\$35,884,000 in the coke trading business in 2018, whilst it recorded a turnover of approximately HK\$32,130,000 in 2017, an increase of approximately 11.7%. The Group will still continue to explore the direct coke trading business opportunities in the future.

## 財務回顧

### 收入、毛利率、溢利淨額、本公司擁有人應佔溢利及每股盈利

本集團本年度總收入約1,478,049,000港元(二零一七年: 1,330,791,000港元), 較去年同期增加約11.1%。本集團本年度錄得毛利率約16.6%, 而二零一七年則約16.0%。本年度溢利及本公司擁有人應佔溢利分別為145,981,000港元及128,391,000港元, 而二零一七年同期之年度溢利及本公司擁有人應佔溢利分別約為131,913,000港元及117,898,000港元。本年度每股基本盈利為4.92港仙, 而二零一七年之每股基本盈利為4.54港仙。

本集團主要從事三個業務分類, 即(i)焦炭貿易(「焦炭貿易分類」); (ii)洗原煤以產生作銷售用途及進一步加工之精煤, 以及銷售電能及熱能(洗原煤過程產生之副產品)(「煤炭相關附屬分類」); 及(iii)加工精煤以產生作銷售用途之焦炭, 以及銷售因焦炭生產過程所產生之焦炭副產品(「焦炭生產分類」)。

### 焦炭貿易分類

本集團從事焦炭及煤炭貿易業務, 並主要通過一間全資香港註冊的公司—和融資源有限公司及中國附屬公司經營該等業務。本集團的中國附屬公司於二零一八年在焦炭貿易業務產生約35,884,000港元營業額, 而於二零一七年經營原煤貿易業務產生約32,130,000港元營業額, 增幅約為11.7%, 本集團仍於未來持續探索焦炭的直接貿易機會。

### Coal-related Ancillary Segment

The coal-related ancillary segment relates to the washing of raw coal to produce refined coal for sale and for further processing, and the sale of electricity and heat that are being generated as by-products during the washing process of raw coal.

The de-capacity policy in the coal industry largely eliminated the old, small-scale, inefficient and high carbon emissions domestic coal miners and caused a decrease supply. Thus, the Group closely monitored the market demands, and strived to improve the high-quality supply capacity. However, the overall business declined slightly due to the supervision of environmental protection issues, and led to the decrease in external sales from approximately HK\$109,619,000 in 2017 to approximately HK\$91,119,000 in 2018, representing a decrease of approximately 16.9%. The segment loss of approximately HK\$232,904,000 in 2018 (2017: segment profit of approximately HK\$33,935,000) was mainly due to the provision of impairment loss on items of property, plant and equipment of approximately HK\$268,943,000 (2017: Nil).

### Coke Production Segment

Given coke prices had sustained at a high level in 2018, the coke production segment recorded an increase in revenue from approximately HK\$1,189,042,000 in 2017 to approximately HK\$1,351,046,000 in 2018, representing an increase of 13.6%. With raw material prices of the Group relatively stable, the coke market and price also made segmented profit in 2018, which increased from approximately HK\$171,015,000 in 2017 to approximately HK\$504,755,000 in 2018, including the reversal of impairment loss on items of property, plant and equipment of approximately HK\$367,996,000 (2017: HK\$84,977,000).

### Selling and Distribution Costs

The selling and distribution costs of the Group were mainly from the Coke Production Segment. It decreased slightly from approximately HK\$146,429,000 in 2017 to approximately HK\$137,637,000 in 2018, representing a decrease of approximately 6.0%, which was due to the similar long-distance transportation costs incurred to the customers in 2018 as compared to 2017.

### Administrative Expenses

The administrative expenses of the Group amounted to approximately HK\$103,301,000 in 2018, representing an increase of 23.3% from approximately HK\$83,804,000 in 2017. The increase in administrative expenses was mainly attributable to the increase in professional fees and staff costs for expanding potential investment business.

### 煤炭相關附屬分類

煤炭相關附屬分類涉及於洗原煤過程產生精煤作銷售用途及進一步加工之用，以及銷售電能及熱能（洗原煤過程產生之副產品）。

煤炭行業之去產能政策大規模淘汰舊式、小規模、低效率及高碳排放的國內煤炭採礦商，導致煤炭供應下跌。因此，本集團密切監察市場需求，並致力改善優質供應能力，但整體業務受環保問題的監控，業務略有下跌，導致外部銷售由二零一七年之約109,619,000港元減少至二零一八年之約91,119,000港元，減幅約為16.9%。二零一八年之分類虧損約232,904,000港元（二零一七年：分類溢利約33,935,000港元）主要來自年內物業、廠房及設備項目減值撥備約268,943,000港元（二零一七年：無）所致。

### 焦炭生產分類

由於焦炭價格於二零一八年處於高位，焦炭生產分類收入錄得增長，由二零一七年之約1,189,042,000港元增加至二零一八年之約1,351,046,000港元，升幅13.6%。原材料價格在相對穩定情況下，致使焦炭市場及價格亦於二零一八年為本分類業務獲得利潤，由二零一七年之盈利約171,015,000港元上升至二零一八年之盈利約504,755,000港元，當中包括物業、廠房及設備項目減值回撥約367,996,000港元（二零一七年：84,977,000港元）。

### 銷售及分銷成本

本集團之銷售及分銷成本主要來自焦炭生產分類。由於二零一八年與二零一七年的客戶長途運輸成本相近，銷售及分銷成本由二零一七年約146,429,000港元略為減少至二零一八年約137,637,000港元，減幅約為6.0%。

### 管理費用

本集團於二零一八年之管理費用約103,301,000港元，較二零一七年約83,804,000港元增加23.3%。管理費用增加是由於拓展潛在投資業務，導致專業費用及員工成本增加。

### Finance Costs

Finance costs of the Group mainly represented interest expenses of the convertible bonds. The finance costs recorded by the Group decreased to approximately HK\$2,200,000 in 2018 from approximately HK\$8,015,000 in 2017, which was mainly due to the restructure in relation to the convertible bond issued in November 2016.

### CHARGES OVER ASSETS

The Group had no pledged assets, including pledged deposit, as at 31 December 2018 (2017: Nil).

### CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize Shareholders' value.

The Group manages its capital structure and makes adjustments in light of the changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Group may adjust dividend payments to Shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2018.

The Group's principal financial instruments comprise convertible bonds and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, amounts due from non-controlling shareholder, cash and bank balances, trade payables, and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees the various policies for managing these risks and they are summarized below.

### 財務費用

本集團之財務費用主要是來自可換股債券之利息開支。本集團錄得之財務費用由二零一七年約8,015,000港元減少至二零一八年約2,200,000港元，財務費用減少主要是由於二零一六年十一月發行的可換股債券之重組所致。

### 資產質押

本集團於二零一八年十二月三十一日並無抵押資產(包括抵押按金)(二零一七年：無)。

### 資本結構及資本管理

本集團資本管理之首要目標為確保本集團具備持續經營之能力，且維持穩健之資本比率，以支持其業務運作，爭取最大之股東價值。

本集團根據經濟情況之變動及相關資產價值風險特質，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能調整向股東派發之股息，向股東派回之資本或發行新股。於二零一八年十二月三十一日止年度內並無更改管理資本之目標、政策或程序。

本集團之主要金融工具包括可換股債券及其他借貸。該等金融工具之主要目的為籌集資金作本集團經營所需。本集團有若干其他不同金融資產及負債，例如貿易應收帳款、按金及其他應收帳款、應收非控股股東款項、現金及銀行結存、貿易應付帳款，以及其他應付帳款及應計款項，均直接來自其經營業務。

本集團金融工具之主要風險為外幣風險、信貸風險及流動資金風險。董事會檢討及協定管理各項有關風險之政策，並概述如下。

The Group uses gearing ratio to monitor its capital conditions regularly, which is being computed as net debts divided by the adjusted capital plus net debts. Net debts include trade payables, other payables, accruals and deposits received, other borrowings, convertible bonds, net of cash and bank balances. Capital include the convertible bonds issued in 2016 and equity attributable to owners of the Company. The gearing ratio as at 31 December 2018 was 64% (2017: 62%).

As at 31 December 2018, the equity attributable to owners of the Company amounted to HK\$513,001,000 (2017: HK\$376,868,000). The equity attributable to owners of the Company was approximately HK\$0.19 per share for the year ended 31 December 2018 (2017: HK\$0.15 per share).

#### LIQUIDITY AND FINANCIAL RESOURCES

Net current liabilities and current ratio were HK\$74,822,000 (2017: HK\$26,541,000) and 0.92 (2017: 0.96) respectively as at 31 December 2018.

As at 31 December 2018, the Group's cash and bank balances amounted to HK\$18,894,000 (2017: HK\$69,655,000). The Group's total other borrowings and convertible bonds amounted to HK\$18,188,000 (2017: HK\$18,188,000) and HK\$43,526,000 (2017: HK\$41,427,000) respectively.

As of 31 December 2018 and 2017, the Group had no bills payable.

In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has adopted the following measures:

- (a) On 13 February 2019, the Group and Rontac Resources Company Limited, the holder of the 2017 Convertible Bonds with principal amount of HK\$43,277,000, entered into an agreement to extend the maturity date of the 2017 convertible bonds for one year to 31 August 2020 with all other terms and conditions remain unchanged. The extension is subject to approval of Shareholders at a special general meeting held on 9 April 2019.

本集團採用資產負債比率定期監察資本狀況，計算方法為負債淨額除以經調整資金加負債淨額。債務淨額包括貿易應付帳款、其他應付帳款、應計款項及已收按金、其他借貸以及可換股債券，扣除現金及銀行結存。資金包括於二零一六年發行之可換股債券及本公司擁有人應佔權益。於二零一八年十二月三十一日之資產負債比率為64%（二零一七年：62%）。

於二零一八年十二月三十一日，公司擁有人應佔權益達513,001,000港元（二零一七年：376,868,000港元）。本公司擁有人於截至二零一八年十二月三十一日止年度應佔權益約為每股0.19港元（二零一七年：每股0.15港元）。

#### 流動資金及財政資源

流動負債淨值及流動比率於二零一八年十二月三十一日分別為74,822,000港元（二零一七年：26,541,000港元）及0.92（二零一七年：0.96）。

於二零一八年十二月三十一日，本集團之現金及銀行結存為18,894,000港元（二零一七年：69,655,000港元）。本集團其他借貸總額及可換股債券分別為18,188,000港元（二零一七年：18,188,000港元）及43,526,000港元（二零一七年：41,427,000港元）。

於二零一八年與二零一七年十二月三十一日，本集團並無應付票據。

為了改善本集團流動資金及現金流量以支持本集團之持續經營，本集團已採取以下措施：

- (a) 於二零一九年二月十三日，本公司與融泰資源有限公司（本金額為43,277,000港元之二零一七年可換股債券持有人）訂立協議，以延長二零一七年可換股債券之到期日一年至二零二零年八月三十一日，而所有其他條款及條件保持不變。延長須待於二零一九年四月九日舉行之股東特別大會上獲股東批准後，方可作實。

- (b) The directors will consider to improve the financial position of the Group (i) enlarge the capital base of the Company by conducting fund raising exercises such as share placement or (ii) obtain bank facilities when necessary.
- (c) Management has used its best endeavor to improve the Group's operating results to attain positive operating cash flows. The Group's operation has been recovering in light of continuous improved market demand for coke production in the PRC during the year. A gross profit of approximately HK\$245,821,000 (2017: HK\$212,983,000) was recorded for the year ended 31 December 2018. The Group continued to generate net cash inflows from its operations during the year ended 31 December 2018. The directors of the Company believe that the recovery momentum will continue and the operation will keep contributing positive cash inflows to the Group in the foreseeable future.
- (d) Included in the current liabilities of the Group as at 31 December 2018 is an amount of approximately HK\$214,700,000 (2017: HK\$199,108,000) in relation to contract liabilities from contracts with customers within HKFRS 15, majority of which will be recognised as revenue when the performance obligation is satisfied. Taking into account the estimated costs to be incurred in generating such revenue with reference to gross profit ratio of around 16% for current year, the management considered there is no other cash outflow impact to the Group for such amount in the foreseeable future.
- (b) 董事將考慮改善本集團之財務狀況(i)透過進行股份配售等集資活動擴大本公司股本基礎或(ii)於必要時取得銀行融資。
- (c) 管理層已盡其所能改善本集團之經營業績，以維持正數營運現金流。於本年度，由於中國焦炭生產之市場需求持續改善，本集團營運已逐漸恢復。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245,821,000港元(二零一七年：212,983,000港元)。本集團持續於截至二零一八年十二月三十一日止年度內自營運產生現金流入淨額。本公司董事相信復甦之勢頭將持續，而營運將於可見未來為本集團帶來正數現金流入。
- (d) 本集團於二零一八年十二月三十一日之流動負債包括有關香港財務報告準則第15號範圍內來自客戶合約之合約負債之款項約214,700,000港元(二零一七年：199,108,000港元)，其中大部分款項將於達致履約義務時確認為收入。經計及參考本年度毛利率約16%而得出產生該收入時將予產生的估計成本，管理層認為就該款項於可見未來不會對本集團產生其他現金流出影響。

#### OPERATING LEASE AND CAPITAL COMMITMENTS

As at 31 December 2018, the Group had operating lease commitments of HK\$34,123,000 (2017: HK\$10,579,000).

As at 31 December 2018, the Group didn't have any authorised, contracted, but not provided for capital commitments (2017: HK\$3,355,000) in respect of plant and equipment acquisitions.

#### RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

#### 經營租賃及資本承擔

於二零一八年十二月三十一日，本集團之經營租賃承擔為34,123,000港元(二零一七年：10,579,000港元)。

於二零一八年十二月三十一日，本集團沒有有關收購廠房及設備之授權，已訂約但未撥備之資本承擔(二零一七年：3,355,000港元)。

#### 風險管理及內部監控系統

董事會確認其有責任確保本公司維持穩健有效的風險管理及內部監控系統。本集團內部監控系統的設計及設立旨在確保保障資產不會在未經許可下使用或處置、依從及遵守相關規則及法規、根據相關會計準則及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。本集團內部監控的審核涵蓋主要財務、營運及合規監控及風險管理職能。內部監控系統僅作出合理而非絕對的保證可防範重大失實陳述或損失，其訂立旨在管理而非消除未能達致業務目標的風險。

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

#### INTEREST RATE RISK

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to the changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates.

The Group's fair value interest rate risk relates primarily to short term cash and bank balances. The Group is also exposed to cash flow interest rate risk through the impact of interest rate changes on deposits. To minimize the fair value interest rate risk, the Group keeps its borrowings with a fixed rate of interest. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

#### FOREIGN CURRENCY RISK

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi, United States dollars and Hong Kong dollars. The Group is exposed to foreign currency risk arising from the monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities.

The Group does not have any hedging instruments outstanding. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider appropriate hedging measures in the future as may be necessary.

本集團的風險管理框架包括風險識別、風險評估、風險處理及控制以及檢討有關措施的有效性。風險管理框架乃按三級風險管理的方法的指引進行。於第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，管理層界定規則組合及模型、提供技術支持、制定新系統及監督組合管理，並確保風險處於可接受範圍之內及第一道防線行之有效。作為最後一道防線，本公司審核委員會在外聘專業顧問（按年為本集團進行內部審核工作）的專業建議及意見下透過持續檢查及監控確保第一道防線及第二道防線行之有效。

#### 利率風險

公允值利率風險為金融工具之價值因應市場利率變動產生波動出現之風險。現金流量利率風險為金融工具之未來現金流量因應市場利率變動產生波動出現之風險。

本集團之公允值利率風險主要涉及短期現金及銀行結餘。本集團亦透過存款之利率變動影響而承擔現金流量利率風險。為盡量減低公允值利率風險，本集團將其借貸維持固定利率。管理層監察利率風險並將於有需要時考慮對沖重大利率風險。

#### 外幣風險

本集團之貨幣資產、負債及交易均主要以人民幣、美元及港元計值。本集團需承受相關集團實體功能貨幣以外貨幣計值貨幣資產及負債產生之外幣風險。

本集團並無任何未行使對沖工具。本集團將持續觀察經濟情況及其外匯風險組合，並於日後有需要時考慮採取適當之對沖措施。

### CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements (2017: Nil).

### TREASURY POLICIES

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

### EMPLOYEES AND REMUNERATION

As at 31 December 2018, the Group had approximately 1,400 employees (2017: approximately 1,500 employees), with 20 staff stationing in Hong Kong and the rest are senior management and workers in Mainland China. The Group's staff costs amounted to approximately HK\$95,317,000 for the year ended 31 December 2018 and approximately HK\$73,999,000 was recorded in 2017.

Employees are remunerated according to job nature and market trends, with built-in merit component incorporated in annual increment and year-end performance bonus to reward and motivate individual performance. As at 31 December 2018, there are 10,400,000 share options outstanding under the share option scheme. Particulars and details of the movement of the share option schemes of the Company are set out in note 28 to the consolidated financial statements. As at the date of this report, there are 6,400,000 share options outstanding.

### PROSPECTS

Looking forward into 2019, the potency of policies such as production restriction for environmental protection may sustain. Affected by environmental protection policies, capacity utilization in the coke industry will continue to keep the operation at a low level. And at the same time, Shanxi province encourages the coke enterprises to either "Close the Small and Upgrade to the Large" and supports using advanced capacity to replace outdated capacity. The gradual release of new capacity may lead to a phased mismatch of coke supply. The continuous demands of downstream steel industry will give a strong support to coke price. At the same time, the series of policies such as industrial optimization of coke industry and ultra-low emission restriction will significantly increase capacity elimination in the coke industry, improve restriction industry concentration and capacity utilization, in which it will offer favorable support in cost control and profit distribution.

### 或然負債

於二零一八年十二月三十一日，本集團並無未於財務報表中撥備之任何重大或然負債（二零一七年：無）。

### 財資政策

本集團對財資及融資政策取態審慎，集中於風險管理及與本集團相關業務有直接關係之交易。

### 僱員及薪酬

於二零一八年十二月三十一日，本集團旗下員工約1,400人（二零一七年：約1,500人），留駐香港之員工20人，其餘均為國內高級管理人員及工人。截至二零一八年十二月三十一日止年度，本集團之員工成本約達95,317,000港元，而二零一七年同期所錄得之員工成本約為73,999,000港元。

僱員薪酬乃按工作性質及市場走勢釐定，並於年度增薪評估內設有表現評估部分及年終獎金，以推動及獎勵個人工作表現。於二零一八年十二月三十一日，根據購股期權計劃之未行使購股期權為10,400,000份。本公司購股期權計劃之詳情及變動詳情載於綜合財務報表附註28。截至本報告日期，未行使購股期權為6,400,000份。

### 展望

展望二零一九年，環保限產等政策的力度或會維持。焦化行業產能利用率受環保壓制，將繼續保持低位運行，加上山西省鼓勵「上大關小」，支持以先進產能置換落後產能，新建產能的逐步釋放可能造成焦炭供給的階段性錯配。下游鋼鐵行業需求持續，將有力支持焦炭價格。同時焦化行業的產業優化與超低排放限制等一系列政策，將大幅增加焦化行業產能淘汰力度，改善行業集中度，提升產能利用率，在成本控制及利潤分配方面也會提供有利支持。

On the other hand, owing to the promulgation of various government environmental policies, restriction on production for environmental protection to be regular in coke industry and amid increasing regulation requirements from the PRC government towards the coke industry, the Group will face tougher challenges and pressure in its production operation. We may continue to increase our effort in environmental protection and production safety and respond to the call for “the Battle for a Blue Sky” to ensure domestic environmental and production requirements are complied with.

In order for the Group to achieve sustainable development and business growth, the management has been actively exploring investment opportunities related to its existing businesses, so as to expand our production scale, upgrade production technology and enhance environmental standard. In addition, we will commence new businesses that have competitive advantages and development potentials in other sectors, so as to improve business competitiveness and create a stable profit stream in the long-run and generates long-term investment return for Shareholders.

#### REMARKS ON THE ANNUAL REPORT FOR THE EDB AUDIT ISSUES

The Company only first became aware of that EDB Holding might not be able to complete the audit of its consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) for the year ended 31 December 2018 (“**EDB Audited F/S**”) before the publication of the Company’s 2018 annual results on or around 14 February 2019 and was not aware of such incident at the time of the acquisition. Based on the Company’s understanding, the main reasons why EDB Holding could not complete its audit for the year ended 31 December 2018 before the Company’s 2018 annual results was published were: the main operating entities of EDB Holding and its subsidiaries (collectively the “**EDB Group**”) were established in the PRC and did not prepare financial statements in accordance with HKFRSs. The EDB Group has not prepared its audited PRC accounts since it is not mandatory statutory requirements for the EDB Group to prepare audited PRC accounts. As such, the EDB Group did not have experience or expertise in preparing relevant financial statements and the EDB Group also took time to engage its appropriate auditors (“**EDB Auditors**”). Moreover, there were staff changes in finance department of the EDB Group, which further caused delay for the audit.

另一方面，中國政府環保政策頻出，焦企環保限產常態化，面對政府對焦炭行業環保日益趨嚴的監管要求，本集團在生產經營方面將面臨更多的挑戰和壓力。本集團或繼續加強環保及安全生產的投入，響應國家「藍天保衛戰」的政策號召，確保符合國內各項環保及生產標準要求。

為了保證本集團業務的持續增長及可持續發展，管理層會積極尋找與現存業務相關的投資機會，以擴大生產規模、升級生產技術及提升環保水平。除此之外也會在其他領域開展具備競爭優勢及發展潛力的新業務，以增強企業的競爭力，以形成穩定利潤來源，為各位股東帶來長遠穩定的投資回報。

#### 就EDB審計問題保留意見之年報備註

本公司於約二零一九年二月底初次知悉EDB Holding未能於本公司二零一八年度業績公佈前完成截至二零一八年十二月三十一日止年度根據香港財務報告準則編制的經審核綜合財務報表（「**經審核綜合財務報表**」），而本公司並沒有於完成收購時知悉上述問題。據本公司了解，EDB Holding未能於本公司二零一八年度業績公佈前完成截至二零一八年十二月三十一日止年度審計工作的主要原因在於EDB Holding的主要經營主體及其子公司（合稱「**EDB集團**」）位於中國內地，並未有根據以香港財務報告準則編制財務報表。由於未有強法定要求EDB集團按中國會計準則編制經審核綜合財務報表，故EDB集團亦並未有準備上述經審核綜合財務報表。因此，EDB集團在編制相關財務報表方面並無任何經驗及專業知識，而EDB集團亦需花費時間聘請合適核數師（「**EDB核數師**」）。與此同時，EDB集團的財務部門的人事變動亦進一步延遲核數進度。



The Company has been through its board representative in EDB Holding to urge EDB Holding to engage suitable auditors, i.e. EDB Auditors and complete its audit in time. In order to resolve the issue in respect of completion of audit of EDB Holding before the publication of the Company's 2018 annual results, after the meeting between the Company and the auditors on 26 February 2019, the financial controller of the Company did arrange the auditor to attend the office of EDB Holding in Beijing during the period from 4 March 2019 to 5 March 2019 with an objective to perform necessary audit procedures on EDB Holding by the auditor. However, EDB Holding was not able to provide the financial statements of the EDB Group in time and the auditors could not perform the required audit procedures for the audit of the Company's consolidated financial statements for the year ended 31 December 2018.

The Company has engaged Deloitte Touche Tohmatsu (“**Deloitte**”) to perform financial analysis of the EDB Group for the year ended 31 December 2015, 2016 and 2017 before completion of the acquisition. The management account(s) for the above financial years of the EDB Group have been provided by the EDB Group and reviewed by Deloitte and the Company. The scope of works by Deloitte was summarized as below:

- (a) Analysis of financial information for the year ended 2015, 2016 and 2017
- (b) Internal financial controls for the year ended 2017
- (c) Tax compliance review for the year ended 2017

There are terms with sufficient protective measures for the Company contained in the relevant agreements. Under the Subscription Agreement (as defined in the announcement of the Company dated 20 July 2018), EDB Holding shall be obliged to provide the Company the audited financial statements on or before 45 days after the financial year ended 31 December. The provision of audited financial statements of the EDB Group prepared under HKFRSs is one of the post-acquisition obligations on the part of EDB Holding under the SPA (as defined in the announcement of the Company dated 20 July 2018) and the Subscription Agreement. Otherwise the Company can request for the exercise of the right as stipulated under the relevant agreements, amongst others, such as Redemption Right which has been disclosed in sections heading “Repurchase of Subscription Shares” and “Repurchase of Sales Shares” in the announcement of the Company dated 20 July 2018. The Company can exercise the Redemption Right in the event that the aggregate audited consolidated after-tax net profits of the EDB Group for the year ended 31 December 2017 and 2018 be less than RMB30,000,000. The Company will determine whether or not to exercise the Redemption Right after receipt of the EDB Audited F/S. The Consideration Shares (as defined in the announcement of the Company dated 20 July 2018) are still pledged to the Company as at the date hereof. The Group will consider whether or not to enforce the share charge of the Consideration Shares after receipt of the EDB Audited F/S. Meanwhile, the Company has not yet settled the outstanding consideration of RMB40 million of the acquisition. The Board will determine as to when to settle the outstanding consideration after EDB Holding has provided the EDB Audited F/S to the Company.

本公司已通過其在EDB Holding董事會代表致函敦促EDB Holding聘請合適核數師(即EDB核數師)並及時完成審計。本公司於二零一九年二月二十六日與核數師會面後，為了於本公司二零一八年度業績公佈前解決EDB Holding未能完成審計之問題，本公司財務總監安排核數師於二零一九年三月四日至三月五日赴EDB Holding位於北京的辦事處，旨在由核數師對EDB Holding進行必要的核數工作。然而，EDB Holding未能及時提供EDB集團的財務報表，故核數師未能對本公司截至二零一八年十二月三十一日止綜合財務報表進行所需核數工作。

於完成收購前，本公司已委任德勤•關黃陳方會計師行(「德勤」)就EDB集團截止二零一五年、二零一六年及二零一七年十二月三十一日財務年度進行財務分析。EDB集團已提供其上述年度之管理賬戶，並供德勤及本公司審閱。德勤的工作範圍總結如下：

- (a) 截至二零一五年、二零一六年及二零一七年財務信息分析
- (b) 截至二零一七年的內部財務控制
- (c) 截至二零一七年稅務合規審查

雙方所簽署協議中條款已對本公司有充足保障措施。根據認購協議(定義見載於本公司二零一八年七月二十日的公告)，EDB Holding有責任於每年截至二零一八年十二月三十一日財政年度結束後45日或之前向本公司提供經審核的財務報表，而按香港財務報告準則編制經審核財務報表同為EDB Holding買賣協議(根據本公司載於二零一八年七月二十日的公告定義)及認購協議項下完成收購後責任。否則本公司有權行使相關協議所載之權利，其中包括購回權，內容已載於本公司日期為二零一八年七月二十日公告「購回認購股份」及「購回待售股份」。若EDB集團截至二零一七年及二零一八年十二月三十一日止年度經審核綜合財務報表稅後淨利潤合計少於人民幣3,000萬元，則本公司可行使上述購回權。而本公司將於收到EDB經審核綜合財務報表後決定是否行使該購回權。代價股份(根據本公司載於二零一八年七月二十日的公告定義)於本公告日期仍抵押予本公司，而本公司將於收到EDB經審核綜合財務報表後考慮是否執行該代價股份的抵押。同時，本公司尚未結清收購EDB Holding事項的剩餘款項人民幣4,000萬元，董事會將於EDB Holding提供其經審核綜合財務報表後決定何時結清剩餘款項。

Pursuant to the fact that EDB Holding had not yet completed its audited consolidated financial statements before publishing the 2018 annual results of the Company which led to the lack of reliable and relevant financial information of EDB Holding for incorporating into the Company's consolidated financial statements for the year ended 31 December 2018, the Company's interest in EDB Holding had not been accounted for using the equity method. The audit committee originally believed that the investments in EDB Holding (the "Investment") could alternatively be accounted for at cost method because of the relatively short period of time between the acquisition and the financial year-end (i.e. approximately one month). The issue of not adopting the equity method to account for the Investment was brought to discussion with the auditor by the Board and the audit committee and it was concluded that the equity method should be adopted to account for the Investment in accordance with HKFRSs. However, due to lack of reliable financial information from EDB Holding, the Investment was stated at cost, for which the auditor issued a qualified opinion accordingly. The audit committee of the Company has reviewed and agreed with the Board's position on the qualified opinion.

The Company has urged EDB Holding to complete its audit works soon and based on the reply from EDB Holding, Zhongxinghua Certified Public Accountants LLP is the EDB Auditor in order to prepare EDB Audited F/S and it is expected that such audit works and EDB Audited F/S can be completed in or around May 2019. The Company will provide the EDB Audited F/S, along with other relevant financial information of EDB Holding for the equity accounting of the Investment to the auditor.

The Company has nominated its representatives as two of the directors of EDB Holding, who will take measures to monitor and ensure that EDB Holding would provide its audited financial statements prepared under HKFRSs and other financial information for the equity accounting of the Investment to the Company in a timely manner in the future. Provided that the EDB Audited F/S is acceptable to the Board, the Board believes that EDB Holding should also be able to provide its HKFRS audited consolidated financial statements for the year ending 31 December 2019 to the Company. The Board believes that the qualified opinion for financial year ending 31 December 2019 shall not recur in this respect if the auditor could obtain sufficient and appropriate audit evidence on accounting for the Investment and related items at the date of the acquisition and subsequently. The auditor is in agreement with the Board's view in this regard. Alternatively, the Board may also consider the option of exercising its rights as stipulated under the relevant agreements.

由於EDB Holding尚未於本公司二零一八年度業績公佈前完成經審核綜合財務報表，導致缺乏EDB Holding可靠及相關的財務資料以納入本公司截至二零一八年十二月三十一日止年度之綜合財務報表的帳目內，且本公司於EDB Holding權益亦並未按權益法入帳。審計委員會認為基於完成收購與財政年度結束兩者日期距離相對較短（即約一個月），故認為EDB Holding的投資（「該投資」）可選擇按成本法入帳。董事會和審計委員會曾與核數師就不採用權益法入帳進行討論，最終就該投資採用權益法入帳以符合香港會計準則的要求。然而，由於缺乏EDB Holding可靠及相關的財務資料，本公司須就該投資以成本入帳，而核數師相應就此發表保留意見。本公司審計委員會已審閱並同意董事會對保留意見的立場。

本公司已敦促EDB Holding盡快完成審計工作，而根據EDB Holding之回覆，中興華會計師事務所（特殊普通合伙）為EDB Holding核數師以準備其經審核綜合財務報表，而其審計工作及經審核綜合財務報表預計將於二零一九年五月左右完成，而本公司將提供EDB Holding經審核綜合財務報表及其相關財務資料予核數師以對該投資按權益法入帳。

本公司已委任兩名代表作為EDB Holding董事，其將採取措施監察並確保EDB Holding將於本來及時提供按香港會計財務報告準則編制的經審核綜合財務報表及其他財務資料以對該投資按權益法入帳。倘若董事會接納EDB Holding二零一八年度經審核綜合財務報表，董事會相信EDB Holding來年有能力向公司提供截至二零一九年十二月三十一日止年度根據香港財務報告準則編制的經審核綜合財務報表，故此董事會認為若核數師能夠在完成收購後就該投資及其相關項目的會計取得充足且合適的核數憑證，董事會相信本公司截至二零一九年十二月三十一日止財政年度不會發生上述問題的保留意見，核數師亦已同意董事會上述觀點。另外，董事會亦會考慮行使協議項下相關權利作為解決上述問題之替代方案。

#### EXECUTIVE DIRECTORS

**Mr. ZHAO Xu Guang (“Mr. Zhao”)**, aged 55, was appointed as an executive Director, the Chairman of the Board and the Chairman of the Nomination Committee with effect from 17 November 2016 and was appointed as Chief Executive Officer on 2 May 2017. Mr. Zhao has more than 20 years of experience in business executive and management. Mr. Zhao worked for the Ministry of Foreign Trade and Economic Cooperation of the PRC. Mr. Zhao also acted as chairman, general manager and director of various enterprises specializing in trading, investment, property and in the energy field. Mr. Zhao served as chairman and executive director of Titan Petrochemicals Group Limited (“**Titan Petrochemicals**”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1192) from July 2012 to September 2015. Mr. Zhao graduated from Guangdong University of Foreign Studies with a Bachelor of Economics degree.

**Mr. SO Chiu Fung (“Mr. So”)**, aged 40, has been appointed as an executive Director since 7 September 2018. Mr. So is acting deputy general manager of Fruitful International Investment Limited, a subsidiary of the Company and responsible for investment business of the Group. He also holds other positions in subsidiaries of the Group. Mr. So has extensive experience in finance and investment, including but not limited to industries of information technology and natural resources. Prior to joining the Group, Mr. So served as vice president at China Merchants Securities (HK) Co., Limited for private equity investments and fund management. Mr. So also worked at Ricco Capital Holdings Limited during which he participated in international and domestic direct investments and served as index analyst at Morgan Stanley Capital International Inc.. Mr. So holds a bachelor of engineering in information systems engineering from Imperial College, London and also a master degree of finance from the University of Hong Kong.

#### 執行董事

趙旭光先生（「趙先生」），現年55歲，自二零一六年十一月十七日獲委任為執行董事、董事會主席及提名委員會主席，並於二零一七年五月二日獲委任為行政總裁。趙先生於業務決策及管理方面擁有逾20年經驗。趙先生曾任職中華人民共和國對外貿易經濟合作部。趙先生亦曾於多家貿易、投資、地產及能源領域之企業擔任主席、總經理及董事職務。趙先生於二零一二年七月至二零一五年九月曾任泰山石化集團有限公司（「泰山石化」，其股份於聯交所主板上市（股份代號：1192））之主席兼執行董事。趙先生畢業於廣東外語外貿大學，持有經濟學士學位。

蘇晁鋒先生（「蘇先生」），現年40歲，由二零一八年九月七日起獲委任為執行董事。蘇先生為本公司附屬公司富豐國際投資有限公司之副總經理，負責本集團之投資業務。彼亦於本集團附屬公司擔任其他職位。蘇先生於金融和投資方面擁有豐富經驗，包括但不限於資訊科技及天然資源行業。加入本集團之前，蘇先生曾於招商證券（香港）有限公司出任副總裁，負責私募股權投資和基金管理。蘇先生亦曾於豐匯資本（控股）有限公司參與國內外直接投資項目，及於摩根士丹利資本國際公司出任指數分析師。蘇先生持有倫敦帝國理工學院資訊系統工程學士學位及香港大學金融碩士學位。

## NON-EXECUTIVE DIRECTORS

**Mr. WONG Siu Hung, Patrick (“Mr. Wong”)**, aged 63, was appointed as an executive Director and served as director of subsidiaries of the Group with effect from 3 November 2016. Mr. Wong was appointed as a Joint General Manager and Authorized Representative on 17 November 2016 and re-designated as General Manager on 25 November 2016 and subsequently re-designated as non-executive Director and resigned as Authorized Representative on 9 April 2018. Mr. Wong has more than 30 years of working experience in banking, finance, commodity trading and project development. Mr. Wong was an executive director of Titan Petrochemicals between 2008 and 2015. Mr. Wong was the senior vice president of Commodity and Trade Finance at Societe Generale Singapore and the chief executive officer in the China Division of Louis Dreyfus Group, a global commodity trading firm. Mr. Wong has been an associate member of Chartered Institute of Bankers, United Kingdom, fellow member of the Hong Kong Institute of Directors since 1 April 2017 and member of the Institute of Management Consultants Hong Kong since 1 August of the same year and qualified as Certified Management Consultant. Mr. Wong holds a Master’s degree in Applied Finance from Macquarie University, Australia and completed the Executive Diploma in Management Consulting from the Hong Kong Polytechnic University on 12 October 2017.

**Mr. HUANG Man Yem (“Mr. Huang”)**, aged 44, was appointed as a non-executive Director with effect from 3 November 2016. Mr. Huang is a member of the Audit Committee and the Remuneration Committee. Mr. Huang has more than 15 years of working experience in corporate development and restructuring, corporate establishment and M&A projects, and capital market transactions (i.e. equities and bonds/debts) on the stock exchanges of Hong Kong and Singapore respectively. Mr. Huang is currently the general manager of the Shanghai branch office of Expert Systems IVR (Asia) Co. Ltd., a Hong Kong based subsidiaries of Asia-Pacific Region Unified Communications solution provider engaged in Unified Communications solutions development and corporate establishment consultant business. Mr. Huang was also a former member of the senior management of Titan Petrochemicals from April 2002 to May 2014. Mr. Huang holds a Master’s degree of Corporate Finance from the Hong Kong Polytechnic University and a Bachelor of Engineering in Electronic Engineering from City University of Hong Kong.

## 非執行董事

黃少雄先生（「黃先生」），現年63歲，自二零一六年十一月三日獲委任為執行董事及擔任本集團旗下附屬公司之董事，並自二零一六年十一月十七日出任聯席總經理及授權代表，其後自二零一六年十一月二十五日調任為本公司總經理，並自二零一八年四月九日調任為非執行董事及辭任授權代表。黃先生在銀行、金融、商品貿易及項目開發方面擁有超過30年之工作經驗。於二零零八年至二零一五年，黃先生為泰山石化之執行董事。黃先生曾於法國興業銀行（新加坡）商品及貿易財務部出任高級副總裁，以及在全球商品貿易公司路易達孚集團中國分部出任首席執行官。黃先生一直為英國特許銀行家協會準會員及分別於二零一七年四月一日成為香港董事學會資深會員及同年八月一日成為香港管理顧問學會會員及註冊管理顧問。黃先生持有澳洲麥格理大學應用財務碩士學位，及於二零一七年十月十二日修畢香港理工大學管理顧問行政文憑。

黃文鑫先生（「黃先生」），現年44歲，自二零一六年十一月三日獲委任為非執行董事。黃先生為審核委員會及薪酬委員會成員。黃先生分別在香港及新加坡證券交易所公司發展及重組、公司建設及併購項目，以及資本市場交易（即股票及債券／債務）擁有超過15年之工作經驗。黃先生現為亞太區統一通信解決方案供應商（從事統一通信解決方案開發及公司設立諮詢業務）之香港附屬公司Expert Systems IVR (Asia) Co. Ltd.之上海分公司總經理。黃先生於二零零二年四月至二零一四年五月為泰山石化高級管理層之前任成員。黃先生持有香港理工大學企業融資碩士學位及香港城市大學工程學院電子工程學士學位。

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. TO Wing Tim, Paddy (“Mr. To”)**, aged 66, has been appointed as an independent non-executive Director since October 2009. Mr. To is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee. Mr. To obtained his Diploma in Accountancy from the University of Hong Kong in 1991 and has over 30 years of experience in auditing, accounting and finance industry. Mr. To has been practicing as a certified public accountant in Hong Kong since 1980. Mr. To is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Taxation Institute of Hong Kong and an associate member of the Association of Certified General Accountants in Canada.

**Mr. LAM Hoy Lee, Laurie (“Mr. Lam”)**, aged 60, has been appointed as an independent non-executive Director since September 2008. Mr. Lam is a member of the Audit Committee and the Nomination Committee, and the Chairman of the Remuneration Committee. Mr. Lam has 30 years of experience in legal field working as a solicitor in Hong Kong. Mr. Lam is a practicing solicitor of Hong Kong and non-practicing solicitor of Singapore and a non-practicing solicitor and non-practicing counsel of Australia.

**Dr. WANG Wei Hsin (“Dr. WANG”)**, aged 53, has been appointed as an independent non-executive Director with effect from 19 December 2018. Dr. Wang is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Dr. Wang has extensive management experience in the financial services industry. Dr. Wang served as the chief executive officer of South China Financial Holdings Limited (“**South China Financial**”), a company the issued shares of which are listed on the Stock Exchange (Stock Code: 619), and certain subsidiaries of South China Financial from May 2016 to October 2018, and served as executive director of South China Financial from March 2017 to October 2018. Dr. Wang served as the chairman and chief executive officer of SinoPac Securities (Asia) Limited and was responsible for the business development and operations in Asia from 2009 to 2016. Dr. Wang also served as the chief investment officer of Japan CDW Group and the chief financial officer of its Taiwan subsidiary, as well as co-founder of Yes-Asia.com and played significant role in China Development Industrial Bank. Dr. Wang held a PhD in Management Science (Financial Engineering) from Imperial College London and researched artificial intelligence and financial big data. Dr. Wang was the fellow of Royal Society of Statistics during 1999 to 2000.

#### 獨立非執行董事

杜永添先生（「杜先生」），現年66歲，自二零零九年十月獲委任為獨立非執行董事，現為審核委員會主席、薪酬委員會及提名委員會成員。杜先生於一九九一年獲授香港大學會計文憑。杜先生於審計、會計及財務行業擁有逾30年經驗，並自一九八零年起於香港擔任執業會計師。杜先生為香港會計師公會資深會員、香港稅務學會會員及加拿大註冊會計師協會會員。

林開利先生（「林先生」），現年60歲，自二零零八年九月獲委任為獨立非執行董事，現為審核委員會成員及提名委員會成員，以及薪酬委員會主席。林先生於香港從事律師工作，於法律工作擁有30年經驗。林先生為香港執業律師；新加坡之非執業律師及澳洲之非執業律師及非執業大律師。

王維新博士（「王博士」），現年53歲，自二零一八年十二月十九日起獲委任為獨立非執行董事。王博士為審核委員會、薪酬委員會及提名委員會成員。王博士於金融服務業擁有豐富之管理經驗。王博士曾於二零一六年五月至二零一八年十月出任南華金融控股有限公司（「南華金融」）（一間已發行股份於聯交所上市之公司（股份代號：619））及南華金融若干附屬公司之行政總裁，並於二零一七年三月至二零一八年十月出任南華金融之執行董事。王博士曾於二零零九年至二零一六年於永豐金證券（亞洲）有限公司出任董事長及行政總裁，負責亞洲區之業務發展及營運。王博士亦曾於日本CDW集團出任首席投資官以及其台灣附屬公司出任首席財務官，並曾共同創辦亞洲易網及中華開發工業銀行擔當重要角色。王博士擁有倫敦帝國學院之管理科學（金融工程）哲學博士學位，研究人工智能及金融大數據。王博士於一九九九年至二零零零年間為英國皇家統計學院院士。

#### COMPANY SECRETARY

**Mr. Li Chi Chung (“Mr. Li”)**, aged 50, was appointed as the Company Secretary on 25 November 2016. Mr. Li is a solicitor practising in Hong Kong and the founder partner of Michael Li & Co. He obtained the bachelor degree in laws from University of Sheffield in England in 1990 and was admitted as a solicitor of the High Court of Hong Kong in 1993. Mr. Li has more than 25 years of experience in legal field, extensive experience in advising corporate governance of listed companies, compliance of Listing Rules and other applicable Laws of Hong Kong. In addition to acting as company secretary and legal adviser of various listed companies, Mr. Li also acts as major speaker in public forums relating to listing matters in Hong Kong.

#### 公司秘書

李智聰先生（「李先生」），現年50歲，於二零一六年十一月二十五日獲委任為公司秘書。李先生為香港執業律師及為李智聰律師事務所之創辦合夥人。彼於一九九零年取得英國謝菲爾德大學法律學士學位，其後於一九九三年在香港獲認可為高等法院律師。李先生擁有多於25年法律經驗，其中為上市公司提供企業管治意見，符合上市規則及香港其他適用法律方面具豐富經驗。李先生除擔任多間上市公司之公司秘書和法律顧問外，亦為香港上市事宜相關之公眾研討會的主要講者。

The Directors are pleased to present their report, the CG Report and the ESG Report together with the audited consolidated financial statements for the year ended 31 December 2018.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in coke trading business, coal-related ancillary business and coke production business. The activities of each of its principal subsidiaries are set out in note 1 of the consolidated financial statements.

## BUSINESS REVIEW

### Business Overview and Financial Performance

The review of the Group's business and financial performance for the year ended 31 December 2018 are provided in the section "MANAGEMENT DISCUSSION AND ANALYSIS" in this annual report.

### Principal Risks and Uncertainties

#### 1. Risk arising from fluctuating prices of coke and coal

A large portion of our revenue is derived from the sale of coke. The coke is primarily priced based on prevailing market prices and by reference to various other factors that are applicable to individual customers. Historically, market prices for coke have fluctuated substantially and the average selling price of the Group's coke declined which was in line with the declining trend of the market price of coke. Therefore, the coke price of the Group and the market price may not be stable.

The Group's main production costs are the coking coal and the manufacturing costs is relatively stable. The Group has closely monitored the market price of coke and coking coal and the changes in the spread of between these prices is highly sensitive. Trends in the market price of the coking coal and the coke may not correlate to one another. When the coke market price has declined, the Group may not able to lower its cost of production on the same pace as the rate of decline in coal price. *Vice versa*, the increase in coal market price may not have a corresponding increase in the coke price of the Group. The underlying situation could adversely affect the Group's business, financial condition and operations.

In response to this risk factor, the management of the Group will closely monitor the economic environment and adopt corresponding measures such as adjustment of production plans and enhancement of cost monitoring.

董事欣然呈報其報告、企業管治報告及環境、社會及管治報告，以及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。

## 主要業務

本公司為投資控股公司。本集團主要從事焦炭貿易業務、煤炭相關附屬業務及焦炭生產業務。本公司各主要附屬公司之業務載於綜合財務報表附註1。

## 業務回顧

### 業務回顧及財務業績表現

本集團於截至二零一八年十二月三十一日止年度之業務及財務業績表現回顧載於本年報「管理層討論及分析」一節。

### 主要風險及不明朗因素

#### 1. 焦炭及煤炭價格波動所產生之風險

本集團主要收益來自銷售焦炭，主要根據現行市場價格以及適用於個別客戶的各種其他因素定價。焦炭的市場價格在過往年間有大幅波動。本集團的焦炭平均售價與市場價格的下降趨勢一致。所以本集團的焦炭價格與焦炭的市場價格未必穩定。

本集團的生產成本主要來自焦煤的採購，所以生產成本相對固定。本集團密切關注焦煤及焦炭市場價格，對價格的變動以及該等價格之間價差的變化特別敏感。焦煤與焦炭的市場價格趨勢未必始終相關，當焦炭價格下跌時，本集團有可能無法立即降低焦煤成本，當焦煤市場價格上漲時，焦炭的市場價格也可能無相應上漲。該等情況可能對本集團的業務、財務狀況及經營業績產生不利影響。

為應對該等風險，管理層會密切關注經濟環境並採納包括調整生產計劃或加強成本監控等相應之業務策略。

**2. Risks in association with changes in the Chinese government policies and regulations**

Coke production in China is subjected to extensive laws, regulations and government policies. The obligations and requirements associated with these laws, regulations, responsibilities of government policies, relevant fees and social responsibilities may have a major impact on the Group's operation. In particular, the Chinese government in recent years has been strengthening its environmental control and enforcement which include implementing a series of measures to reduce production capacity, tightening environmental standard and delay the time period for coking coal to curb overcapacity which may adversely affect the production, business, operation of the Group. Furthermore, the Group will be responsible for the clean-up if the operation results in contamination at the production facilities. Such clean-up may impose substantial costs.

In response to this risk factor, the management regards environmental protection and control as one of its principal responsibilities and if necessary, the Group shall invest and upgrade its existing equipment and facilities to achieve the domestic environmental standards.

**3. Risk arising from safety management**

The Group's businesses are all of high hazardous nature and of complex uncertainties which is potentially destructive and explosive. The Group stores, handles and transports volatile, flammable, hazardous liquid and gaseous chemical products, such as benzene, tar, sulphuric acid and coal gas. Improper handling of these materials and products can cause danger such as fires, explosions which lead property loss, personal injuries, death and possible legal liabilities.

In response to this risk factor, the management will adopt stringent safety management policy and control system, reinforcement of installing safety warnings, and reinforcement safety education, promote safety skills training and improve employees' safety awareness.

**2. 中國政府政策及法規變動所產生之風險**

中國焦炭生產受制於廣泛的法律、法規及政府政策。與該等法律法規及相關政府政策責任、費用、義務以及要求可能會對本集團營運產生重大影響。中國政府近年來一直在加大環保控制及執行力度，推行一系列去產能政策，包括收緊環保標準以及延長結焦時間等。該等限制、措施及行動可能對本集團的產量、業務及經營業績產生重大不利影響。此外，焦炭生產設施如出現污染情況，本集團將負責清理並就清理工作產生巨大費用。

為應對該等風險，管理層會將環境保護視為主要職責之一，且於必要時投資及提升現有生產設備及設施，確保運營生產符合國內環境標準。

**3. 安全生產管理所產生之風險**

本集團所有生產在難以預料及不受控制或災難情況下具有潛在破壞性及危險性。本集團儲存、處理及運送高揮發性、易燃及有害之液態及氣態化學產品，如苯、焦油、硫酸及煤氣，如不適當處理亦存在火災、爆炸及主要設備故障等安全隱患，造成財產損害、嚴重人身損傷甚至死亡，負有潛在法律責任。

為應對該等風險，管理層將嚴格執行安全管理政策及監控制度，設置安全警示並加強安全教育，提供安全技能培訓及改善僱員安全意識。



### Future Business Development

Looking ahead at 2019, with stability China's infrastructure development, the demand for coke in the steel industry shall remain stable. The coking industry faces Chinese government's policies of restrict production capacity, environmental protection controls and the government of Shanxi Province which encourages coking enterprises to "Close the Small and Upgrade to the Large", it is expected to adjust the balance between supply and demand in the market effectively. The Group shall closely monitor the domestic and international market of coke industry, adjust its business strategy in a timely manner to overcome challenges and seize potential opportunity. In addition, the Group shall consolidate its relationship with existing customers, further develop new markets and expand the customer bases.

In addition, the Group places major emphasis and commitment to social responsibilities, embraces production safety and environmental protection controls. Attributable to environmental protection measures such as the "Three-Year Action Plan for Winning the Battle for a Blue Sky" to speed up the improvement of air quality, these measures have inevitably escalated the pressure of the Group in meeting the relevant environmental standards as required in the coking industry. The Group shall further invest and upgrade its existing equipment and facilities in the future to meet the domestic environmental standards as well as to achieve cleaner emissions.

To achieve a sustainable business operation and development for the Group, management will not only seek cooperation and investment opportunities in line with the exiting business but also to develop new businesses with competitive advantages and development potential. The Group plans to gradually acquire the interests and control of Energy Technology to expand the scale of the Group's business, enhance its production technology whilst meeting the environmental standards. Energy Technology represents a coke production project located in Xiaoyi City of Shanxi Province, China with targeted annual production capacity of 5 million tons.

The Group shall constantly identify other potential investment opportunities in the course of expanding its business activities, enhance profitability and ultimately generate a long-term stable and positive returns to Shareholders.

### 未來業務發展

展望二零一九年，中國的基礎建設持續穩定，促使鋼鐵行業對焦炭的需求保持穩定。焦化行業面對去產能及環保限產等政策，以及山西省政府鼓勵焦化企業「上大關小」，預計將有效調整市場供需平衡。本集團將密切關注國內外焦炭市場情況，適時調整經營發展策略以應對挑戰，把握機遇，同時也將鞏固現有客戶的合作關係，進一步拓展新市場及擴展客戶基礎。

此外，本集團致力承擔社會責任，重視生產安全及環境保護。鑒於中國政府為解決空氣污染問題，推行了《打贏藍天保衛戰三年行動計劃》等一系列環保政策，本集團的管理環保經營壓力將有所增加，為應對經營生產或然面對的更艱巨的挑戰並達到焦炭行業的環保標準，本集團未來或進一步升級生產設備及設施，以達到更清潔排放的目標。

為使本集團之業務營運及發展實現可持續性，管理層不斷尋求與現有業務相符合之合作及投資機會。本集團計劃逐步取得能源科技權益及控制權，以擴大本集團業務規模、提升生產技術及環保水準。能源科技為中國山西省孝義市年產500萬噸焦炭項目之項目承載主體。

與此同時，本集團也積極尋找其他合適投資機會以開拓業務領域，增強盈利能力，為股東帶來長遠穩定的回報。

### Key Relationships with our Stakeholders

The Group strives to maintain harmonious relationship with its stakeholders, including but not limited to, its customers, suppliers and employees.

#### 1. Customers

The Group continuously pays attention to strengthen and sustain the relationship with its major customers and ensure customer satisfaction by providing quality products and services to customers.

#### 2. Suppliers

The Group has established long-term, effective and mutual beneficial working relationships with the major suppliers to ensure stable and sustainable supplies for the businesses of the Group.

#### 3. Employees

Employees are regarded as one of the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

The remuneration policy and package of the Group's employees are periodically reviewed by the Chief Executive Officer of the Group. The principle of the Group's remuneration policy is fairness, motivating, performance-oriented and market-competitive. Apart from salaries, medical insurance, discretionary bonuses and retirement benefit scheme, the Group has also adopted share option schemes for its employees, providing incentives and rewards to eligible participants with reference to their contributions.

### 與主要權益人之關係

本集團努力與其權益人維持和諧關係，其權益人包括但不限於客戶、供應商及僱員。

#### 1. 客戶

本集團持續重視鞏固及維繫其與主要客戶之關係，並向客戶提供優質產品及服務，確保客戶稱心滿意。

#### 2. 供應商

本集團已與主要供應商締結長遠、具成效及互惠互利的營運關係，確保本集團各業務獲得穩定及可持續的供應。

#### 3. 僱員

僱員被視為本集團最重要及最寶貴的財產。本集團人力資源管理之宗旨是透過給予具競爭力的薪酬待遇、完備的表現評核制度及適當的獎勵，報答及表揚表現優秀之員工；以及透過適當培訓及提供於本集團內部晉升之機會，推動員工事業發展及進步。

本集團之員工薪酬政策及待遇由本集團行政總裁定期檢討。本集團薪酬政策以公平、具鼓勵性、論功行賞及緊貼市場水平為原則。除薪金、醫療保險、酌情花紅及退休福利計劃外，本集團亦已為員工採納購股期權計劃，以按合資格參與者之貢獻向彼等提供獎勵及回報。

### Environmental Policies and Performance

For the year ended 31 December 2018, the Group's key business operation in Shanxi Province strictly complied with applicable regulations, laws, and standards related to environmental and social aspects. The Group continues to invest in state-of-the-art facilities and implement emission control schemes to further reduce on-site emissions. At a broader societal scale, the Group has been providing 31% of heating demand for the local residents and indirectly reduced the air emissions from burning crude coal as a heating source by local farmers. Engagement with stakeholders has resulted in raised concerns on key material issues, including, air emissions, wastewater, energy and water consumption, occupational health and safety, employment, training and development. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders for advancing environment, social and governance management.

### Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiary in the PRC while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with all applicable laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2018 and up to the date of this report, the Board considers the Group has complied with all the applicable laws and regulations in the PRC and Hong Kong.

### FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated financial statements on pages 83 to 195.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at 31 December 2018 were as follows:

### 環境政策及表現

截至二零一八年十二月三十一日止年度，本集團於山西省之主要業務營運已嚴格遵從與環境及社會方面有關之適用規則、法律及標準。本集團繼續投放資源於最先進的設施及實行排放管制計劃，以進一步降低生產現場之排放。在更廣闊的社會層面上，本集團持續向地方居民提供31%供熱需求，間接減少地方農民以燃燒原煤作為供熱來源所產生之大氣排放。經與主要權益人溝通後，對以下主要重大事項之關注已有所加強，包括：大氣排放、廢水排放、能源及水源消耗、職業健康及安全、僱傭、培訓與發展。本集團將繼續於所關注事項中尋找可以改善的地方，並與其權益人保持緊密溝通，促進環境、社會及管治之管理。

### 遵守法律及法規

本集團業務主要經由本公司之中國附屬公司進行，而本公司本身為聯交所上市公司。因此，我們的業務組織及營運須遵守中國及香港所有適用法律及法規。截至二零一八年十二月三十一日止年度及直至本報告日期，董事會認為本集團已遵守中國及香港所有適用法律及法規。

### 財務報表

本集團於截至二零一八年十二月三十一日止年度之業績載於第83至195頁之綜合財務報表內。

### 本公司之可供分派儲備

於二零一八年十二月三十一日，本公司可供分派予股東之儲備如下：

		2018 二零一八年 HK\$'000 千港元
Contributed surplus	繳入盈餘	1,689,847
Accumulated losses	累計虧損	(2,161,228)
		<b>(471,381)</b>

Under the Bermuda Companies Act 1981, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. As at 31 December 2018, the Company had no reserve available for distribution to Shareholders (2017: Nil).

#### DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

#### DIVIDEND POLICY

The Company committed to provide stable and sustainable returns to Shareholders and endeavours to maintain stable dividend policy whilst maintaining an equitable balance between returns to Shareholders and investment for sustaining growth. In recommending a dividend, the Company shall take into account the expected future capital requirements, growth opportunities available to the Group, net earnings of the Group, and in compliance with all applicable laws, rules and regulations and in accordance with the Bye-Laws of the Company.

#### DIRECTORS

The Directors of the Company who were in office during the year ended 31 December 2018 and up to the date of this report are as follows:

##### Executive Directors

Mr. Zhao Xu Guang (*Chairman and Chief Executive Officer*)  
Mr. So Chiu Fung (appointed on 7 September 2018)  
Mr. Li Baoqi (appointed on 9 April 2018 and resigned on 7 September 2018)

##### Non-Executive Directors

Mr. Wong Siu Hung, Patrick (re-designated from executive Director to non-executive Director on 9 April 2018)  
Mr. Huang Man Yem

##### Independent Non-Executive Directors

Mr. Lam Hoy Lee, Laurie  
Mr. To Wing Tim, Paddy  
Dr. Wang Wei Hsin (appointed on 19 December 2018)  
Mr. Lau Ka Ho (resigned on 14 December 2018)

In accordance with the bye-law 99 of the Bye-Laws of the Company, Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem will retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election.

根據百慕達一九八一年公司法，本公司之繳入盈餘帳可供分派。然而，本公司不得於以下情況下宣派或派付股息，或自繳入盈餘作出分派：(a) 本公司未能或於作出派付後將未能支付其到期負債；或(b)其資產之可變現價值將因而少於其負債、其已發行股本及股份溢價帳之總和。於二零一八年十二月三十一日，本公司並無可供分派予股東之儲備(二零一七年：無)。

#### 股息

董事會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)。

#### 股息政策

本公司致力提供穩定及可持續回報予股東作為目標，並努力延續穩定式股息政策，平衡股東回報及可持續發展進行的投資。在建議派發股息時，本公司須考慮預期未來資本需求、集團發展機會、集團淨利潤、以及符合所有法律、規則、法規及遵照本公司之公司細則。

#### 董事

截至二零一八年十二月三十一日止年度及直至本報告日期，本公司之在任董事如下：

##### 執行董事

趙旭光先生(主席及行政總裁)  
蘇晁鋒先生(於二零一八年九月七日獲委任)  
李寶琦先生(於二零一八年四月九日獲委任及於二零一八年九月七日辭任)

##### 非執行董事

黃少雄先生(於二零一八年四月九日由執行董事調任為非執行董事)  
黃文鑫先生

##### 獨立非執行董事

林開利先生  
杜永添先生  
王維新博士(於二零一八年十二月十九日獲委任)  
劉家豪先生(於二零一八年十二月十四日辭任)

根據本公司公司細則細則第99條，黃少雄先生及黃文鑫先生將於應屆股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to their appointments on 7 September 2018 and 19 December 2018 respectively, Mr. So Chiu Fung and Dr. Wang Wei Hsin will hold office until the following AGM, and being eligible, offer themselves for re-election.

The biographical details of the Directors are set out under section heading "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" on pages 18 to 21 of this annual report.

#### UPDATES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B (1) of the Listing Rules and the Companies (Directors' Report) Regulation, Chapter 622D of Hong Kong Laws, the updates of information of the Directors during the year ended 31 December 2018 and up to the date of this report are set out below:

根據本公司細則第102(B)條，蘇晁鋒先生及王維新博士分別於二零一八年九月七日及二零一八年十二月十九日獲委任後之任期將直至下屆股東週年大會為止，惟彼等符合資格並願意膺選連任。

董事之履歷詳情載於本年報第18至21頁「董事及高級管理人員之履歷詳情」一節。

#### 最新董事資料

根據上市規則第13.51B(1)條及香港法例第622D條《公司(董事報告)規例》所提供，於截至二零一八年十二月三十一日止年度及直至本報告日期之最新董事資料載列如下：

Name of Director 董事姓名	Details of Updates 更新詳情
Mr. Li Baoqi 李寶琦先生	<ul style="list-style-type: none"><li>Appointed as executive Director on 9 April 2018 and entitled to receive a monthly director fee of HK\$110,000</li><li>於二零一八年四月九日獲委任為執行董事並有權收取董事袍金每月110,000港元</li><li>Resigned as executive Director on 7 September 2018 due to other personal commitment</li><li>於二零一八年九月七日因身兼其他個人事務而辭任執行董事</li></ul>
Mr. Wong Siu Hung, Patrick 黃少雄先生	<ul style="list-style-type: none"><li>Re-designated from executive Director to non-executive Director and adjusted monthly salary to HK\$15,000 on 9 April 2018</li><li>於二零一八年四月九日由執行董事調任為非執行董事，其月薪調整至15,000港元</li></ul>
Mr. So Chiu Fung 蘇晁鋒先生	<ul style="list-style-type: none"><li>Appointed as executive Director on 7 September 2018 and entitled to receive a monthly director fee of HK\$82,000</li><li>於二零一八年九月七日獲委任為執行董事並有權收取董事袍金每月82,000港元</li></ul>
Mr. Lau Ka Ho 劉家豪先生	<ul style="list-style-type: none"><li>Resigned as independent non-executive Director on 14 December 2018 due to personal employment issue</li><li>於二零一八年十二月十四日因個人僱傭問題而辭任獨立非執行董事</li></ul>
Dr. Wang Wei Hsin 王維新博士	<ul style="list-style-type: none"><li>Appointed as independent non-executive Director on 19 December 2018 and entitled to receive a monthly director fee of HK\$10,000</li><li>於二零一八年十二月十九日獲委任為獨立非執行董事並有權收取董事袍金每月10,000港元</li></ul>

### DIRECTORS' SERVICE CONTRACTS

The Directors will retire and offer themselves for re-election at the 2019 AGM do not have an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. All other Directors are not appointed for specific terms and are subject to retirement by rotation and re-election at the annual general meeting of the Company.

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all of the independent non-executive Directors are independent for the year ended 31 December 2018 and up to the date of this report.

### PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2018, the Company has in force the permitted indemnity provisions in the Directors' and officers' liability insurance maintained for the Group to indemnify the Directors against all losses and liabilities which may sustain or incur while acting in his capacity as Director in accordance with the Bye-Laws of the Company and the Companies Ordinance of Hong Kong.

### PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange, any other stock exchange, by private arrangement or by general offer.

### SHARE CAPITAL

In July 2018, an indirectly wholly-owned subsidiary of the Company entered into sales and purchase agreement with an independent third party and the Company allot 129,831,263 ordinary shares to Massive Light Limited at the market price of HK\$0.26 each. Details of the transaction are set out in the announcements of the Company dated 29 March 2018, 20 July 2018, 6 August 2018 and 30 November 2018.

Saved as disclosed above, there was no issue nor other change in the share capital of the Company. Details of movements in the share capital of the Company and share issued during the year, together with the reasons therefore, are set out in note 27 to the financial statements.

### 董事之服務合約

將於二零一九年股東週年大會上輪值告退並願意膺選連任之董事概無與本公司或其任何附屬公司訂立本集團於一年內不得在不予賠償(法定賠償除外)之情況下終止之未屆滿服務合約。所有其他董事並無按特定年期委任，惟須於本公司之股東週年大會上輪值告退並可膺選連任。

### 獨立性之確認

本公司已接獲各獨立非執行董事按照上市規則第3.13條發出有關其獨立性之年度確認。本公司認為，全體獨立非執行董事於截至二零一八年十二月三十一日止年度及直至本報告日期均屬獨立。

### 獲准許彌償條文

截至二零一八年十二月三十一日止年度，於本集團投購之董事及高級人員責任保險中之獲准許彌償條文已告生效，以讓本公司彌償董事在以董事身分按照本公司之公司細則及香港公司條例行事期間可能蒙受或招致之一切損失及負債。

### 購買、出售或贖回上市證券

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於聯交所或任何其他證券交易所私人安排方式或以全面收購方式購買、出售或贖回本公司任何上市證券。

### 股本

於二零一八年七月，本公司一間間接全資附屬公司與一名獨立第三方訂立買賣協議，並按市價每股0.26港元向量燃有限公司配發本公司129,831,263股普通股。交易之詳情已載於日期為二零一八年三月二十九日、二零一八年七月二十日、二零一八年八月六日及二零一八年十一月三十日本公司之公佈內。

除上文所披露者外，並無有關本公司股本之發行或其他變動。本公司股本於年內之變動及年內發行之股份詳情，連同有關之原因載於財務報表附註27。

## DEBENTURES

The Company issued two tranches of zero coupon convertible bonds, each with a principal amount of HK\$1,100,000,000, to Mr. Wu Jixian on 16 May 2008 (the “**Tranche 1 Bonds**”) and on 31 October 2008 (the “**Tranche 2 Bonds**”) (collectively, the “**2008 Convertible Bonds**”). On 20 January 2017, the remaining Tranche 2 Bonds had a carrying amount of HK\$550,050,000 with principal amount of HK\$386,000,000 were converted into 193,000,000 shares of the Company.

On 2 November 2016, the Company issued convertible bonds in principal amount of HK\$43,277,000 to Kailuan (Hong Kong) International Co., Limited with interest at 2.5% per annum and mature 1 year from issue date and extended to 2 May 2018 per agreement on 30 December 2016 (the “**2016 Convertible Bonds**”). On 22 December 2017, an amendment letter was made to alter certain terms of the 2016 Convertible Bonds (the “**2017 Convertible Bonds**”), amongst others, extend the maturity date to 31 August 2019 (the “**Amendment**”). The Amendment was approved respectively by the Stock Exchange and by the Shareholders on 5 February 2018.

On 8 March 2018, Kailuan (Hong Kong) International Co., Limited transferred the convertible bonds to Rontac Resources Company Limited, being the direct holding company of Kailuan (Hong Kong) International Co., Limited. As at the date of this report, Rontac Resources Company Limited is deemed to be interested in 144,256,976 conversion shares of the Company, representing approximately 5.29% of the total issued share capital of the Company, under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 13 February 2019, the Group and Rontac Resources Company Limited, the holder of the 2017 Convertible Bonds with principal amount of HK\$43,277,000, entered into an agreement to extend the maturity date of the 2017 convertible bonds for one year to 31 August 2020 with all other terms and conditions remain unchanged. The extension is subject to approval of Shareholders at a special general meeting held on 9 April 2019.

## 債券

本公司分別於二零零八年五月十六日（「第一批債券」）及二零零八年十月三十一日（「第二批債券」）向吳際賢先生發行兩批本金額各為1,100,000,000港元之零息可換股債券（統稱「二零零八年可換股債券」）。於二零一七年一月二十日，餘下之第二批債券（帳面值為550,050,000港元及本金額為386,000,000港元）獲兌換為193,000,000股本公司股份。

於二零一六年十一月二日，本公司向開灝（香港）國際有限公司發行本金額為43,277,000港元及票息率為每年2.5%之可換股債券（「二零一六年可換股債券」）。二零一六年可換股債券自發行日期起一年後到期，有關到期日於二零一六年十二月三十日經協定後已延長至二零一八年五月二日。於二零一七年十二月二十二日，二零一六年可換股債券若干條款因一份修訂函件而被修訂（「二零一七年可換股債券」），當中包括將到期日延長至二零一九年八月三十一日（「該修訂」）。該修訂於二零一八年二月五日分別獲聯交所及股東批准。

於二零一八年三月八日，開灝（香港）國際有限公司將可換股債券轉讓予融泰資源有限公司，其為開灝（香港）國際有限公司之直接控股公司。於本報告日期，根據香港法例第571章證券及期貨條例第XV部，融泰資源有限公司被視為於144,256,976股本公司兌換股份中擁有權益，佔本公司已發行股本總額約5.29%。

於二零一九年二月十三日，本集團與融泰資源有限公司（本金額為43,277,000港元之二零一七年可換股債券持有人）訂立協議，以延長二零一七年可換股債券之到期日一年至二零二零年八月三十一日，而所有其他條款及條件保持不變。延長須待於二零一九年四月九日舉行之股東特別大會上獲股東批准後，方可作實。

The 2017 Convertible Bonds carrying amount as at 31 December 2018 amounted to approximately HK\$43,526,000 (carrying amount of the 2017 Convertible Bonds at 31 December 2017: HK\$41,427,000). Details of the movement of the convertible bonds of the Company issued during the year ended 31 December 2018 are set out in note 31 to the consolidated financial statements.

#### SHARE OPTION SCHEMES

The Company adopted a share option scheme (the “**2002 Scheme**”) which became effective on 31 May 2002 for the primary purpose of providing incentives to directors and eligible employees, and was already expired on 30 May 2012. On 28 March 2013, a new share option scheme (the “**2013 Scheme**”) was passed by way of an ordinary resolution in a special general meeting. The 2013 Scheme lasts for a period of ten years and will expire on 27 March 2023. Under the 2002 Scheme and the 2013 Scheme, the Board may grant options to eligible employees, including directors of the Group, to subscribe for shares in the Company.

Particulars and details of the movement of the share option schemes of the Company are set out in note 28 to the consolidated financial statements.

二零一七年可換股債券於二零一八年十二月三十一日之帳面值約為43,526,000港元(二零一七年可換股債券於二零一七年十二月三十一日之帳面值：41,427,000港元)。本公司可換股債券於截至二零一八年十二月三十一日止年度之變動詳情載於綜合財務報表附註31。

#### 購股期權計劃

本公司採納自二零零二年五月三十一日起生效之購股期權計劃(「二零零二年計劃」)，主要目的為向董事及合資格僱員提供獎勵，其已於二零一二年五月三十日屆滿。於二零一三年三月二十八日，新購股期權計劃(「二零一三年計劃」)已於股東特別大會上藉普通決議案通過。二零一三年計劃為期十年，並將於二零二三年三月二十七日屆滿。根據二零零二年計劃及二零一三年計劃，董事會可向合資格僱員(包括本集團董事)授出購股期權，以認購本公司股份。

本公司購股期權計劃之詳情及變動詳情載於綜合財務報表附註28。



As at year ended 31 December 2018, movement of share options granted to certain Directors and eligible employees are set out below:

於截至二零一八年十二月三十一日止年度，若干董事及合資格僱員獲授予之購股期權變動詳情載列如下：

	Date of grant of share options 購股期權授出日期	Number of share options 購股期權數目				At 31 December 2018 於二零一八年十二月三十一日	Exercise period of share options 購股期權行使期	Exercise price on share options HK\$ per share 購股期權行使價 每股港元
		At 1 January 2018 於二零一八年一月一日	Exercised during the year 年內行使	Lapsed during the year 年內失效				
Li Baoqi (appointed on 9 April 2018 and resigned on 7 September 2018) 李寶琦 (於二零一八年四月九日獲委任並於二零一八年九月七日辭任)	5 September 2014 二零一四年九月五日	4,000,000	-	-	4,000,000	6 September 2014 – 5 September 2019 二零一四年九月六日至二零一九年九月五日	0.66	
		4,000,000	-	-	4,000,000			
Other employees 其他僱員	5 September 2014 二零一四年九月五日	6,400,000	-	-	6,400,000	6 September 2014 – 5 September 2019 二零一四年九月六日至二零一九年九月五日	0.66	
		6,400,000	-	-	6,400,000			
		10,400,000	-	-	10,400,000			

### EQUITY-LINKED AGREEMENTS

Save for the “SHARE OPTION SCHEMES” and convertible bonds under “DEBENTURES” as disclosed above and in notes 28 and 31 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted as at 31 December 2018.

### PRE-EMPTIVE RIGHTS

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

### EMOLUMENT POLICY

The emolument policy of the employees of the Group and Directors is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to Directors and eligible employees. Details of the scheme are set out in section heading “SHARE OPTIONS SCHEMES” in this report and in note 28 to the consolidated financial statements.

### RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit under the Mandatory Provident Fund Schemes Ordinance for all of its employees employed in Hong Kong.

### MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or the substantial Shareholder of the Company nor their respective connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 股票掛鈎協議

除上文「購股期權計劃」所披露者、上文「債券」項下所披露之可換股債券及綜合財務報表附註28及31所披露者外，於截至二零一八年十二月三十一日止年度本公司概無訂立或存在任何股票掛鈎協議而將會或可導致本公司發行股份，或致使本公司須訂立協議而將會或可能導致本公司發行股份。

### 優先購買權

本公司之公司細則或百慕達法例均無有關優先購買權之條文，以規定本公司必須向現有股東按比例提呈發售新股份。

### 酬金政策

本集團僱員及董事之酬金政策由薪酬委員會根據僱員之優點、資歷和能力而制定。董事之酬金由薪酬委員會參考本公司之經營業績、個人表現和市場可資比較之數據而決定。

本公司已採納一項購股期權計劃，作為對董事及合資格僱員之一種激勵。計劃詳情載於本報告「購股期權計劃」一節及綜合財務報表附註28。

### 退休福利計劃

本集團根據強制性公積金計劃條例，為其所有香港僱員推行界定供款強制性公積金退休福利計劃。

### 於重大交易、安排或合約之重大權益

概無本公司或其任何附屬公司所訂立而本公司董事或控股股東或彼等各自之關連實體直接或間接擁有重大權益之重大交易、安排或合約於年結日或年內任何時間仍然生效。

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year ended 31 December 2018.

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections heading "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS" and "SHARE OPTION SCHEMES" in this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

#### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 2018, the interests and short positions of the directors and chief executive 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 SFO as recorded in the register required to be kept by the Company under 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") contained in the Listing Rules, were as follows:

##### Long positions in shares of the Company

Name of Director	Nature of interest	Number of shares held	Approximate percentage of issued share capital
董事姓名	權益性質	所持股份數目	佔已發行股本概約百分比
Zhao Xu Guang 趙旭光	Interest of a controlled corporation (Note a) 控制法團之權益(附註a)	1,400,000,000	51.35%
To Wing Tim, Paddy 杜永添	Beneficial owner and Interest of spouse (Note b) 實益擁有人及配偶權益(附註b)	232,000	0.01%

#### 董事之競爭業務權益

概無本公司董事於截至二零一八年十二月三十一日止年度擁有與本公司或其任何附屬公司存在競爭之任何業務之任何權益。

#### 董事購入股份或債券之權利

除本報告「董事及主要行政人員之權益」及「購股期權計劃」章節所披露者外，於年內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，令董事可藉購入本公司或任何其他法人團體之股份或債券而獲益，本公司董事或彼等之配偶或未滿十八歲之子女亦概無持有任何可認購本公司證券之權利或曾於年內行使任何該等權利。

#### 董事及主要行政人員之權益

於二零一八年十二月三十一日，各董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中，擁有已記入本公司根據證券及期貨條例第352條須予存置之登記冊，或根據上市規則所載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：

##### 於本公司股份之好倉

Notes:

- (a) As at 31 December 2018, the interests were held by Shun Wang Investments Limited which in turn was wholly owned by Mr. Zhao Xu Guang. Accordingly, Mr. Zhao was deemed to be interested in 1,400,000,000 shares of the Company under the Part XV of the SFO.
- (b) As at 31 December 2018, Mr. To Wing Tim, Paddy, an independent non-executive Director, together with his spouse, respective holding of 60,000 Shares and 172,000 Shares of the Company. Accordingly, Mr. To Wing Tim, Paddy is deemed to have interest in 232,000 Shares of the Company under Part XV of the SFO.

Save as disclosed above, as at 31 December 2018, none of the Directors nor the chief executive of the Company had registered an interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (a) 於二零一八年十二月三十一日，該等權益由順旺投資有限公司持有，而順旺投資有限公司由趙旭光先生全資擁有。因此，根據證券及期貨條例第XV部，趙先生被視作於1,400,000,000股本公司股份中擁有權益。
- (b) 於二零一八年十二月三十一日，獨立非執行董事杜永添先生與其配偶分別持有60,000股本公司股份及172,000股本公司股份。因此，根據證券及期貨條例第XV部，杜永添先生被視作於232,000股本公司股份中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，各董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，登記持有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則已知會本公司及聯交所之權益或淡倉。

**SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS**

As at 31 December 2018, the interests and short positions of each person, other than a Director or chief executive of the Company, in the Shares or underlying Shares of the Company which had been notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register kept by the Company under section 336 of the SFO, were as follows:

**(A) Long positions in shares of the Company:**

Name of Shareholder	Nature of interest	Number of shares held	Approximate Percentage of issued share capital
股東姓名	權益性質	所持股份數目	佔已發行股本概約百分比
<b>Substantial Shareholders:</b>	<b>主要股東：</b>		
Shun Wang Investments Limited 順旺投資有限公司	Beneficial owner (Note) 實益擁有人(附註)	1,400,000,000	51.35%
Zhao Xu Guang 趙旭光	Interest of a controlled corporation (Note) 控制法團之權益(附註)	1,400,000,000	51.35%

Note: As at 31 December 2018, the interests were held by Shun Wang Investments Limited which in turn was wholly owned by Mr. Zhao Xu Guang. Accordingly, Mr. Zhao was deemed to be interested in 1,400,000,000 shares of the Company under the Part XV of the SFO.

**主要股東及其他人士之權益**

於二零一八年十二月三十一日，各人士(董事或本公司主要行政人員除外)於本公司之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益及淡倉)，或記入本公司根據證券及期貨條例第336條存置之登記冊之權益及淡倉如下：

**(A) 於本公司股份之好倉：**

附註：於二零一八年十二月三十一日，該等權益由順旺投資有限公司持有，而順旺投資有限公司則由趙旭光先生全資擁有。因此，根據證券及期貨條例第XV部，趙先生被視作於1,400,000,000股本公司股份中擁有權益。

(B) Long positions in underlying shares of the Company:

(B) 於本公司相關股份之好倉：

Name of holder	Nature of interest	Number of underlying shares held	Approximate Percentage of issued share capital
持有人姓名	權益性質	所持相關股份數目	佔已發行股本概約百分比
Rontac Investment Company Limited	Interest of a controlled corporation (Note a) 控制法團之權益(附註 a)	144,256,976	5.56%
Rontac Resources Company Limited 融泰資源有限公司	Interest of a controlled corporation (Note b) 控制法團之權益(附註 b)	144,256,976	5.56%

Notes:

附註：

- (a) On 8 March 2018, the 2016 Convertible Bonds in aggregate principle amount of HK\$43,277,000 were transferred from Kailuan (Hong Kong) International Co., Limited to Rontac Resources Company Limited. As at 31 December 2018, Rontac Resources Company Limited held the 2016 Convertible Bonds in aggregate principal amount of HK\$43,277,000. Pursuant to the terms and conditions of the convertible bonds, the current conversion price of HK\$0.3 per ordinary share, Rontac Resources Company Limited is entitled to subscribe for 144,256,976 ordinary shares of the Company upon exercise of conversion right in full. Accordingly, Rontac Resources Company Limited is beneficial interests in 144,256,976 underlying shares of the Company.
- (b) At as 31 December 2018, Rontac Resources Company Limited is wholly owned by Rontac Investment Company Limited. Accordingly, Rontac Investment Company Limited is deemed to be interested in 144,256,976 underlying shares of the Company under the Part XV of the SFO.

- (a) 於二零一八年三月八日，本金總額為43,277,000港元之二零一六年可換股債券由開灤(香港)國際有限公司轉讓至融泰資源有限公司。於二零一八年十二月三十一日，融泰資源有限公司持有本金總額43,277,000港元之二零一六年可換股債券。根據可換股債券之條款及條件，融泰資源有限公司有權全數行使兌換權並按現行兌換價每股普通股份0.3港元認購本公司144,256,976股普通股股份。因此，融泰資源有限公司於144,256,976股本公司相關股份中擁有實益權益。
- (b) 於二零一八年十二月三十一日，融泰資源有限公司由Rontac Investment Company Limited全資擁有。因此，根據證券及期貨條例第XV部，Rontac Investment Company Limited被視作於144,256,976股本公司相關股份中擁有權益。

Save as disclosed above, as at 31 December 2018, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company which had been notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

除上文所披露者外，於二零一八年十二月三十一日，就董事或本公司主要行政人員所知，概無人士(董事或本公司主要行政人員除外)於本公司之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部之條文已知會本公司及聯交所之權益或淡倉。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year.

管理合約

年內，並無任何有關本公司或其附屬公司全盤業務或任何重大部份業務之管理及行政之合約訂立或存在。

### CONNECTED TRANSACTIONS

During the year 2018, there were no connected transactions and continuing connected transactions which were required to be disclosed in accordance with the requirements of the Listing Rules.

None of the related party transactions as set out in note 35 to the consolidated financial statements falls under the definition of “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules.

### LOANS AND OTHER BORROWINGS

The total loans and other borrowings of the Group as at 31 December 2018 amounted to HK\$18,188,000 (2017: HK\$18,188,000). Particulars of loans and other borrowings are set out in note 25 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Group as at 31 December 2018 amounted to approximately HK\$570,644,000 (2017: HK\$495,154,000). Details of movements of property, plant and equipment are set out in note 12 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for approximately 64.1% of the Group's total turnover and the largest customer accounted for approximately 22.1% of the Group's total turnover.

The five largest suppliers of the Group accounted for approximately 76.3% of the Group's total purchases for the year and the largest supplier accounted for approximately 51.8% of the Group's total purchases.

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

The Group is committed to establishing a close and caring relationship with our employees, providing quality services to its customers and enhancing cooperation with its business partners.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has complied with the sufficiency of public float requirement under the Listing Rules during the year ended 31 December 2018.

### 關連交易

於二零一八年，概無關連交易及持續關連交易須按照上市規則之規定予以披露。

概無綜合財務報表附註35所載與關連人士之交易符合上市規則第14A章下有關「關連交易」或「持續關連交易」之定義。

### 貸款及其他借貸

本集團於二零一八年十二月三十一日之貸款及其他借貸達18,188,000港元（二零一七年：18,188,000港元）。貸款及其他借貸詳情載於綜合財務報表附註25。

### 物業、廠房及設備

本集團於二零一八年十二月三十一日之物業、廠房及設備約值570,644,000港元（二零一七年：495,154,000港元）。物業、廠房及設備之變動詳情載於綜合財務報表附註12。

### 主要客戶及供應商

本集團五大客戶佔本集團總營業額約64.1%，而最大客戶則佔本集團總營業額約22.1%。

本集團五大供應商佔本集團本年度之購貨總額約76.3%，而最大供應商則佔本集團購貨總額約51.8%。

本公司董事、董事之聯繫人士或據董事所知擁有本公司股本5%以上權益之股東，於年內任何時間概無於本集團任何五大供應商或客戶中擁有權益。

本集團致力與員工建立緊密互助關係，為客戶提供高質素服務及提升與業務夥伴的合作關係。

### 足夠之公眾持股量

根據於本年報日期本公司公開所得資料及就董事所知，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之足夠公眾持股量規定。

#### EVENTS AFTER THE REPORTING PERIOD

- (a) In February 2019, the Group and Rontac Resources Company Limited as the holder of the Convertible Bond in the principal amount of HK\$43,277,093 entered into a Conditional Extension Letter. Pursuant to Extension letter, the Maturity Date of the 2016 Convertible bond be further extended for one year to 31 August 2020. The extension is subject to approval of Shareholders at a special general meeting held on 9 April 2019.
- (b) On 24 December 2018, the Group entered into the non-legally binding memorandum of understanding with Energy Technology in respect of a possible investment in the Energy Technology through acquisition or subscription of not more than 30% of its share capital. On 31 December 2018, the JV Subsidiary has entered into the Agreement with the Energy Technology, 孝義市金岩電力煤化工有限公司 (“**Jinyan Electricity**”), 孝義市愛路恩濟天然氣製造有限公司 (“**Xiaoyi ILNG**”) and 温克忠, pursuant to which the Energy Technology shall replace Jinyan Electricity to repay all outstanding indebtedness owned by Jinyan Electricity to the JV Subsidiary. The outstanding indebtedness shall be the Outstanding Sums which amount RMB402,303,023 as at 30 June 2018. Under the Agreement, the Conversion Right is granted to the JV Subsidiary. Upon full exercise of the Conversion Right, the JV Subsidiary shall be entitled to convert the indebtedness into not more than 12% of the enlarged issued share capital of the Energy Technology. The Group will seek the required Shareholder approval at the special general meeting in accordance with Rule 14.76(2) of the Listing Rules for the exercise of the conversion rights of the JV Subsidiary. On 18 March 2019, the Group entered into a framework agreement with the JV Subsidiary and the Energy Technology, pursuant to which the Group, the JV Subsidiary and/or designated company within the Group intend to gradually invest in the Energy Technology through a series of acquisition or subscription such that the Group will be interested in not less than 51% of the enlarged share capital of the Energy Technology or having significant control of the Energy Technology.

#### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to support sustainability of the environment and endeavours to comply with laws and regulations regarding environmental protection and to adopt measures to achieve efficient use of resources, energy saving and waste reduction. The details of environmental, social and governance information of the Group for the year ended 31 December 2018 are set out in the ESG Report on pages 58 to 74 to this annual report.

#### 報告期後事項

- (a) 於二零一九年二月，本集團與融泰資源有限公司（作為本金額43,277,093港元之可換股債券持有人）訂立有條件延長函件。根據延長函件，二零一六年可換股債券之到期日將進一步延長一年至二零二零年八月三十一日。延長須待於二零一九年四月九日舉行之股東特別大會上獲股東批准後，方可作實。
- (b) 於二零一八年十二月二十四日，本集團與能源科技訂立無法律約束力之諒解備忘錄，內容有關以收購或認購能源科技不多於30%股本之可能投資。於二零一八年十二月三十一日，合營附屬公司與能源科技、孝義市金岩電力煤化工有限公司（「**金岩電力**」）、孝義市愛路恩濟天然氣製造有限公司（「**愛路恩濟**」）及温克忠訂立協議，據此，能源科技將代替金岩電力償還金岩電力欠付合營附屬公司之全部未償還債務。截至二零一八年六月三十日，未償還債務為人民幣402,303,023元未償還金額。根據協議，兌換權將授予合營附屬公司。合營附屬公司全面行使兌換權時，有權將債務兌換為不超過能源科技經擴大已發行股本之12%。本集團將根據上市規則第14.76(2)條就合營附屬公司行使兌換權於股東特別大會上尋求所需之股東批准。於二零一九年三月十八日，本集團、合營附屬公司及能源科技訂立一份框架協議，據此，本集團、合營附屬公司及／或本集團內之指定公司有意逐步通過一系列收購或認購以投資能源科技，使本集團將擁有能源科技經擴大後股本不少於51%之權益或擁有能源科技之重大控制權。

#### 環境、社會及管治

本集團致力支持環境的可持續發展，努力遵守環保相關法律及法規，採取措施以達致資源有效利用、節能及減廢。本集團截至二零一八年十二月三十一日止年度之環境、社會及管治詳情載於本年報第58至74頁之環境、社會及管治報告。



### CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance practices. The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group. The Company is subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Bermuda Companies Law, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and/or the rules and regulations of the jurisdictions where the shares of the Company are listed and traded. Details of the corporate governance practices of the Group for the year ended 31 December 2018 are set out in the CG Report on pages 41 to 57 to this annual report.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 31 May 2019 (Friday) to 5 June 2019 (Wednesday), both days inclusive. In order to qualify for the attendance of the forthcoming annual general meeting of the Company to be held on 5 June 2019 (Wednesday), share transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 30 May 2019 (Thursday).

### AUDITOR

Mazars CPA Limited has been appointed as the external auditor of the Group with effect from 15 November 2018, to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements for the year ended 31 December 2018 have been audited by Mazars CPA Limited will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2019 AGM.

On behalf of the Board

**Zhao Xu Guang**  
Chairman

### 企業管治

本集團致力保持高水平之企業管治常規標準。本集團已遵循對營運有重大影響之相關法律及法規。本公司受上市規則、公司收購、合併及股份回購守則、百慕達公司法、公司條例(香港法例第622章)、證券及期貨條例(香港法例第571章)及/或本公司股份上市及買賣所在之司法權區之規則及規例所規管。本集團截至二零一八年十二月三十一日止年度之企業管治常規詳情載於本年報第41至57頁之企業管治報告。

### 暫停股份過戶登記

本公司將於二零一九年五月三十一日(星期五)起至二零一九年六月五日(星期三)(包括首尾兩日)暫停股份過戶登記。為符合資格出席本公司將於二零一九年六月五日(星期三)舉行之應屆股東週年大會，股份過戶表格連同有關股票須不遲於二零一九年五月三十日(星期四)下午四時三十分送達本公司之香港股份過戶登記分處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東183號合和中心22樓。

### 核數師

中審眾環(香港)會計師事務所有限公司獲委聘為本集團外部核數師，由二零一八年十一月十五日起生效，以填補因安永會計師事務所辭任而產生的臨時空缺，並將留任至本公司下屆股東週年大會結束為止。

截至二零一八年十二月三十一日止年度之綜合財務報表已由中審眾環(香港)會計師事務所有限公司審核並將於應屆二零一九年股東週年大會上退任，並符合資格且願意獲續聘。

代表董事會

主席  
趙旭光

The Board is committed to upholding high standard of corporate governance. The Directors believe that effective corporate governance practices emphasised on accountability and transparency are the keys to protect the interest of our Shareholders, investors and other stakeholders, enhance the confidence in the Group business and fulfil its social responsibility.

### CORPORATE GOVERNANCE PRACTICES

The Board regularly reviews the corporate governance practices which have applied the principles set out in the Corporate Governance Code (the “CG Code”) in Appendix 14, under the Listing Rules issued by the Stock Exchange together with all other applicable rules under Listing Rules, the SFO, the Companies Ordinance and other applicable laws, rules and guidelines.

#### Compliance with the Corporate Governance Code

For the year ended 31 December 2018 and up to the date of this report, except for the code provisions A.2.1, A.6.7 and D.1.4 with reasons for each deviation explained hereunder, the Company has complied with the code provisions as set out in the CG Code in Appendix 14 of the Listing Rules.

#### Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors. All Directors have confirmed in writing, following specific enquiry by the Company, that they fully complied with the Model Code throughout the year ended 31 December 2018.

### CORPORATE GOVERNANCE STRUCTURE

The Company has designed an appropriate corporate governance structure for the Group which is headed by an effective board of directors. To assist the Board in discharging its duties and facilitate effective management, the Board has established three Board committees (each, a “Board Committee”), including Audit Committee, Nomination Committee and Remuneration Committee. The Board undertakes the corporate governance function and is lead by the Chairman. The majority of the members of each Board Committee are independent non-executive Directors, and each Board Committee has its own defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the websites of the Company and the Stock Exchange.

董事會致力持守高水平之企業管治。董事相信，強調問責性及透明度之企業管治常規倘行之有效，其將在保障股東、投資者及其他權益人之利益、加強對本集團業務之信心及履行社會責任上發揮關鍵作用。

#### 企業管治常規

董事會定期檢討本集團之企業管治常規。有關常規採用聯交所上市規則附錄14之企業管治常規守則（「企業管治守則」）所載原則，以及上市規則下之所有其他適用規則、證券及期貨條例、公司條例及其他適用法例、規例及指引。

#### 遵守企業管治守則

截至二零一八年十二月三十一日止年度及直至本報告日期，除偏離守則條文第A.2.1條、第A.6.7條及第D.1.4條外（偏離原因於下文說明），本公司已遵守上市規則附錄14之企業管治守則所載之守則條文。

#### 遵守標準守則

本公司已採納上市規則附錄10所載之標準守則，作為董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事已以書面確認，其於截至二零一八年十二月三十一日止整個年度已全面遵守標準守則。

#### 企業管治架構

本公司已設計出一套適合本集團的企業管治架構，並透過董事會的有效運作來領導。為協助董事會執行其職務及提高管理效率，董事會已成立三個董事會委員會（各自稱為「董事會委員會」），分別為審核委員會、提名委員會及薪酬委員會。董事會由主席帶領，共同履行企業管治職能。各董事會委員會之成員均以獨立非執行董事佔大多數，而各董事會委員會均已各自制定經董事會核准之明確書面職權範圍，內容涵蓋委員會之職務、權力及職能。該等職權範圍文本可於本公司及聯交所網站查閱。

## BOARD OF DIRECTORS

The Board comprises seven Directors, including two executive Directors, namely Mr. Zhao Xu Guang (Chairman and Chief Executive Officer) and Mr. So Chiu Fung, two non-executive Directors, namely Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem, and three independent non-executive Directors, namely Mr. Lam Hoy Lee, Laurie, Mr. To Wing Tim, Paddy and Dr. Wang Wei Hsin.

### Directors' Retirement at 2019 AGM

In accordance with the bye-law 99 of the Bye-Laws of the Company, Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem will retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election.

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to their appointments on 7 September 2018 and 19 December 2018 respectively, Mr. So Chiu Fung and Dr. Wang Wei Hsin will hold office until the following AGM of the Company and will retire at the 2019 AGM, and being eligible, offer themselves for re-election.

The biographical details of the Directors are set out under section heading "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" on pages 18 to 21 of this annual report.

### Responsibilities of the Board

The Company is headed by the Board which is responsible for the leadership. The Board is ultimately accountable for the Group's operations, strategies, financial performance and compliance. The following outlined the key matters that are reserved to the Board for approval:

- set Group's overall objectives and business strategies
- establish Board Committees, define the role and duties of each Board Committee
- authorise delegation of power to the management for implementation of its decisions
- direct and supervise management performance
- oversee the Group's compliance with statutory and regulatory obligations
- review financial statements, announcements and reports; and
- recommend on of dividends and its distribution

## 董事會

董事會由七名董事組成，包括兩名執行董事（趙旭光先生（主席及行政總裁）及蘇晁鋒先生）、兩名非執行董事（黃少雄先生及黃文鑫先生）及三名獨立非執行董事（林開利先生、杜永添先生及王維新博士）。

### 於二零一九年股東週年大會上之董事退任

根據本公司公司細則細則第99條，黃少雄先生及黃文鑫先生將於應屆股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

根據本公司之公司細則細則第102(B)條，蘇晁鋒先生及王維新博士分別於二零一八年九月七日及二零一八年十二月十九日獲委任後之任期將直至本公司下屆股東週年大會為止，並將於二零一九年股東週年大會上退任，惟彼等符合資格並願意膺選連任。

董事之履歷詳情載於本年報第18至21頁「董事及高級管理人員之履歷詳情」一節。

### 董事會之責任

本公司由董事會領導，而董事會須承擔領導的責任。董事會須就本集團之營運、策略、財務表現及合規事宜負上最終責任。下列關鍵事務由董事會負責批准：

- 制定本集團之整體目標及業務策略
- 設立董事會委員會，訂明各董事會委員會之角色及職務
- 賦予管理層落實決策之權力
- 指導並監督管理層之行動
- 監察本集團遵守法定及監管義務之情況
- 審閱財務報表、公告及報告；及
- 就股息及分派提供建議。

### Delegation to the Management

The Board has delegated its power to the executive Directors to act on its behalf. The executive Directors are responsible for day-to-day management of operations, implement the decisions approved by the Board, conduct regular meetings with the senior management of the Company and its subsidiaries and associated companies, at which operational issues and financial performance are evaluated. The executive Directors are required to report and provide an updated information to the Board on a regular basis on business development, financial positions, market updates, risk management, compliance and corporate governance issues.

#### Code Provision D.1.4

Pursuant to code provision D.1.4, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment.

#### Reason for Deviation

As disclosed in the Report of the Directors and explained in respective appointment announcement published, the Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Bye-Laws. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Zhao Xu Guang, being the Chairman of the Board, also acts as Chief Executive Officer since 2 May 2017.

#### Code Provision A.2.1

Code provision A.2.1 of CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

#### Reason for Deviation

Mr. Zhao Xu Guang is the Chairman of the Board and also serves as Chief Executive Officer since 2 May 2017. The deviation is noted by the Board and the Directors consider the dual role is essential as Mr. Zhao provides the Company with strong and consistent leadership and facilitates the implementation and execution of the business strategies while the Group re-build and develop its business with his leadership in Board, and thus achieves the Company's objectives efficiently and effectively in response to the constantly changing environment.

### 賦權管理層

董事會賦予執行董事其權力以代其行事。執行董事負責管理日常營運、落實由董事會批准之決策，並與本公司及其附屬公司及聯營公司之高級管理層定期舉行會議，藉此評價營運相關議題及財務表現。執行董事須定期向董事會匯報並提供有關業務發展、財務狀況、市場發展、風險管理、監管合規及企業管治事宜之最新資料。

#### 守則條文第D.1.4條

根據守則條文第D.1.4規定，公司應有正式的董事委任書，訂明有關委任的主要條款及條件。

#### 偏離原因

誠如董事會報告所披露及各份已刊發之委任公告所闡釋，本公司並無正式董事委任書。然而，董事須按照公司細則輪值告退。此外，董事須遵守法規及普通法、上市規則、法律及其他監管規定以及公司的業務及管治政策下的規定。

### 主席及行政總裁

董事會主席為趙旭光先生，彼亦同時自二零一七年五月二日起擔任行政總裁。

#### 守則條文第A.2.1條

企業管治守則之守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由同一人兼任。

#### 偏離原因

趙旭光先生為董事會主席並自二零一七年五月二日起兼任行政總裁。董事會已注意到有關偏離，而各董事均認為趙先生身兼二職有其必要，因趙先生為本公司提供強而有力且貫徹一致的領導，有利業務策略的制訂及推行，同時在彼領導下之董事會，本集團得以重建及發展其業務，並因此能在不斷變化的環境中，有效及高效地實現本公司的目標。

The Board considers that the Company has established a strong corporate governance structure in place to ensure effective management, Mr. So Chiu Fung, the executive Director is responsible for daily operation management of the Group while Mr. Zhao is more focused on business strategic development. In addition, the three independent non-executive Directors in Board which ensure there is a strong independent element on the Board which can effectively exercise independent judgement and oversee the business management in major decision making. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

### NON-EXECUTIVE DIRECTORS

The Board comprises five non-executive Directors including independent non-executive Directors, namely, Mr. Wong Siu Hung, Partrick, Mr. Huang Man Yem, Mr. Lam Hoy Lee, Laurie, Mr. To Wing Tim, Paddy and Dr. Wang Wei Hsin. According to the bye-law 99 of the Bye-Laws, at each annual general meeting, one-third of the Directors at the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. All non-executive Directors also subject to retirement by rotation requirement under the Bye-Laws and shall retire from office at least once every three years.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board comprises of three members out of seven Board members in total, representing over 40% of Board, independent non-executive Directors. The Board is satisfied that current composition of independent non-executive Directors is in compliance with the requirement of independent non-executive Directors under Rules 3.10(1) and (2) and 3.10A of the Listing Rule.

Most of the independent non-executive Directors are professionals with recognised qualifications, either being certified public accountant or lawyer, who possess extensive experience in their own professions. The biography details of the independent non-executive Directors are set out on page 20 of this annual report. During the year 2018, all independent non-executive Directors contributed impartial view to the Board members and made independent judgements on issues discussed at the Board meetings.

### INDEPENDENCE CONFIRMATION

The Company has received annual confirmation of independence from each independent non-executive Director for the financial year ended 31 December 2018 pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Board considered each of the independent non-executive Directors fulfilled the independence requirement throughout the year and up to the date of this report. The independent non-executive Directors had been identified in all corporate communications of the Company that disclose the names of Directors.

董事會認為，本公司已建立強大的企業管治架構，以確保有效管理。執行董事蘇焜鋒先生負責本集團日常營運管理，趙先生則比較集中於業務戰略發展。此外，董事會三名獨立非執行董事能確保董事會有強大的獨立性，能在重大決策中有效行使獨立判斷和監督業務管理。儘管如此，董事會將根據當前情況不時檢討架構。

### 非執行董事

董事會有五名非執行董事（包括獨立非執行董事），分別為黃少雄先生、黃文鑫先生、林開利先生、杜永添先生及王維新博士。根據公司細則細則第99條，於每屆股東週年大會上，當時之三分之一董事須輪值告退，惟每一名董事須每三年最少輪值告退一次。全體非執行董事亦須根據公司細則輪值告退，並須每三年最少退任一次。

### 獨立非執行董事

董事會七名成員中，共三名成員為獨立非執行董事，佔董事會成員數逾40%。董事會信納現時之獨立非執行董事組成比例符合上市規則第3.10(1)及(2)條及第3.10A條之獨立非執行董事規定。

大部分獨立非執行董事均為專業人士，具備會計師或律師之認可資格，於各自之專業領域擁有豐富經驗。獨立非執行董事之履歷詳情載於本年報第20頁。於二零一八年，全體獨立非執行董事為董事會成員提供客觀意見，並就董事會會議上商議之議題作出獨立判斷。

### 確認獨立性

根據上市規則第3.13條所載之獨立性指引，本公司已收到各獨立非執行董事就截至二零一八年十二月三十一日止財政年度之年度獨立性確認書。經審閱及評估後，董事會認為各獨立非執行董事於整個年度及直至本報告日期一直符合獨立性要求。本公司所有公司通訊均披露了董事姓名，當中亦已記載獨立非執行董事之姓名。

#### RELATIONSHIP BETWEEN BOARD MEMBERS

Saved as disclosed under section heading “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” on pages 18 to 21 under this annual report, none of the members of the Board has any relationship, neither financial, business, family nor other material/relevant relations, among each other.

#### INSURANCE FOR DIRECTORS AND OFFICERS

The Company has arranged appropriate insurance cover in respect of legal action against the Directors and management of the Group.

#### INDEPENDENT PROFESSIONAL ADVICE

All Board members have separate and independent access to the Company Secretary and management of the Group to fulfil their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request.

#### COMPANY SECRETARY

The Company engaged an external service provider as its Company Secretary. The executive Director, Mr. So Chiu Fung is the contact person of the external service provider.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and the Board is fully briefed on all legislative, regulatory and corporate governance developments and that it has regard to them when making decisions.

The Company Secretary of the Company, Mr. Li Chi Chung, undertakes to ensure a good information flow within the Board and between the Board and senior management, provides advice to the Board in relation to Directors' obligations under the Listing Rules and applicable laws and regulations and assists the Board in implementing the corporate governance practices. During the year ended 31 December 2018, the Company Secretary finished no less than 15 hours of relevant professional training and in compliance with the training requirement under Rule 3.29 of the Listing Rules.

#### 董事會各成員之間的關係

除本年報第18至21頁「董事及高級管理人員之履歷詳情」一節所披露者外，董事會成員彼此之間概無任何關係，不論是財務上、業務上、家屬或其他重大／相關之關係。

#### 董事及高級管理人員保險

本公司已就針對董事及本公司管理層之法律行動安排合適保險。

#### 獨立專業意見

為履行彼等之職務，全體董事會成員均可自行及循獨立途徑聯絡公司秘書及本集團管理層。獨立專業意見可於董事提出要求時索取，以協助有關董事執行彼等之職務，費用由本集團承擔。

#### 公司秘書

本公司委聘一名外部服務供應商擔任其公司秘書。執行董事蘇晁鋒先生為外部服務供應商的聯絡人。

公司秘書對董事會負責，確保董事會程序得以遵守且董事會就所有立法、法規及企業管治的進展得到詳細解釋，以及董事會決策時將該等內容考慮在內。

本公司之公司秘書李智聰先生承諾確保董事會內部和董事會與高級管理層之間有良好的信息流通；就董事會根據上市規則及適用法律及法規下之責任，向董事會做出建議；以及協助董事會實施企業管治常規。截至二零一八年十二月三十一日止年度，公司秘書已完成不少於15小時之相關專業培訓，符合上市規則第3.29條之培訓規定。

### BOARD MEETINGS AND PROCEEDINGS

Regular Board meetings were held four (4) times during the financial year ended 31 December 2018. The Directors have access to the advice and services of the Company Secretary and company secretarial team for ensuring that the Board procedures, all applicable rules and regulations are followed.

The chairman of the meeting set the meeting agenda in consultation with other Board members and with assistance of the company secretarial team. Board meeting notice is sent to the Directors at least 14 days prior to each regular Board meeting and reasonable notice is given for other Board meetings. Board papers and meeting materials with sufficient information details are sent to Board and Committee members at least 3 days before each meeting to enable the Directors to make informed decisions.

Minutes of Board meetings and Board Committee meetings are drafted by the Company Secretary of the meetings and recorded in sufficient details of the matters discussed and decisions reached and have been circulated to the Directors for comments and record in a timing manner. Originals of all minutes of the Company are kept by the company secretarial team and open for inspection by Directors.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, that Director will be abstained from voting on the relevant resolutions with conflict of interest and that he/she shall not be counted in the quorum present at such Board meeting.

### 董事會會議及議事程序

董事會於截至二零一八年十二月三十一日止財政年度舉行了四(4)次董事會定期會議。董事可獲得公司秘書及公司秘書團隊之意見及使用其服務，以確保董事會程序及所有適用規則及規例獲得遵守。

會議主席經諮詢其他董事會成員及在公司秘書團隊之協助下釐定會議議程。董事會會議通告於各董事會定期會議舉行前至少14日發送予董事，至於其他董事會會議，亦會給予合理通知期。董事會及委員會成員於各會議舉行前至少3日獲發送會議文件及會議資料，當中載有充分詳細資料，以供董事作出知情決定。

董事會及董事會委員會之會議記錄由會上之公司秘書草擬，當中詳細記錄商議事項及所作決定，並已適時分發予各董事以供彼等發表意見及作記錄之用。本公司所有會議記錄之正本交公司秘書團隊保管，並開放予董事查閱。

如某董事於董事會將予審議之事宜上有利益衝突，而董事會判定有關利益衝突為重大，該董事將放棄就有利益衝突之相關決議案投票，且不會計入有關董事會會議之法定出席人數。

**Attendance of Board Meeting and General Meeting during FY2018**

The attendance of Board meetings and general meeting during the year ended 31 December 2018 is set out below:

**於二零一八年財政年度之董事會會議及股東大會出席人數**

截至二零一八年十二月三十一日止年度，董事會會議及股東大會之出席人數載列如下：

<b>Capacity and Name of Director</b>		<b>Board Meetings Attended/Held and Eligible to Attend 董事會會議 出席次數／舉行次數 及有權出席次數</b>	<b>Attendance at 2018 general meetings 二零一八年 股東大會 出席情況</b>
董事職銜及姓名			
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. Zhao Xu Guang (Chairman and Chief Executive Officer)	趙旭光先生 (主席及行政總裁)	12/12	3/3
Mr. So Chiu Fung (appointed on 7 September 2018)	蘇晁鋒先生 (於二零一八年九月七日獲委任)	7/7	1/1
Mr. Li Baoqi (appointed on 9 April 2018 and resigned on 7 September 2018)	李寶琦先生 (於二零一八年四月九日獲委任及 於二零一八年九月七日辭任)	1/1	1/1
<b>Non-executive Directors</b>		<b>非執行董事</b>	
Mr. Wong Siu Hung, Patrick (re-designated from executive Director to non-executive Director on 9 April 2018)	黃少雄先生 (於二零一八年四月九日由 執行董事調任為非執行董事)	11/11	3/3
Mr. Huang Man Yem	黃文鑫先生	12/12	1/3
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Lam Hoy Lee, Laurie	林開利先生	11/12	3/3
Mr. To Wing Tim, Paddy	杜永添先生	12/12	2/3
Dr. Wang Wei Hsin (appointed on 19 December 2018)	王維新博士 (於二零一八年十二月十九日獲委任)	1/1	0/0
Mr. Lau Ka Ho (resigned on 14 December 2018)	劉家豪先生 (於二零一八年十二月十四日辭任)	9/9	0/3



**Code Provision A.6.7**

Code provision A.6.7 of CG Code stipulates that independent non-executive Directors and other non-executive Directors should attend general meeting and develop a balanced understanding of the views of shareholders.

**Reason for Deviation**

Some individual Directors were unable to attend the annual general meeting of the Company held on 5 June 2018 and/or the special general meetings held on 5 February 2018 and 7 November 2018 due to other business engagements. This constitutes a deviation from code provision A.6.7 of the CG Code.

The Company Secretary had reminded the Directors the non-compliance consequence and the Company will remind the Directors to attend general meetings in future.

**CONTINUOUS PROFESSIONAL DEVELOPMENT**

To encourage Directors in continuous professional development (the “CPD”) to refresh their knowledge and skills, the Company have provided the Directors with updates on the development of the Listing Rules and other applicable regulations and laws in connection to their duties and responsibilities of being a Director. The Company also provided to the Directors the monthly business performance and position updates of the Group to ensure the Board discharges their duties under Rule 13.08 and code provision A.6.5 of CG Code under the Listing Rules.

For the year ended 31 December 2018, all Directors had provided to the Company a record of their CPD training by attending seminars and conferences, taking courses and reading materials. A summary of training topics covered is as follow:

**守則條文第A.6.7條**

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會，對股東的意見有公正的了解。

**偏離原因**

因個別董事另有要務在身，未能出席本公司於二零一八年六月五日舉行的股東週年大會及／或分別於二零一八年二月五日及二零一八年十一月七日舉行的股東特別大會。此偏離了企業管治守則之守則條文第A.6.7條。

公司秘書已提請該董事注意不合規的後果，而本公司將提醒各董事於未來出席股東大會。

**持續專業發展**

為鼓勵各董事參與持續專業發展（「持續專業發展」）以更新其知識及技能，本公司已針對董事之職務及職責，向董事提供關於上市規則及其他適用規例及法律之最新發展情況。本公司亦已向董事提供本集團之每月業務表現及業務狀況更新，以確保董事會能根據上市規則第13.08條及上市規則企業管治守則之守則條文第A.6.5條執行職務。

截至二零一八年十二月三十一日止年度，全體董事均已向本公司提供彼等參與持續專業發展培訓之記錄，培訓包括出席研討會及討論會、修讀課程及閱讀培訓材料。培訓涵蓋之課題概列如下：

Name of Director 董事姓名	Topics of Training 培訓課題		
	Legal/ Accounting/ Financial 法律/ 會計/財務	Corporate Governance 企業管治	Group Business/ Directors Duties 集團業務/ 董事職務
Mr. Zhao Xu Guang 趙旭光先生	✓	✓	✓
Mr. So Chiu Fung 蘇晁鋒先生	✓	✓	✓
Mr. Wong Siu Hung, Patrick 黃少雄先生	✓	✓	✓
Mr. Huang Man Yem 黃文鑫先生	✓	✓	✓
Mr. Lam Hoy Lee, Laurie 林開利先生	✓	✓	✓
Mr. To Wing Tim, Paddy 杜永添先生	✓	✓	✓
Dr. Wang Wei Hsin 王維新博士	✓	✓	✓

## AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. To Wing Tim, Paddy who also acts as Chairman of the committee, Mr. Lam Hoy Lee, Laurie and Dr. Wang Wei Hsin, and one non-executive Director, Mr. Huang Man Yem.

The Audit Committee is responsible for reviews and supervises the Group's accounting policies and financial reporting, risk management and internal control practices, maintains an appropriate relationship with the external auditors and ensures the regulatory compliance of the Group.

During the review of financial statements, management reported liquidity position of the Group and measures taken/to be taken to enable the Group to sustain as a going concern. The audit committee was aware of the matter as one of key audit matters and to be included in the section under material uncertainty related to going concern in the Independent Auditor's Report for 2018 consolidated financial statements. The audit committee did not express any disagreement with management's assessment concerning of the going concern assumptions in the preparation of 2018 consolidated financial statements.

The attendance of Audit Committee meetings during the year ended 31 December 2018 is set out below:

### Capacity and Name of Director

董事職銜及姓名

#### Chairman of Audit Committee

Mr. To Wing Tim, Paddy

Mr. Lau Ka Ho

(resigned on 14 December 2018)

#### 審核委員會主席

杜永添先生

劉家豪先生

(於二零一八年十二月十四日辭任)

#### Members

Mr. Lam Hoy Lee, Laurie

Mr. Huang Man Yem

Dr. Wang Wei Hsin

(appointed on 19 December 2018)

#### 成員

林開利先生

黃文鑫先生

王維新博士

(於二零一八年十二月十九日獲委任)

A summary of work performed during the year ended 31 December 2018 is set out as follows:

- reviewed the interim and annual financial statements and reports and recommended to the Board for adopt and approval;
- reviewed the performance and independence of the external auditor and recommended the Board on the re-appointment of external auditor at the AGM;

## 審核委員會

審核委員會由三名獨立非執行董事及一名非執行董事組成，分別為獨立非執行董事杜永添先生先生(擔任委員會主席)、林開利先生及王維新博士及非執行董事黃文鑫先生。

審核委員會負責檢討並監督本集團之會計政策以及財務申報、風險管理及內部監控常規，適當維持與外聘核數師之關係，以及確保本集團監管合規。

在審閱財務報表期間，管理層已就本集團之資金流動狀況及已採取/將採取之措施作出報告，以使本集團能夠持續經營。審核委員會認為該事項為關鍵審核事項之一，並將納入二零一八年綜合財務報表之獨立核數師報告內與持續經營有關之重大不確定因素一節內。審核委員會並無就有關編製二零一八年綜合財務報表之持續經營假設之管理層評估表示任何意見分歧。

截至二零一八年十二月三十一日止年度，審核委員會會議之出席人數載列如下：

### Audit Committee Meetings Attended/Held and Eligible to Attend 審核委員會會議 出席次數/舉行次數及 有權出席次數

Mr. To Wing Tim, Paddy	杜永添先生	5/5
Mr. Lau Ka Ho (resigned on 14 December 2018)	劉家豪先生 (於二零一八年十二月十四日辭任)	5/5
Mr. Lam Hoy Lee, Laurie	林開利先生	4/5
Mr. Huang Man Yem	黃文鑫先生	5/5
Dr. Wang Wei Hsin (appointed on 19 December 2018)	王維新博士 (於二零一八年十二月十九日獲委任)	0/0

審核委員會於截至二零一八年十二月三十一日止年度已進行之工作概列如下：

- 審閱中期及年度財務報表及報告，並向董事會作出採納及批准建議；
- 檢討外聘核數師之表現及獨立性，並就於股東週年大會上續聘外聘核數師向董事會作出建議；

- reviewed and approved the annual audit plan for the financial year;
- reviewed the independence of external auditors and its engagement letter and approved the engagement;
- reviewed and approved engagements of respective independent external professionals to assess the effectiveness of risk management and internal control system and compliance of environmental and social regulations of the Group; and
- reviewed the respective compliance and risk and internal control assessment reports, and the corporate governance review report of the Group.

The Audit Committee had recommended to the Board on consideration of the re-appointment of Mazars CPA Limited as external auditors of the Company at the forthcoming 2019 AGM of the Company.

#### REMUNERATION COMMITTEE

The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Lam Hoy Lee, Laurie who also acts as Chairman of the committee, Mr. To Wing Tim, Paddy, Dr. Wang Wei Hsin and one non-executive Director, Mr. Huang Man Yem.

The Remuneration Committee is responsible for reviews and recommends to the Board on the overall remuneration structure and policy for all Directors and senior management, reviews specific remuneration packages, ensures a formal and transparent process in place to develop remuneration policy and no Director takes part in decisions of his own remuneration.

The attendance of Remuneration Committee meetings during the year ended 31 December 2018 is set out below:

#### Capacity and Name of Director

董事職銜及姓名

#### Chairman of Remuneration Committee

Mr. Lam Hoy Lee, Laurie

#### Members

Mr. Huang Man Yem

Mr. To Wing Tim, Paddy

Dr. Wang Wei Hsin

(appointed on 19 December 2018)

Mr. Lau Ka Ho

(resigned on 14 December 2018)

薪酬委員會主席

林開利先生

成員

黃文鑫先生

杜永添先生

王維新博士

(於二零一八年十二月十九日獲委任)

劉家豪先生

(於二零一八年十二月十四日辭任)

- 審閱並批准本財政年度之年度審核計劃；
- 檢討外聘核數師之獨立性及審閱其委聘函件，並批准有關委聘；
- 檢討並批准各獨立外聘專業人士之有關委聘，彼等獲聘評估本集團之風險管理及內部監控系統之有效性以及本集團於遵守環境及社會法規方面之合規情況；及
- 審閱本集團各合規及各風險及內部監控評估報告以及企業管治檢討報告。

審核委員會已建議董事會於本公司應屆二零一九年股東週年大會考慮續聘中審眾環(香港)會計師事務所有限公司為本公司外聘核數師。

#### 薪酬委員會

薪酬委員會由三名獨立非執行董事及一名非執行董事組成，分別為獨立非執行董事林開利先生(擔任委員會主席)、杜永添先生及王維新博士及非執行董事黃文鑫先生。

薪酬委員會負責檢討並向董事會建議有關全體董事及高級管理人員之整體薪酬架構及政策，檢討各個別薪酬待遇，確保制定薪酬政策之過程為正規及具透明度，以及確保概無董事參與釐定自身薪酬。

截至二零一八年十二月三十一日止年度，薪酬委員會會議之出席人數載列如下：

#### Remuneration Committee

#### Meetings Attended/Held

#### and Eligible to Attend

薪酬委員會會議

出席次數/舉行次數及

有權出席次數

Capacity and Name of Director		出席次數/舉行次數及有權出席次數
<b>Chairman of Remuneration Committee</b>	薪酬委員會主席	
Mr. Lam Hoy Lee, Laurie	林開利先生	2/3
<b>Members</b>	成員	
Mr. Huang Man Yem	黃文鑫先生	3/3
Mr. To Wing Tim, Paddy	杜永添先生	3/3
Dr. Wang Wei Hsin	王維新博士	0/0
(appointed on 19 December 2018)	(於二零一八年十二月十九日獲委任)	
Mr. Lau Ka Ho	劉家豪先生	3/3
(resigned on 14 December 2018)	(於二零一八年十二月十四日辭任)	

A summary of work performed by the Remuneration Committee during the year ended 31 December 2018 is set out as follows:

- reviewed the Directors' fee for the year and recommended to the Board for approval;
- reviewed and assessed the remuneration policy and structure of the Group; and
- reviewed the appointment of Chief Executive Officer and recommended to the Board the adjustment of monthly salary considered his dual capacity as Chairman and the responsibilities undertaking.

Details of the remuneration of each of the Directors for the financial year are set out in note 8 to the consolidated financial statements. The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2018 is set out below:

Remuneration Band 薪酬組別	Number of Persons as Senior Management 高級管理人員人數
Nil to HK\$2,000,000 零至2,000,000港元	6
HK\$2,000,001 to HK\$5,000,000 2,000,001港元至5,000,000港元	1

薪酬委員會於截至二零一八年十二月三十一日止年度已進行之工作概列如下：

- 檢討年度董事袍金並向董事會作出批准建議；
- 檢討及評估本集團之薪酬政策及架構；及
- 檢討行政總裁之委任，並於考慮其身兼主席之雙重身分及職責承擔後向董事會建議調整其月薪。

各董事於財政年度之薪酬詳情載於綜合財務報表附註8。截至二零一八年十二月三十一日止年度按薪酬組別劃分之高級管理人員薪酬載列如下：

## NOMINATION COMMITTEE

The Nomination Committee comprises three independent non-executive Directors, namely, Mr. To Wing Tim, Paddy, Mr. Lam Hoy Lee, Laurie and Dr. Wang Wei Hsin, and one executive Director, Mr. Zhao Xu Guang who also acts as Chairman of the committee.

The Nomination Committee is responsible for review of the composition of the Board in terms of board structure, size and diversity, reviews the board diversity policy, determines the policy for the nomination of Directors and identification of potential candidates for directorship, recommends to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors, assesses the independence of independent non-executive Directors and reviews the time commitment of each Director. The selection criteria and procedures for the selection and nomination of Directors are set out in the Nomination Policy, which is also published on the Company's website.

## 提名委員會

提名委員會由三名獨立非執行董事及一名執行董事組成，分別為獨立非執行董事杜永添先生、林開利先生及王維新博士及執行董事趙旭光先生（擔任委員會主席）。

提名委員會負責檢討董事會在架構、人數及成員多樣性方面之組成，檢討董事會成員多元化政策，釐定提名董事政策並物色潛在董事人選，就委任、重新委任、重選或調任董事及董事之接班安排向董事會作出建議，評估獨立非執行董事之獨立性，以及檢視各董事付出之時間。載有有關董事甄選準則以及甄選及提名程序的提名政策，可於本公司網站查閱。

The attendance of Remuneration Committee meetings during the year ended 31 December 2018 is set out below:

截至二零一八年十二月三十一日止年度，提名委員會會議之出席人數載列如下：

Capacity and Name of Director	Nomination Committee Meetings Attended/Held and Eligible to Attend
董事職銜及姓名	提名委員會會議 出席次數／舉行次數及 有權出席次數
<b>Chairman of Nomination Committee</b> Mr. Zhao Xu Guang	提名委員會主席 趙旭光先生  3/3
<b>Members</b>	成員
Mr. Lam Hoy Lee, Laurie	林開利先生 2/3
Mr. To Wing Tim, Paddy	杜永添先生 3/3
Dr. Wang Wei Hsin (appointed on 19 December 2018)	王維新博士 (於二零一八年十二月十九日獲委任) 0/0
Mr. Lau Ka Ho (resigned on 14 December 2018)	劉家豪先生 (於二零一八年十二月十四日辭任) 3/3

A summary of work performed by the Nomination Committee during the year ended 31 December 2018 is set out as follows:

提名委員會於截至二零一八年十二月三十一日止年度已進行之工作概列如下：

- reviewed the composition of the Board in terms of board structure, size and diversity policy;
  - reviewed the independence of independent non-executive Directors;
  - reviewed the time commitment of each Director to discharge their responsibilities as Director;
  - reviewed the retirement by rotation requirement and nominated the Directors for re-election; and
  - reviewed the Group's business plan and recommended to the Board to appoint the Chairman of the Board to act as Chief Executive Officer to ensure the business plan can be effectively implemented.
- 檢討董事會在架構、人數及多元化政策方面之組成；
  - 檢討獨立非執行董事之獨立性；
  - 檢視各董事履行董事職責所付出的時間；
  - 檢討輪值告退之規定並提名董事膺選連任；及
  - 審閱本集團之業務計劃並建議董事會委任董事會主席兼任行政總裁，以確保業務計劃能有效實施。

## CORPORATE GOVERNANCE FUNCTION

The Board undertakes the corporate governance function for the Group with assistance of Audit Committee, which (1) develops and reviews the policies and practices on corporate governance of the Group, (2) reviews and monitors legal and regulatory compliance of the Group and (3) reviews the training and continuous professional development of directors and senior management, (4) reviews and monitors the code of conduct applicable to employees and directors and (5) reviews the issuer's compliance with the code and disclosure in the Corporate Governance Report.

## 企業管治職能

董事會在審核委員會之協助下承擔本集團之企業管治職能，其責任包括(1)制定及檢討本集團之企業管治政策及常規，(2)檢討及監察本集團之法律及監管合規情況，(3)檢討董事及高級管理人員之培訓及持續專業發展，(4)檢討及監察適用於僱員及董事之行為守則，以及(5)檢討發行人遵守守則之情況及於企業管治報告內之披露。

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledged that it is responsible for the risk management and internal control systems and reviewing the effectiveness. The internal controls of the Group are designed to provide reasonable assurance 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 designed for assurance of the Group's assets and that Shareholders' investments are safeguarded against unauthorised use or disposition, transactions are executed in accordance with the management's authorisation, internal audit, proper accounting records are maintained, and the relevant legislation and regulations are being complied with.

### Risk Management and Internal Control Framework

The risk management and internal control framework of the Group are developed and reviewed annually based on Integrated Framework released by the Committee of Sponsoring Organizations of the Treadway Commission (collectively the "**COSO Framework**") which includes the following procedures:

- identify risks of the Group's and evaluate the level of the risks and impacts on regular basis;
- report the high risks to the management to discuss the approach and measures to manage those risks;
- implement the measures to manage the risks as management advised;
- review regularly whether the measures have been implemented and appropriate at current situation;
- review annually the whole risk management and internal control practices;
- report the effectiveness of the measures and the risk management and internal control systems;
- adjust the risks approach and measures if consider appropriate; and
- monitor the risks on regular basis.

## 風險管理及內部監控

董事會確認其須對風險管理及內部監控系統負責，並有責任檢討其有效性。本集團之內部監控系統是為能實現業務目標提供合理保證而非消除無法實現業務目標之風險而設，且僅能就防止重大錯誤陳述或損失提供合理而非絕對之保證。其設計是為保證本集團之資產及股東之投資獲保障不會在未經許可下使用及處置，交易有根據管理層之授權進行，內部審核，會計記錄獲妥善存置，以及相關法例及法規獲得遵行。

### 風險管理及內部監控框架

根據美國反舞弊性財務報告委員會發起組織所頒佈之綜合框架(統稱「**COSO 框架**」)建立並經每年檢討之本集團風險管理及內部監控框架載列以下程序：

- 識別本集團之風險並定期評價有關風險之水平及影響；
- 向管理層匯報高危風險，以討論有關管理該等風險之方法及措施；
- 按管理層之建議實行有關措施以管理該等風險；
- 定期檢視有關措施是否已實行及是否適合於當前情況；
- 每年檢討整個風險管理及內部監控之常規；
- 匯報措施以及風險管理及內部監控系統之有效性；
- 如認為適當，調整風險管理方法及措施；及
- 定期監察風險。

### **Independent Assessment**

To ensure the independent review of the effectiveness of the risk management and internal control systems, the Group engaged independent external professionals to perform annual review and assessment of the risk management and internal control system of the Group covering the financial year ended 31 December 2018 to ensure the compliance of relevant regulations and rules. The review report was submitted to the Audit Committee.

### **Review of the Effectiveness**

The Audit Committee reviewed the relevant report and considered the Group's risk management and internal control system based on COSO Framework is adequate and the practice is effective that the Group had complied with the provisions on risk management and internal controls as set out in the CG Code.

### **AUDITOR'S INDEPENDENCY AND REMUNERATION**

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements. The Audit Committee were of the view that the Company's auditor, Mazars CPA Limited is independent.

During the Year, Mazars CPA Limited had rendered audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

#### **Service Rendered**

所提供服務

#### **Fees Paid/Payable**

已付／應付費用

HK\$

港元

Audit Services

審核服務

1,050,000

Non-Audit Services

非審核服務

Nil 無

### **獨立評估**

為確保能對風險管理及內部監控系統之有效性作出獨立檢討，本集團已委聘獨立外聘專業人士對本集團之風險管理及內部監控系統（涵蓋截至二零一八年十二月三十一日止財政年度）進行年度檢討及評估，以確保相關規例及規則獲得遵守。檢討報告已提交審核委員會。

### **檢討有效性**

審核委員會已審閱有關報告，並認為本集團以 COSO 框架為基礎之風險管理及內部監控系統為適當且已獲有效實踐，致使本集團符合企業管治守則所載之風險管理及內部監控條文。

### **核數師之獨立性及酬金**

審核委員會按規定須檢討及監察核數師之獨立性，以確保財務報表審核程序之客觀性及有效性。審核委員會認為本公司之核數師中審眾環（香港）會計師事務所有限公司是獨立核數師。

年內，中審眾環（香港）會計師事務所有限公司已為本集團提供審核服務，而本集團已付／應付其酬金載列如下：

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare the consolidated financial statements of the Company for the financial year ended 31 December 2018 and other financial disclosures required under the Listing Rules and applicable regulatory and law requirement. The Board, having made appropriate enquiries, considers that the Company has adequate resources to continue in operational existence for the foreseeable future and that for this reason, it is appropriate to adopt the "going concern" basis in preparing the consolidated financial statements. The Statements of the Auditor on its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 75 to 82 in this Annual Report.

### CONSTITUTIONAL DOCUMENTS

There was no change in the Bye-Laws of the Company during the year ended 31 December 2018.

### SHAREHOLDERS' RIGHTS

Shareholders are entitled to exercise certain rights pursuant to the Bermuda Companies Act 1981, Bye-Laws of the Company and the CG Code under Listing Rules.

#### Convene Special General Meeting

Pursuant to the Bermuda Companies Act 1981 and Bye-laws of the Company, on requisition of Shareholders holding at the date of the deposit of the requisition (the "Request Submission Date") not less than 10% of the paid-up capital of the Company as at the Request Submission Date carries the right of voting at general meetings of the Company, Directors shall proceed duly to convene a special general meeting of the Company (a "SGM").

The requisition, may consist of several documents in like form each signed by one or more Shareholders, must (1) state the purposes of the SGM, (2) be signed by the Shareholders and (3) deposited at the registered office of the Company for attention of Company Secretary. Such requisitions will be subject to verification by the Company's Hong Kong Branch Share Registrar, and upon its confirmation that the requisition is in order, the Company Secretary shall inform the Board to convene a SGM by serving sufficient notice to all Shareholders under the Bye-Laws. If requisition be verified as not in order, Shareholder(s) will be notified of such results and accordingly, a SGM will not be convened as requested.

### 董事就財務報表所承擔之責任

董事確認就編製本公司截至二零一八年十二月三十一日止財政年度之綜合財務報表以及根據上市規則及適用之監管及法律規定所須作出之其他財務披露承擔有關責任。經作出適當查詢後，董事會認為本公司具備足夠資源於可見未來繼續營運，並基於此理由認為，採納「持續經營」基準編製綜合財務報表為合適。核數師就其對綜合財務報表之申報責任而作出之聲明載於本年報第75至82頁之獨立核數師報告內。

### 憲章文件

截至二零一八年十二月三十一日止年度，本公司之公司細則概無變動。

### 股東權利

股東有權根據百慕達一九八一年公司法、本公司之公司細則及上市規則之企業管治守則行使若干權利。

#### 召開股東特別大會

根據百慕達一九八一年公司法及本公司之公司細則，倘若該等於遞交請求當日（「遞交請求日期」）持有附帶權利可於股東大會投票之本公司繳足股本不少於10%之股東遞交請求，董事應妥為安排召開本公司股東特別大會（「股東特別大會」）。

有關請求可由一名或以上股東簽署之多份相同格式文件組成，其必須(1)說明股東特別大會之目的，(2)經股東簽署及(3)遞交至本公司註冊辦事處並註明公司秘書收。有關請求將由本公司之香港股份過戶登記分處核實，一經確認有關請求為妥當，則公司秘書將通知董事會按照公司細則規定向全體股東發送充分的通知而召開股東特別大會。倘請求經核實為不妥當，則股東將獲通知有關結果，而股東特別大會亦將不會應要求召開。



If Directors do not within 21 days from the Request Submission Date proceed duly to convene a meeting, the Shareholders or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after the expiration of 3 months from the Request Submission Date. A SGM convened on requisition of Shareholders shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

#### **Put Forward Proposals at General Meetings**

Pursuant to the Bermuda Companies Act 1981, either any number of Shareholders holding not less than 5% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, must be deposited at the principal office of the Company in Hong Kong with deposited or tendered with the requisition a sum reasonably sufficient to meet the company's expenses in giving effect thereto (i) in case of a requisition requiring notice of a resolution, not less than 6 weeks before the meeting or (ii) in the case of any other requisition, not less than one week before the meeting. Provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the principal office of the Company, an AGM is called for a date within 6 weeks or less after the requisition has been deposited, such requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事自遞交請求日期起計21日內，未有妥為安排召開大會，則股東或任何佔全體股東一半以上總投票權之股東可自行召開股東特別大會，惟任何如此召開之大會均不能於遞交請求日期起計三個月屆滿後舉行。應股東請求而召開之股東特別大會，須盡可能以接近董事召開會議之方式召開。

#### **於股東大會上提呈建議**

根據百慕達一九八一年公司法，持有附帶權利可於本公司股東大會投票之本公司繳足股本不少於5%之任何人數的股東，或不少於100名股東，可書面請求本公司(a)向有權接收下一屆股東大會通告之股東發出通告，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(b)向有權接收任何股東大會通告之股東傳閱任何不超過1,000字之陳述書，以告知於該大會上提呈之任何決議案所述事宜或將處理之事項。

由所有請求人簽署之請求或兩份或以上載有所有請求人簽名之副本，必須遞交至本公司之香港主要辦事處，並須連同有關請求遞交或提交一筆足以合理彌補本公司於執行有關請求時所產生之開支之款項，據此，倘(i)有關請求要求就決議案發出通告，其須於大會舉行前六週遞交，或(ii)為任何其他請求，其須於大會舉行前一週遞交。倘於遞交請求副本至本公司之主要辦事處後六週或較短期間內之某一日召開股東週年大會（僅限於要求就決議案發出通告之請求），有關請求雖未有在規定時間內遞交，惟其就此而言亦將被視為已妥為遞交。

### Shareholders Enquires and Investor Relations

Shareholders are welcome to make enquiries with the Board at the general meetings of the Company.

For enquiries about your shareholdings on the Company, registered Shareholders may at any time direct contact the Hong Kong Branch Share Registrar of the Company:

#### Tricor Secretaries Limited

Level 22, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong  
Telephone: 2980 1333  
E-mail: is-enquiries@hk.tricorglobal.com

For any other enquiries, Shareholders may at any time send enquiries to the Company:

#### Investor Relations

##### Huscoke Holdings Limited

Room 2301, 23rd Floor  
Tower One, Lippo Centre  
89 Queensway, Admiralty, Hong Kong  
Telephone: 2861 0704  
E-mail: ir@huscoke.com

### 股東查詢及投資者關係

本公司歡迎股東於本公司之股東大會上向董事會作出查詢。

有關股東所持本公司股份數目之查詢，各登記股東可於任何時間直接聯絡本公司之香港股份過戶登記分處，詳情如下：

#### 卓佳秘書商務有限公司

香港灣仔  
皇后大道東 183 號  
合和中心 22 樓  
電話：2980 1333  
電郵：is-enquiries@hk.tricorglobal.com

如有任何其他查詢，各股東可於任何時間向本公司發送郵件查詢，詳情如下：

#### 和嘉控股有限公司

##### 投資者關係

香港金鐘金鐘道 89 號  
力寶中心 1 座  
23 樓 2301 室  
電話：2861 0704  
電郵：ir@huscoke.com

### SCOPE AND REPORTING PERIOD

This is the third ESG report by the Group, highlighting its Environmental, Social, and Governance (the “ESG”) performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by the Stock Exchange.

This ESG report covers the Group's overall performance in two subject areas, namely, Environmental and Social of the business operations in Mainland China including coal washing plant, coking plant, power plant, and heating plant in Xiaoyi, Shanxi Province from 1 January 2018 to 31 December 2018, unless otherwise stated.

Same to the last reporting period, the above operational sites in Xiaoyi have been identified as those causing major environmental and social impacts during the reporting period thus included in the scope of this ESG report.

The group's office space in Hong Kong was not included in the scope, due to 1) its limited environmental and social impacts; and 2) the group leases the office space and has sustainable managerial control on the daily operation and maintenances of the building and its consequences.

### STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group engages with key internal and external stakeholders such as Board members, managers, supervisors, frontline workers, business partners, and regulators to understand their needs and concerns. The Group communicates with key stakeholders via various communication channels.

In order to identify the most significant ESG aspects, the Group distributed quantitative surveys to stakeholders. Through the stakeholder surveys carried out during this reporting period, key material issues raised by the stakeholders all focused on environmental aspects, social aspects, on the other hand, were considered less material for the Group. This finding closely aligns with the business nature of the Group.

Among environmental topics, following issues were identified as the most important by stakeholders, in descending order of significance:

- Air emissions
- Environmental protection measures
- Water
- Waste and Effluent
- Energy

### 範圍及報告期間

此份報告為本集團的第三份環境、社會及管治報告，內容詳列本集團於環境、社會及管治（「環境、社會及管治」）之表現，並參考聯交所之上市規則附錄27及指引所述「環境、社會及管治報告指引」提供披露資料。

除另有述明外，本環境、社會及管治報告涵蓋二零一八年一月一日至二零一八年十二月三十一日，本集團於中國內地之業務營運（包括山西省孝義市之洗煤廠、焦化廠、發電廠及熱源廠）中兩個主要範疇（即環境及社會）之整體表現。

與上一報告期相同，以上位於孝義市之經營場地已被確定為於報告期內造成主要環境及社會影響之場地，因而載入本環境、社會及管治報告之範圍。

本集團之香港辦公室空間不包括在報告範圍內，因為1) 其對環境及社會之影響有限；及2) 本集團之辦公室屬租賃空間，集團對樓宇之日常營運及維護以及其後果有持續性管理的控制。

### 權益人參與及重要性

本集團與主要內部及外部權益人（如董事會成員、經理、主任、前線工人、業務夥伴及監管者）接洽以了解彼等之需求及關注。本集團透過各種溝通渠道與主要權益人溝通。

為確定最重要之環境、社會及管治範疇，本集團向權益人派發定量之調查。透過於本報告期內開展之權益人調查，彼等提出之主要重大事項主要集中在環境範疇和社會範疇，而另一方面，彼等認為該等事項對本集團而言較不重要。此項調查與本集團之業務性質保持一致。

於環境議題中，權益人認為以下事項最為重要（按重要性以降序排列）：

- 大氣排放
- 環保措施
- 水
- 廢物及污水
- 能源

The Group has strictly complied with the statutory requirements in respect of the identified material aspects. Corresponding management practices were formulated and/or implemented, such as extensively promoting environmental protection projects during this reporting period. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders to share and exchange ideas for advancing the Group's ESG management.

### STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at [ir@huscoke.com](mailto:ir@huscoke.com).

### HUSCOKE'S SUSTAINABILITY MISSION AND VISION

The overall sustainability commitment of the group reinforces the concept of creating an "ecological Shanxi" promoted by the central, regional, and local government. Huscoke's business value and management approaches focus on serving people, homeland and the society. Huscoke aims to become fully vertical integrated along the coal industry supply chain, from downstream trading to midstream processing and upstream ancillary businesses.

During the reporting period, key challenges identified by the Group included meeting more stringent environmental standards set by the local government. Correspondingly, the Group continues to invest in upgrading environmental protection facilities. The Group also continues to focus on reducing emissions and resource consumption through the adoption of cleaner production facilities, recycling all wastewater, recycling and reusing by-products either on-site or to downstream processors to the maximum extent.

The Group aims to keep close communication with its stakeholders for advancing economic benefits while improving ESG performance and managing ESG-related risks, and to be prepared for future business development and challenges.

本集團就已識別之重大範疇嚴格遵守法定要求，制定及／或實施相應管理常規，如於本報告期內全面推進環保項目。本集團將繼續於所關注事項中尋找可以改善之地方，並與其權益人保持緊密溝通，以就促進本集團環境、社會及管治之管理分享和交流意見。

### 權益人的意見

本集團歡迎權益人對環境、社會及管治方針和表現提出意見。請透過電郵 [ir@huscoke.com](mailto:ir@huscoke.com) 作出提議或與我們分享意見。

### 公司的持續使命和願景

本集團之整體可持續發展承諾加強有關中央、地區及地方政府推廣的創建「生態山西」概念。公司之商業價值和管理方法專注於為人們，家園和社會服務，公司的發展目標是成為在煤炭業供應鏈中涵蓋下游貿易到中游加工及上游附屬業務的完整垂直整合煤炭企業。

於報告期內，本集團所識別之主要挑戰包括符合地方政府制定之更嚴格環境標準。相應地，本集團繼續投資升級環保設施。本集團亦繼續透過採用較潔淨之生產設備、循環所有污水、在最大程度上回收及重用副產品至現場或下游加工廠，專注於減少排放及資源消耗。

本集團旨在與其權益人保持緊密溝通，以在改善環境、社會及管治表現及管理環境、社會及管治相關風險之同時提升經濟效益，並為未來業務發展和挑戰作準備。

## A. ENVIRONMENTAL

The Group stringently complies with national and local laws and regulations concerning environmental protection and pollution control, including but not limited to the followings: Environmental Protection Law of the PRC; Law of the PRC on the Prevention and Control of Atmospheric Pollution; Cleaner Production Promotion Law; Water Pollution Prevention and Control Law of the PRC; Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

Top-down, policy-driven, and performance-based environmental protection activities had been reinforced during this reporting period, as the local government issued several new policies to further improve environmental performance in the city, with a special focus on improving performance from coal industry:

- General Office of Shanxi Provincial People's Government issued Document No. 98 [2018]: Notice on Publishing and Issuing the Implementing Plan of Reinforcing Pollution Prevention and Control and Promoting Industry Transformation and Upgrading for Shanxi Coking Industry
- General Office of Shanxi Provincial People's Government issued Document No. 52 [2018]: Action Plan for the Prevention and Control of Air Pollution in Shanxi Province in 2018
- General Office of Xiaoyi Municipal People's Government issued Document No. 60 [2018]: Action Plan for the Prevention and Control of Air Pollution in Xiaoyi City in 2018

The Group considers 2018 as a milestone year for environmental protection as it has successfully implemented and initiated various environmental protections projects (Table 1).

No non-compliance with above-mentioned laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the reporting period.

## A. 環保

本集團嚴格遵守國家及地方有關環境保護及污染控制之法律及法規，包括但不限於以下各項：中華人民共和國環境保護法；中華人民共和國大氣污染防治法；清潔生產促進法；中華人民共和國水污染防治法；中華人民共和國固體廢物污染環境防治法。

本集團於本報告期內加強自上而下、以政策為導向、以績效為本之環保活動，乃因當地政府頒佈多項新政策以進一步改善該市之環境表現，特別專注於改善煤炭行業之表現：

- 山西省人民政府辦公廳發佈第98[2018]號文件：關於印發山西省焦化產業打好污染防治攻堅戰推動轉型升級實施方案的通知
- 山西省人民政府辦公廳發佈第52[2018]號文件：山西省大氣污染防治二零一八年行動計劃
- 孝義市人民政府辦公廳發佈第60[2018]號文件：孝義市大氣污染防治二零一八年行動計劃

本集團認為二零一八年乃環保發展的里程碑，這一年成功實施並啟動多個環保項目（表1）。

於報告期內，概無發現不遵守上述有關大氣及溫室氣體排放、向水源和土地排污、產生有害及無害廢物之法律及法規而對本集團有重大影響之情況。

**Table 1. Environmental protection projects implemented and/or started in 2018**

**表 1. 於二零一八年實施及／或啟動之環保項目**

Item # 條目#	Starting time 開始時間	Environmental protection project 環保項目	Project progress 項目進度
<i>Coking plant</i> 焦化廠			
1	June 2016 二零一六年六月	Low emission and cleaner production project 低排放及較潔淨生產項目	Implemented 已實施
2	October 2017 二零一七年十月	Upgrading for biochemical wastewater treatment 生化廢水處理升級	Implemented 已實施
3	January 2018 二零一八年一月	Technical service fee for the cleaner production project 較潔淨生產項目之技術服務費	Implemented 已實施
4	June 2018 二零一八年六月	Shelter construction for dust suppression 抑塵防護棚建造	Implemented 已實施
5	June 2018 二零一八年六月	Industry dust collector 工業除塵器	Implemented 已實施
6	July 2018 二零一八年七月	Coke quenching water treatment facility 熄焦水處理設施	Implemented 已實施
7	August 2018 二零一八年八月	Portable dust suppressor for coal stabilization 搗固焦爐車載除塵設施	Implemented 已實施
8	August 2018 二零一八年八月	Enclosed belt transportation 封閉式皮帶輸送	Implemented 已實施
9	September 2018 二零一八年九月	Leak detection and repair (LDAR) for volatile organic compounds (VOCs) 揮發性有機化合物之泄漏檢測與修復	Implemented 已實施
10	June 2018 二零一八年六月	Continuous Emission Monitoring System (CEMS) and particulate matter- Continuous Emission Monitoring System (PM-CEMS) for desulfurization 脫硫持續排放監測系統及懸浮粒子持續排放監測系統	Implemented 已實施
11	August 2018 二零一八年八月	Enclosed belt transportation 封閉式皮帶輸送	Implemented 已實施
12	November 2018 二零一八年十一月	treatment facility for VOCs 揮發性有機化合物處理設施	Implementing 實施中
<i>Heating plant</i> 熱源廠			
13	March 2010 二零一零年三月	Low emission and cleaner production project 低排放及較潔淨生產項目	Implemented 已實施
14	April 2018 二零一八年四月	LDAR for VOCs 揮發性有機化合物之泄漏檢測與修復	Implemented 已實施
<i>Power plant</i> 發電廠			
15	July 2015 二零一五年七月	Low emission and cleaner production project 低排放及較潔淨生產項目	Implemented 已實施
16	November 2018 二零一八年十一月	Shelter construction for dust suppression 抑塵防護棚建造	Implemented 已實施
17	December 2018 二零一八年十二月	Rain-water collection pond construction 雨水收集池建造	Implementing 實施中
18	August 2018 二零一八年八月	Construction project for waste oil storage 廢油儲存建造項目	Implemented 已實施

## A1. Emissions

### A1.1 Air Emissions

The Group accounts for major emissions from its operations in Xiaoyi, the PRC. The total plant area coverage (including coal washing plant, coking plant, power and heating plant) for the Group was 314,333 m<sup>2</sup>.

The coal washing, coke production, electricity and heat production generated various air emissions such as sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), respiratory suspended particles (PM), and benzpyrene that were controlled via newly installed environmental protection facility. They were also closely monitored and on-site emissions were all below the permissible level set by the applicable national standards, including but not limited to:

- GB16171-2012 Emission Standard of Pollutants for Coking Chemical Industry
- GB13271-2014 Emission Standard of Air Pollutants for Boilers

The environmental monitoring reports showed that the average concentration level of various indicators such as PM, ammonia, cyanide, NO<sub>x</sub>, and SO<sub>2</sub> were all below the permissible levels set by the above-mentioned standards.

Passenger cars operated on gasoline and other on-site mobile machinery operated on diesel were used for daily business operations. Their combustion generated several air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and PM. Due to lack of data, only SO<sub>x</sub> could be calculated from the consumption of gasoline and diesel, with a total emission of 18.30 kg during the reporting period.

## A1. 排放

### A1.1 大氣排放

本集團為其於中國孝義市之營運產生之主要排放物負責。本集團之廠房總覆蓋面積(包括洗煤廠、焦化廠、發電廠及熱源廠)為314,333平方米。

洗煤、焦炭生產、電及熱生產過程產生硫氧化物、氮氧化物、可吸入懸浮粒子及苯並芘等多種大氣排放物，透過新安裝之環保設施對其加以控制並密切監控，而現場排放全部低於適用國家標準設定之許可水平，其中包括但不限於：

- GB16171-2012 焦化行業污染物排放標準
- GB13271-2014 鍋爐大氣污染物排放標準

環境監測報告顯示，懸浮粒子、氨氣、氰化物、氮氧化物及硫氧化物等多項指標之平均濃度水平均低於上述標準設定之許可水平。

使用汽油運營之車輛和使用柴油運營之其他現場流動機器用於日常業務營運。汽油和柴油燃燒時產生多種大氣排放物，包括氮氧化物、硫氧化物及懸浮粒子。由於缺乏數據，於報告期內僅可根據汽油和柴油消耗量計算出硫氧化物，總排放量為18.30千克。

### A1.2 Greenhouse Gas (GHG) Emissions

Scope 1 GHG emissions were generated directly from the consumption of fuel for stationary combustion and fuel for mobile combustion. Scope 2 energy indirect GHG emissions were not generated by the Group as self-produced electricity and heat were used for the Group's own consumption. Other indirect (scope 3) GHG emissions included business air travel, municipal freshwater and sewage processing, and paper waste disposed at landfills. Due to lack of data, emissions from business air travel were not calculated.

There were 577,220.43 tonnes of carbon dioxide equivalent (tCO<sub>2e</sub>) GHG (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation during the reporting period. The overall intensity of the GHG emissions for the Group was 0.99 tCO<sub>2e</sub> per tonne of coke produced, or 3.23 tCO<sub>2e</sub> per Megawatt-hour (MWh) of electricity produced.

The hotspot for GHG emission is located within the heating plant, with the efforts paid to invest in cleaner technologies and emission reduction, continuous reduction of GHG from heating plant was observed in 2018. The GHG emissions from the power plant had increased due to an increased production capacity during the reporting period. (Figure 1)

### A1.2 溫室氣體排放

範圍1溫室氣體排放直接來自固定燃燒之燃料消耗以及移動源燃燒的燃料消耗。本集團並無產生範圍2能源間接溫室氣體排放，因為自產電和熱乃用於本集團自身消耗。其他間接（範圍3）溫室氣體排放包括商務航空旅行、市政淡水和污水處理以及於填埋場處理之廢紙。由於缺乏數據，未計算商務航空旅行所產生之排放量。

於報告期內，本集團之營運排放溫室氣體577,220.43噸二氧化碳當量（主要為二氧化碳、甲烷、氧化亞氮）。本集團之溫室氣體排放整體密度乃生產每噸焦炭為0.99噸二氧化碳當量，或生產每兆瓦時電力為3.23噸二氧化碳當量。

溫室氣體排放熱點位於熱源廠內，隨著在投資較潔淨技術及減少排放上付出努力，二零一八年熱源廠之溫室氣體持續減排。由於報告期內產能增加，發電廠之溫室氣體排放增加。（圖表1）

CO<sub>2eq</sub> in thousand tonnes for different operation in 2016, 2017, and 2018  
二零一六年、二零一七年及二零一八年不同營運之二氧化碳排放當量(千噸)

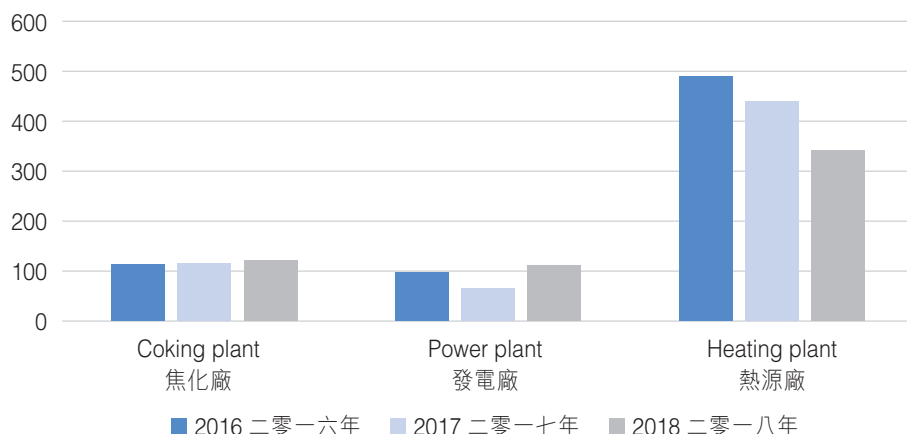


Figure 1 GHG emissions by activity sources in 2016, 2017 and 2018

圖表1 二零一六年、二零一七年及二零一八年按活動來源劃分之溫室氣體排放



Table 2. Annual GHG emissions

表2. 年度溫室氣體排放量

Scope of GHG emissions 溫室氣體排放範圍	Emission sources 排放來源	GHG Emission (in tCO <sub>2e</sub> ) 溫室氣體排放量 (以噸二氧化碳 當量計)	Sub-total (in tCO <sub>2e</sub> ) 小計 (以噸二氧化碳 當量計)	Total GHG emission (in percentage) 溫室氣體總 排放量 (以百分比計)
Scope 1 Direct emission 範圍1直接排放	Combustion of gasoline (Note 1) 汽油燃燒(附註1)	547.53		
	Combustion of diesel (Note 1) 柴油燃燒(附註1)	2,490.11		
	Boiler for Coking 焦化鍋爐	121,664.00		
	Boiler for Power Generation 發電鍋爐	110,772.00		
	Boiler for Heat Generation 發熱鍋爐	341,221.00	576,694.64	99.91%
Scope 2 Energy indirect emission (Note 2) 範圍2能源間接排放(附註2)	Not applicable 不適用	Not applicable 不適用	Not applicable 不適用	Not applicable 不適用
Scope 3 Other indirect emission 範圍3其他間接排放	Electricity used for processing fresh water and sewage (Note 1) 處理淡水及污水用電(附註1)	518.63		
	Paper waste disposed at landfills (Note 1) 於填埋場處理廢紙(附註1)	7.16	525.79	0.09%
Total 總計			577,220.43	100%

Notes:

- 1 Emission factors were made reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
- 2 The Group did not involve in scope 2 energy indirect emission since it generated electricity and heat on-site and did not purchase energy from external entities.

附註：

- 1 除另有述明外，排放因子參考主板上市規則附錄27及其由香港交易及結算所有限公司載列之參考文件。
- 2 由於本集團於現場生產電和熱且並無向外部實體購買能源，故其不涉及範圍2能源間接排放。

### A1.3 Hazardous Waste

The Group generated a total of 429.48 tonnes of hazardous waste during the reporting period, with an overall intensity of 0.73 tonnes of hazardous waste per kg of coke produced, or 2.4 tonnes of hazardous waste per Gigawatt-hour (GWh) of electricity produced.

**Table 3. Annual hazardous waste generation and treatment methods**

Hazardous waste	Annual waste amount (in tonnes) 年度廢物量 (以噸計)	Waste treatment method
有害廢物		廢物處理方法
Tar residue 焦油渣	14.32	Mixed with refined coal for coking 與精煤混合進行焦化
Asphalt residue 瀝青渣	7.67	Mixed with refined coal for coking 與精煤混合進行焦化
Crude benzene slag 粗苯渣	31.90	Mixed with refined coal for coking 與精煤混合進行焦化
Biochemical sludge 生化污泥	10.04	Mixed with refined coal for coking 與精煤混合進行焦化
Waste from desulfurization 脫硫廢液	364.82	Mixed with refined coal for coking 與精煤混合進行焦化
Waste oil 廢油	0.73	Reused for lubrication of coal loaders 重用供裝煤機潤滑

### A1.4 Non-hazardous Waste

The Group generated a total of 251,219 tonnes of non-hazardous waste from production processes during the reporting period, with an overall intensity of 0.43 tonnes of hazardous waste per tonne of coke produced, or 1.4 tonnes of hazardous waste per MWh of electricity produced.

Production waste were all transported to external sites for 100% recovery for making building bricks. Office waste mainly included waste papers, and it was assumed that the purchased paper during the reporting period was all consumed and finally disposed of at landfills. For organic waste, the group continues to send leftover food from the canteen to nearby farms as animal feed and make organic fertilizers for office gardening.

### A1.3 有害廢物

本集團於報告期內產生合共 429.48 噸有害廢物，整體密度乃生產每千克焦炭為 0.73 噸有害廢物，或生產每吉瓦時電力為 2.4 噸有害廢物。

**表 3. 每年產生之有害廢物及處理方法**

### A1.4 無害廢物

本集團於報告期內自生產過程中產生合共 251,219 噸無害廢物，整體密度乃生產每噸焦炭為 0.43 噸有害廢物，或生產每兆瓦時電力為 1.4 噸有害廢物。

生產廢物全部運送至外部地點以作 100% 回收以製造建築用磚。辦公室廢物包括廢紙。假設於報告期內所購紙張已全部使用及最終於填埋場處理。對於有機廢物，本集團繼續將食堂廚餘送往附近農場用作動物飼料，以及製造有機肥料以作辦公室園藝用途。

**Table 4. Annual non-hazardous waste generation and treatment methods**

**表4. 每年產生之無害廢物及處理方法**

<b>Non-hazardous waste</b>	<b>Annual waste amount (in tonnes) 年度廢物量 (以噸計)</b>	<b>Waste treatment method</b>
無害廢物		廢物處理方法
Coal gangue 煤矸石	22,747	Sent to building materials manufacturers for recovery 運至建築材料製造商進行回收
Fly ash 粉煤灰	101,657	Sent to building materials manufacturers for recovery 運至建築材料製造商進行回收
Boiler slag 爐渣	126,814	Sent to building materials manufacturers for recovery 運至建築材料製造商進行回收
Waste office paper 辦公室廢紙	1.49	Landfilled 已填埋

**A1.5 Measures to Mitigate Emissions**

Direct air emissions such as those listed under section A1.1 were controlled by installing the state-of-the-art pollution control equipment. Regular sampling and monitoring activities were arranged to ensure its proper functioning. In-house training on the proper use and maintenance of equipment has also been provided by the environmental service provider.

**A1.5 減排措施**

透過安裝最先進之污染控制設備控制直接大氣排放量，如第A1.1條所列者等。安排定期抽樣及監測活動，以確保其正常運轉。環境服務供應商亦已提供有關妥當使用及維護設備之內部培訓。

**A1.6 Wastes Reduction and Initiatives**

The non-hazardous production waste has been re-used by downstream industry, to ensure reduction on virgin materials consumption and resource saving, which also brings economic benefits for the Group.

**A1.6 減廢及舉措**

下遊行業對無害生產廢物進行再利用，確保降低原材料消耗並節約資源，亦為本集團帶來經濟效益。

**A2. Use of Resources**

**A2.1 Energy Consumption**

The Group did not purchase external electricity. A total of 99,295,481 Kilowatt-hour (kWh) was sourced from its own power plant for internal consumption, with an overall intensity of 0.17 KWh of electricity per kg of coke produced, or 0.56 kWh of electricity per KWh of electricity produced.

**Table 5. Annual electricity consumption**

Electricity consumption		Consumption (in kWh)
電力消耗		消耗 (以千瓦時計)
Coal washing plant	洗煤廠	3,953,750
Coking plant	焦化廠	34,493,185
Power plant	發電廠	23,099,569
Heating plant	熱源廠	34,852,257
Others (e.g., for logistics)	其他 (如物流等)	2,896,720
The Group total	本集團總計	99,295,481

Due to the business nature, the Group also consumed energy sources—coal gas and raw coal for its production. A total of 136.19 million m<sup>3</sup> of coal gas and 419,288 tonnes of raw coal were consumed during the reporting period. Other types of energy consumed included gasoline and diesel.

**Table 6. Annual indirect energy consumption**

Other energy sources	Direct consumption (in litres)	Consumption (in kWh)
其他能源	直接消耗 (以升計)	消耗 (以千瓦時計)
Gasoline	203,118.64	1,799,966.95
汽油		
Diesel	951,627.55	9,514,696.24
柴油		
The Group total		11,314,663.19
本集團總計		

Note: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

**A2. 資源使用**

**A2.1 能源消耗**

本集團並無外購電力。本集團合計99,295,481千瓦時乃來自其自有發電廠，用於內部消耗，生產之每千克焦炭之用電總密度為0.17千瓦時，或產生每千瓦時電力之用電總密度為0.56千瓦時。

**表5. 年度電力消耗**

由於業務性質，本集團亦消耗能源—煤氣及原煤，用於生產。於報告期內，共本集團合共消耗136.19百萬立方米煤氣及419,288噸原煤。其他能源消耗類型包括汽油及柴油。

**表6. 年度間接能源消耗**

附註：轉換系數乃參考國際能源署能源統計手冊及二零零六年跨政府氣候變化委員會國家溫室氣體清單指南。

### A2.2 Water Consumption

The total water consumption for the Group was 856,925 m<sup>3</sup>, with an overall intensity of 1.47 m<sup>3</sup> of water per tonne of coke produced, or 4.80 m<sup>3</sup> of water per MWh of electricity produced. Water was sourced from municipal tap-water. No issues on sourcing water were reported during the reporting period.

**Table 7. Annual water consumption**

Water consumption		Consumption (in m <sup>3</sup> )
用水量		消耗(以立方米計)
Coal washing plant	洗煤廠	143,732
Coking plant	焦化廠	565,455
Power plant	發電廠	67,663
Heating plant	熱源廠	80,075
The Group total		856,925

The major source of wastewater for the Group's operational sites was from production wastewater such as coal quenching, as well as domestic wastewater. Wastewater treatment facility was upgraded during the reporting period. All wastewater has been monitored and its parameters (e.g., pH, suspended solids, total phosphorus, total nitrogen, volatile phenol, polyaromatic hydrocarbon, benzene, BOD, COD<sub>cr</sub>) were within the permissible level set by GB16171-2012 Emission Standard of Pollutants for Coking Chemical Industry.

### A2.3 Energy Use Efficiency Initiatives

Due to the combustion processes in boilers, heat recovery technology has been considered as one of the best energy efficient technologies to be adopted. During the reporting period, the Group has upgraded its waste heat boiler. This ensures a temperature reduction of waste flue gas below 150 Degrees Celsius, while making full utilization of the waste heat from the flue gas.

### A2.2 用水

本集團總用水量為856,925立方米，生產每噸焦炭用水之總密度為1.47立方米或產生每千瓦時電力用水之總密度為4.80立方米。水來自市政供水。於報告期內，並無報告求取水源問題。

**表7. 年度用水量**

本集團營運工地之廢水主要來源於煤炭淬火等生產廢水以及生活廢水。於報告期內，本集團對廢水處理設施進行改造升級。本集團對所有廢水進行監測，及其參數（如酸鹼值、懸浮物、總磷、總氮、揮發酚、多環芳烴、苯、生化耗氧量、化學耗氧量指數）均處於GB16171-2012《煉焦化學工業污染物排放標準》制定之許可範圍內。

### A2.3 能源使用效益計劃

由於鍋爐燃燒過程，熱回收技術已被視為一項將予採納之最佳節能技術。於報告期內，本集團已對餘熱鍋爐進行改造升級。此舉可確保廢煙氣溫度降至150攝氏度以下，同時充分利用煙氣中餘熱。

**A2.4 Water Use Efficiency Initiatives**

The Group continuously conserves water resources and recycles water whenever possible. A new rain-water collection pond project is expected to further save water resources once constructed.

**A2.5 Packaging Material**

The Group's operation did not involve any significant use of packaging materials.

**A3. The Environment and Natural Resources**

**A3.1 Significant Impacts of Activities on the Environment**

Following the issuing of several major policies by local government, the Group has formulated and implemented various controlling schemes to control its impacts on the environment. The Group will continuously monitor its air emission, solid waste generation, wastewater discharge, and noise level to ensure minimum impacts on the surrounding environment.

**Table 8. Significant impacts of activities on the environment and improvement suggestions (as shown by inspection results by Xiaoyi Environmental Protection Agency), and control schemes implemented during this reporting period**

Activities with major impacts on the environment	Improvement suggestions	Control schemes (corresponding to the item number in Table 1)
對環境造成重大影響之活動	改善建議	控制方案 (對應表1項目編號)
Coal and other raw materials exposure causing dust 煤炭及其他原材料露天產生灰塵	To control and suppress the dust 控制及抑制灰塵	4
Coke oven gas SO <sub>2</sub> emissions 焦爐煤氣二氧化硫排放	Purification to control SO <sub>2</sub> emissions 淨化以控制二氧化硫排放	1, 7, 10
Flue gas from coke oven 焦爐煙氣	To monitor real-time emissions 實時監測排放	10
Fugitive emissions on-site 現場無序排放	To control the emissions 控制排放	4, 11, 16
Wastewater from production 生產廢水	To improve wastewater treatment capacity 提高廢水處理能力	6
SO <sub>x</sub> and NO <sub>x</sub> emissions from benzene furnace 苯爐硫氧化物及氮氧化物排放	Coal gas purification 煤氣淨化	1, 7, 10

**A2.4 用水效益計劃**

本集團繼續節約水資源，並盡可能回收水資源。一項新雨水收集池項目預期於建成後進一步節約水資源。

**A2.5 包裝材料**

本集團業務概不涉及任何大量使用包裝材料。

**A3. 環境及自然資源**

**A3.1 活動對環境造成之重大影響**

繼當地政府頒佈數項重大政策後，本集團已制定並實施各種控制方案，以控制其對環境造成之影響。本集團將持續監測其大氣排放量、固體廢物產生、廢水排放及噪音水平，以確保盡量降低對周圍環境造成之影響。

**表8. 活動對環境造成之重大影響及改善建議 (如孝義環保局之檢測結果所表明)，以及於報告期內所實施之控制方案**

## B. SOCIAL

### 1. Employment and Labour Practices

The Group stringently complies with national and local laws and regulations concerning employment and labour practices, including but not limited to the followings:

- Labour Law of the PRC
- Labour Contract Law of the PRC
- Regulation on Paid Annual Leave for Employees
- Provisions on the Prohibition of Using Child Labour

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the reporting period.

#### B1. Employment

There were no major updates on relevant human resource policies, such as recruitment policy, compensation and dismissal policy, promotion policy, and working attendance policy. The Group ensures employees' benefits and welfare have been provided under the above-mentioned laws and regulations. Employees are entitled to paid annual leave, sick leave, marriage leave, maternity leave, paternity leave, injury leave, compensation leave and breastfeeding breaks. The group continues to enforce "Everyone is equal regardless of the position hold" as one basic principle when dealing with recruitment, promotion, rewarding, and penalty system.

During the reporting period, the Group had conducted thorough market research, to adjust and increase the base salary for all employees. In addition, a more comprehensive remuneration system has been established, and future adjustment of base salary is now based on three major categories of each employee:

- Position salary (including both general and over-time salary)
- Working age
- Education level

The Group has a relatively low staff turnover rate, especially for management-level positions, due to very generous welfare offered to them.

## B. 社會

### 1. 僱傭及勞工常規

本集團嚴格遵守國家及當地有關僱傭及勞工常規之法律及法規，包括但不限於下列各項：

- 中國《勞動法》
- 中國《勞動合同法》
- 《職工帶薪年假條例》
- 《禁止使用童工規定》

於報告期內，本集團概無發現未遵守對本集團有重大影響之有關補償及解聘、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視以及其他待遇及福利之相關法律及法規之情況。

#### B1. 僱傭

相關人力資源資料政策並無更新，包括招聘政策、補償及解聘政策、晉升政策以及出勤政策。本集團確保根據上述法律及法規提供僱員待遇及福利。僱員有權享有帶薪年假、病假、婚假、產假、陪產假、工傷假、補償假及哺乳假。本集團繼續實施「不論職位高低，所有人均為平等」為處理招聘、晉升及獎懲制度時之一項基本原則。

於報告期內，本集團已進行全面市場調研，調整及提高全體員工之基本工資。此外，本集團已制定一套更全面薪酬制度，而日後基本工資調整現基於全體員工之三個主要類別：

- 職位工資（包括一般工資及加班工資）
- 工齡
- 教育水平

本集團之員工流失率相對較低，尤其是管理層職位，原因為彼等獲提供非常優厚福利。

### **B2. Employee Health and Safety**

The Group highly values the importance of providing a safe and accident-free working environment for employees, personal protection equipment has been provided to all frontline staff. The occupational health and safety policy and its implementation continue to ensure that the Group is in compliance with the Production Safety Law of the PRC, and relevant regulations such as the “The supplementary requirements and evaluation criteria for the standardized production of hazardous chemicals in Shanxi Province”.

### **B3. Development and Training**

Although the Group has no formal policy on development and training, the Group provided comprehensive career development and training to employees. A wide range of topics such as internal occupational health and safety training were provided to employees.

Along with the implementation of new environmental protection facilities, on-site training has been provided by contractors to ensure the proper function of the newly installed equipment, topics including but not limited to:

- Structure and mechanism of the facility;
- Facility operation and maintenance; and
- Proper selection and usage of spare parts and auxiliary materials.

### **B4. Labour Standards**

The Group strictly follows relevant laws and regulations such as the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law on the Protection of Minors to manage labour practices. Screening and background check have been performed when recruiting new employees.

No child labour, forced, or compulsory labour was reported and/or identified within any sites of the Group during the reporting period. There are no major risks associated with incidents of child labour, forced or compulsory labour within the Group's operation sites.

### **B2. 僱員健康與安全**

本集團高度重視為僱員提供安全及無事故之工作環境。本集團已為全體前線員工提供個人防護設備。職業健康與安全政策及其推行繼續確保本集團符合中國《生產安全法》以及有關法規，例如《山西省有害化學品標準生產之附加規定及評估準則》。

### **B3. 發展與培訓**

儘管本集團並無有關發展與培訓之正式政策，惟本集團向僱員提供全面職業發展與培訓。本集團向僱員提供內部職業健康和安全管理培訓等各種主題。

隨著啟用新環保設施，承包商已提供現場培訓以確保新安裝設備之正常運轉，主題包括但不限於：

- 設施結構及機制；
- 設施運營與維護；及
- 妥當選擇及使用備件以及輔助材料。

### **B4. 勞工準則**

本集團嚴格遵循中國《勞動法》、中國《勞動合同法》及《未成年工保護法》以管理勞工常規。本集團於招聘新僱員時已進行篩選及背景核查。

本集團任何工地於報告期內並無報告及／或發現任何童工、強制勞工或強迫勞動情況。本集團營運現場並無童工、強制勞工或強迫勞動事件相關之重大風險。



## 2. Operating Practices

### B5. Supply Chain Management

There were no major updates on the Procurement Policy and Standardized Purchasing Procedure, which continue to lay out key areas on risk assessment of major suppliers, to ensure a secure supply of raw materials.

When applicable, the Group specifies detailed clauses within contracts to ensure business partners have implemented adequate management policies regarding their social and environmental impacts. For example, within the Environmental and Energy Property Management Contract, the Group requested that both parties shall comply with the safety and environmental protection requirements:

- The service provider shall set up a management committee to ensure safety production;
- The service provider shall submit to the Group's supervision whenever the Group observes a potential risk;
- The service provider shall arrange its personnel to receive necessary training offered by the Group; and
- The Group will send designated personnel to conduct on-site surveys to monitor the service providers' performance.

## 2. 營運常規

### B5. 供應鏈管理

採購制度及標準採購工作流程並無重大更新，繼續設定主要供應商風險評估之重要領域，從而確保原材料之安全供應。

於適用時，本集團訂明合約之詳細條款，以確保業務合作夥伴就其社會及環境影響實施足夠管理政策。例如，於環境及能源物業管理合約中，本集團要求訂約雙方須遵守安全及環保規定：

- 服務供應商須設立管理委員會以確保安全生產；
- 當本集團發現潛在風險時，服務供應商須服從本集團監督；
- 服務供應商須安排其人員接受本集團提供之必要培訓；及
- 本集團將派遣指定人員進行現場調查以監控服務供應商表現。

### B6. Product Responsibility

Product Labelling, Health and Safety, and Advertising  
Product labelling, health and safety, and advertising were not applicable due to the business nature of the Group.

#### Quality Assurance

There were no major updates on the product responsibility policy in 2018, which continues to guide the general quality assurance and quality control processes. The laboratory continues to closely monitor key quality parameters such as water content, ash content, sulfur content, volatile matter content of the raw coal. Sampling methods strictly follow national standards such as GB482-1995, GB481-93, and GB475-1996. Other national standards were also followed during quality assurance and quality control processes, including but not limited to:

- GB/T4000-2008 Coke – Determination of reactivity and strength after reaction
- GB/T5447-2014 Determination of caking index of bituminous coal
- GB/T214-2007 Determination of sulphur in coal
- GB/T212-2008 Proximate analysis of coal
- GB474-2008 Preparation of coal sample

No non-compliance outgoing products were reported during the reporting period. All incoming raw coal were checked by the quality department, when low-quality raw coal was detected, they would be mixed with other higher quality coal for further production.

### B6. 產品責任

產品標籤、健康與安全以及廣告  
由於本集團業務性質，產品標籤、健康與安全以及廣告並不適用。

#### 質量保證

二零一八年，產品責任政策並無重大更新，繼續為一般質量保證及質量控制流程提供指引。實驗室持續緊密監測主要質素參數，如原煤之水含量、灰分含量、硫含量及揮發物含量。取樣方法嚴格遵循GB482-1995、GB481-93、GB475-1996等國家標準，並亦在質量保證與質量控制流程中遵循其他國家標準，包括但不限於：

- GB/T4000-2008焦炭反應性及反應後強度測定方法
- GB/T5447-2014煙煤粘結指數測定方法
- GB/T214-2007煤中硫含量測定方法
- GB/T212-2008煤的工業分析方法
- GB474-2008煤樣製備方法

於報告期內，本集團並無報告不合規出廠產品情況。質量部門會檢查所有入廠原煤，劣質原煤一經發現，就會與其他優質煤炭混合以進一步生產。

#### Data Protection

The Group acknowledges the importance of protecting privacy and confidentiality of relevant stakeholders. The Group implements various schemes to prevent data leakage and misuse or abuse of customer sensitive information, such as implementing anti-virus protection practices regularly. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to privacy matters had been identified during the reporting period.

#### Intellectual Property

Due to the nature of the Group, no policies on intellectual property rights protection were formulated.

### **B7. Anti-corruption**

The Group requires that all employees shall conform to the Law Against Unfair Competition of the PRC, Criminal Law of the PRC, and other laws, regulations and regulatory documents related to commercial bribery. The Group's Legal Department continues to implement a monitoring system to ensure zero tolerance of corruption, bribery, extortion, fraud, money laundering, and any other unlawful activities.

The Group has not aided, abetted, assisted or colluded with an individual who has committed, or conspired to commit any unlawful activities. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the reporting period.

### **B8. Community Investment**

The Group strives to implement corporate social responsibility and actively participates in public welfare activities. During the reporting period, the Group had participated in the National Poverty Alleviation in Rural Areas and generously provided a total donation of RMB 400,000 for poverty alleviation in two villages in Lin county, Shanxi province.

#### 數據保護

本集團明白保護相關權益人之私隱及機密之重要性。本集團實行各種方案以防止數據洩露及誤用或濫用客戶敏感資料，如定期實施防病毒措施。於報告期內，本集團並無發現未遵守對本集團有重大影響之有關私隱事宜之相關法律及法規之情況。

#### 知識產權

由於本集團性質，故並無制定有關知識產權保護之政策。

### **B7. 反貪污**

本集團規定，全體僱員須遵守中國《反不正當競爭法》、中國《刑法》及其他法律、法規及有關商業賄賂之監管文件。本集團之法律部門繼續執行監測系統以確保對貪污、賄賂、敲詐、詐騙、洗黑錢，以及任何其他非法活動採取零容忍態度。

本集團並無援助、助長、協助或串通任何進行或合謀進行任何非法活動之人士。於報告期內，本集團並無發現未遵守對本集團有重大影響之有關貪污、賄賂、欺詐及洗黑錢之相關法律及法規之情況。

### **B8. 社區投資**

本集團致力於實踐企業社會責任並積極參與公益活動。於報告期內，本集團已參與國家農村扶貧活動並慷慨地向山西省臨縣兩個鄉村捐資合共人民幣400,000元，以進行扶貧。

**To the shareholders of Huscoke Holdings Limited**

*(formerly known as Huscoke Resources Holdings Limited)  
(incorporated in Bermuda with limited liability)*

**QUALIFIED OPINION**

We have audited the consolidated financial statements of Huscoke Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 83 to 195, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” section of our report, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and 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 (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**致和嘉控股有限公司股東**

*(原名為和嘉資源控股有限公司)  
(於百慕達註冊成立之有限公司)*

**保留意見**

吾等已審核和嘉控股有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）載於第83至195頁之綜合財務報表，當中載有於二零一八年十二月三十一日之綜合財務狀況表、與截至該日止年度之綜合全面收益表、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。

吾等認為，除了本報告「保留意見之基礎」部分所述事項的影響外，該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」）真實而公允地反映了貴集團於二零一八年十二月三十一日之財務狀況及其截至該日止年度之財務表現及現金流量，並已遵照香港《公司條例》之披露規定妥為編製。

## BASIS FOR QUALIFIED OPINION

### Accounting for interest in an associate

The Group has not accounted for its interest in an associate, EDB Holding Limited (“**EDB**”), using the equity method in the consolidated financial statements for the year ended 31 December 2018. As explained in note 15 to the consolidated financial statements, as EDB has not yet completed the audit of its consolidated financial statements for the year ended 31 December 2018 prepared in accordance with HKFRSs, the management could not obtain reliable audited financial information of EDB and its subsidiaries to account for the Group's interest in EDB using the equity method in accordance with Hong Kong Accounting Standard (“**HKAS**”) 28 Investments in Associates and Joint Ventures. This investment was accounted for on cost basis.

The consolidated financial statements therefore do not comply with HKAS 28 so far to account for the Group's interest in associate using the equity method. Had the Group's interest in EDB been accounted for using the equity method, certain elements in the consolidated financial statements would have to be adjusted. The effects on this non-compliance however have not been determined.

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

## 保留意見之基礎

### 於聯營公司之權益之會計處理

貴集團並無使用權益法於截至二零一八年十二月三十一日止年度之綜合財務報表將其於聯營公司 EDB Holding Limited (“**EDB**”)之權益入帳。如綜合財務報表附註15所述，由於EDB尚未完成根據香港財務報告準則編製截至二零一八年十二月三十一日止年度之綜合財務報表之審核，管理層未能取得可靠之EDB及其附屬公司之經審核財務資料按香港會計準則（「**香港會計準則**」）第28號於聯營公司及合營企業之投資要求使用權益法將 貴集團於EDB之權益入帳。因此，該投資按成本列帳。

因此，綜合財務報表目前並不符合香港會計準則第28號要求，將 貴集團於聯營公司之權益使用權益法入帳。假若 貴集團於EDB之權益使用權益法入帳，綜合財務報表中之一些項目將需要作出調整。然而，這種不遵守情況之影響未能確定。

吾等根據香港會計師公會頒佈之香港審計準則（「**香港審計準則**」）進行審核。根據該等準則下，吾等之責任於本報告內「核數師就審核綜合財務報表須承擔之責任」一節中進一步闡述。根據香港會計師公會之《專業會計師道德守則》（「**守則**」），吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能足夠及能適當地為吾等之保留意見提供基礎。

**KEY AUDIT MATTERS**

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

**關鍵審核事項**

關鍵審核事項乃根據吾等之專業判斷，認為對吾等審核本期綜合財務報表最為重要之事項。該等事項是在吾等對綜合財務報表整體進行審核並形成意見之背景下處理，吾等不對該等事項提供單獨意見。除了「保留意見之基礎」部分所述事項外，吾等已確定以下關鍵審核事項：

<b>Impairment of property, plant and equipment</b> 物業、廠房及設備之減值	<b>How the matter was addressed in our audit</b> 該事項在審核中如何處理
<p><i>Relevant disclosures are made in notes 3, 12 and 14 to the consolidated financial statements.</i> 相關披露乃於綜合財務報表附註3、12及14作出。</p>	
<p>As at 31 December 2018, the carrying amount of property, plant and equipment (the "PPE"), net of accumulated impairment and depreciation, was approximately HK\$570.6 million which represented approximately 85% of the total non-current assets of the Group. In view of the continuous improvement in operating results for the year, an impairment assessment on the Group's cash generating units (the "CGUs") was performed to which the PPE belonged at the end of the reporting period. Based on the results of the assessment, a reversal of impairment loss of HK\$99.1 million was recognised in profit or loss for the year ended 31 December 2018.</p> <p>於二零一八年十二月三十一日，物業、廠房及設備（「物業、廠房及設備」）之帳面值扣除累計減值及折舊後，約為570,600,000港元，佔貴集團非流動資產總額約85%。鑑於年內經營業績持續改善，貴集團對於報告期末物業、廠房及設備所屬之現金產生單位（「現金產生單位」）進行減值評估。根據評估結果，截至二零一八年十二月三十一日止年度，於損益中確認減值虧損撥回99,100,000港元。</p> <p>An assessment of the recoverable amounts of the CGUs was performed by using a value-in-use approach based on discounted cash flow calculations. In this assessment, significant judgement and estimation by management are required to determine the key assumptions, including sales growth rates, production capacity utilisation, pricing, production costs and the discount rates applied in the discounted cash flows.</p> <p>貴集團已使用依據貼現現金流計算之使用價值法評估現金產生單位之可收回金額。進行此項評估時，管理層須使用重大判斷及估計，以釐定關鍵假設，包括銷售增長率、產能使用率、定價、生產成本以及貼現現金流量所用之貼現率。</p> <p>Management has engaged independent professional valuer whose work has been relied on in estimating recoverable amounts of the CGUs to which the PPE belonged at the end of the reporting period.</p> <p>管理層已委聘獨立專業估值師，以就於報告期末物業、廠房及設備所屬現金產生單位之可收回金額作出估計。</p>	<p>Our key procedures in relation to the impairment assessment of the PPE included:</p> <p>吾等就物業、廠房及設備減值評估之主要程序包括：</p> <ul style="list-style-type: none"> <li>- Evaluating the management assessment of reversal indicators with reference to external business environment of coke industry and operating results of the Group;</li> <li>- 評價管理層經參考焦炭行業之外在業務環境及貴集團之經營業績而對撥回指標所作出之評估；</li> <li>- Evaluating the competence, capabilities and objectivity of the valuer;</li> <li>- 評價估值師之才能、能力及客觀性；</li> <li>- Assessing the appropriateness of the work of the valuer by making enquiries on the bases of valuation and obtaining corroborative evidence on the input data; and</li> <li>- 就估值基礎作出查詢及取得所輸入數據之佐證，從而評估估值師工作之恰當性；及</li> <li>- Considering the relevance and reasonableness of key assumptions and methods used, and the relevance and accuracy of the source data used.</li> <li>- 考慮關鍵假設及所用估值方法是否相關及合理，及所用原始數據是否相關及準確。</li> </ul>

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

<p><b>Loss allowance in respect of trade receivables and prepayments, deposits and other receivables</b> 有關貿易應收帳款以及預付款項、按金及其他應收帳款之虧損撥備</p>	<p><b>How the matter was addressed in our audit</b> 該事項在審核中如何處理</p>
<p><i>Relevant disclosures are made in note 3, 19, 20, 21 and 39.</i> 相關披露乃於附註3、19、20、21及39作出。</p>	
<p>As at 31 December 2018, the Group had trade receivables and prepayments, deposits and other receivables amounting to approximately HK\$367.1 million and HK\$365.8 million respectively. Loss allowance amounting to approximately HK\$52.9 million and HK\$12.5 million has been made on trade receivables and prepayments, deposits and other receivables respectively.</p> <p>於二零一八年十二月三十一日，貴集團之貿易應收帳款以及預付款項、按金及其他應收帳款分別約為367,100,000港元及365,800,000港元。貴集團已就貿易應收帳款以及預付款項、按金及其他應收帳款分別作出虧損撥備約52,900,000港元及12,500,000港元。</p> <p>Loss allowances for trade receivables and prepayments, deposits and other receivables are based on management's estimate of the lifetime or 12-month expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' and debtors' repayment history, collaterals pledged and financial position and an assessment of both the current and forecast general economic conditions, all of which involve significant degree of management judgement and estimation.</p> <p>貿易應收帳款及預付款項、按金及其他應收帳款之虧損撥備乃基於管理層對使用年期或將予產生之12個月預期信貸虧損之估算，其藉考量信貸虧損經驗、逾期貿易應收帳項帳齡、客戶及債務人還款記錄、已質押抵押品及財政狀況以及對目前和預測一般經濟狀況之評估來估量，當中各項均涉及重大程度之管理層判斷及估計。</p>	<p>Our key procedures in relation to management's impairment assessment on trade receivables and prepayments, deposits and other receivables included:</p> <p>吾等就管理層對貿易應收帳款及預付款項、按金及其他應收帳款減值評估之主要程序包括：</p> <ul style="list-style-type: none"> <li>- Assessing whether items in the trade receivables ageing report were classified within the appropriate ageing bracket by comparing, on a sample basis, individual items in the report with the relevant sales invoices and credit terms;</li> <li>- 將貿易應收帳款帳齡報告中之個別項目與相關銷售發票和信貸條款互相比較，抽樣評估在報告中之項目是否已歸類至適當帳齡範圍內；</li> <li>- Assessing the reasonableness of management's loss allowance estimates on trade receivables, amount due from the non-controlling shareholder and prepayments, deposits and other receivables by examining the information used by management to form such judgements, including on a sample basis, testing the accuracy of the historical default data, assessing the validity and value of the assets pledged, evaluating whether the historical loss rates are appropriately adjusted based on current conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; and</li> <li>- 藉審查管理層用以構成相關判斷之資料，包括抽樣測試過往違約數據之準確性、評估質押資產之有效性及價值、評價過往虧損率是否按目前狀況和前瞻性資料來適切調整及審查目前財政年度內錄得之實際虧損來評估管理層就貿易應收帳款、應收非控股股東款項以及預付款項、按金及其他應收帳款之虧損撥備估算之合理性，並在確認虧損撥備時評估管理層有否出現偏頗；及</li> <li>- Assessing the reasonableness of recoverability of trade receivables and prepayments, deposits and other receivables with reference to historical utilisation pattern of prepayments and deposits and credit history of trade debtors including default or delay in payments, settlement records, subsequent settlements and ageing analysis.</li> <li>- 參考預付款項及按金之過往動用模式以及貿易應收帳款之信貸記錄(包括違約或延遲付款、結算記錄、後續結算及帳齡分析)評估貿易應收帳款及預付款項、按金及其他應收帳款是否可予收回之合理性。</li> </ul>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises information included in the Company's 2018 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the "Basis for Qualified Opinion" section above, the Group should have accounted for its interest in an associate, EDB, in accordance with HKAS 28. We have concluded that the other information would be materially misstated for the same reason with respect to the information therein affected by such departure.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

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

## 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括 貴公司二零一八年年報所載資料，惟不包括綜合財務報表及吾等之核數師報告。

吾等對綜合財務報表作出之意見並不涵蓋其他資料，吾等亦不會就其他資料發表任何形式之鑒證結論。

就審核綜合財務報表而言，吾等之責任為閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解之情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行之工作，如吾等認為其他資料出現重大錯誤陳述，吾等需要報告有關事實。誠如上文「保留意見的基礎」一節所述，貴集團應根據香港會計準則第28號將其於聯營公司EDB之權益入帳。吾等認為基於相同原因，其他資料中受該等不合規影響之資訊，可能出現重大錯誤陳述。

## 董事及負責管治人員就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製綜合財務報表使其真實而公允地列報，及制訂董事認為必要之相關內部監控，以使綜合財務報表之編製不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項。除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案，否則採用持續經營會計基礎。

負責管治人員須負責監督 貴集團財務報告過程。



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

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

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

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

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

### 核數師就審核綜合財務報表須承擔之責任

吾等之目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並發出載有吾等意見之核數師報告。吾等根據百慕達一九八一年公司法第90條，僅向整體股東報告，而不作其他用途。吾等概不就本報告之內容對任何其他人士承擔任何責任或負責。

合理保證是高水平之保證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，如個別或整體按合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審核之過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 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之風險、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之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險較因錯誤而導致之重大錯誤陳述之風險為高。
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對貴集團內部監控之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

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

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

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

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

**核數師就審核綜合財務報表須承擔之責任 (續)**

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審核憑證，決定是否存在與事件或情況有關之重大不確定性，而可能對貴集團持續經營之能力構成重大疑慮。如吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露。假若有關披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團實體或業務活動之財務資料獲取充分及適當之審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督和執行集團審核。吾等對審核意見承擔全部責任。

吾等與負責管治人員溝通計劃審計範圍、時間安排及重大審核發現等事項，包括吾等在審核期間識別出內部監控之任何重大缺陷。

吾等亦向負責管治人員提交聲明，說明吾等已符合有關獨立性之相關道德要求，並與彼等溝通所有合理地被認為會影響吾等獨立性之關係及其他事宜，以及相關防範措施（如適用）。

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

From the matters communicated with those charged with governance, 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 and 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.

**Mazars CPA Limited**

*Certified Public Accountants*

Hong Kong, 28 March 2019

The engagement director on the audit resulting in this independent auditor's report is:

**Chan Wai Man**

Practising Certificate number: P02487

**核數師就審核綜合財務報表須承擔之責任** *(續)*

就與負責管治人員溝通之事項中，吾等釐定對本期綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。吾等於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該等事項，或在極端罕見之情況下，若合理預期下於吾等報告中溝通某事項造成之負面後果將會超過其產生之公眾利益，吾等將不會在報告中溝通該事項。

中審眾環(香港)會計師事務所有限公司

*執業會計師*

香港，二零一九年三月二十八日

本獨立核數師報告之審核項目董事為：

陳偉文

執業證書編號：P02487

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>REVENUE</b>	收入	5	<b>1,478,049</b>	1,330,791
Cost of sales	銷售成本		<b>(1,232,228)</b>	(1,117,808)
<b>Gross profit</b>	毛利		<b>245,821</b>	212,983
Other income and gains, net	其他收入及收益，淨額	5	<b>44,953</b>	45,419
Selling and distribution costs	銷售及分銷成本		<b>(137,637)</b>	(146,429)
Administrative expenses	管理費用		<b>(103,301)</b>	(83,804)
Finance costs	財務費用	6	<b>(2,200)</b>	(8,015)
Other operating income, net	其他經營收入，淨額		<b>29,243</b>	21,528
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回	12	<b>99,053</b>	84,977
<b>PROFIT BEFORE TAX</b>	除稅前溢利	7	<b>175,932</b>	126,659
Income tax (expense)/credit	所得稅(開支)/抵免	10	<b>(29,951)</b>	5,254
<b>PROFIT FOR THE YEAR</b>	本年度溢利		<b>145,981</b>	131,913
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>	其他全面(虧損)/收益			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	其後期間將予重新分類至損益之其他全面(虧損)/收益：			
Exchange differences on translation of foreign operations	海外業務折算產生之兌換差額		<b>(28,592)</b>	16,456
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX</b>	本年度其他全面(虧損)/收益，除稅後		<b>(28,592)</b>	16,456
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	本年度全面收益總額		<b>117,389</b>	148,369

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

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

			2018 二零一八年	2017 二零一七年
		<i>Notes</i> <i>附註</i>	<b>HK\$' 000</b> 千港元	HK\$'000 千港元
<b>Profit for the year attributable to:</b>	應佔本年度溢利：			
Owners of the Company	本公司擁有人		<b>128,391</b>	117,898
Non-controlling interests	非控股權益	30	<b>17,590</b>	14,015
			<b>145,981</b>	131,913
<b>Total comprehensive income attributable to:</b>	應佔全面收益總額：			
Owners of the Company	本公司擁有人		<b>102,377</b>	132,824
Non-controlling interests	非控股權益		<b>15,012</b>	15,545
			<b>117,389</b>	148,369
<b>EARNINGS PER SHARE</b>	每股盈利			
Basic	基本	11	<b>HK4.92 cents</b> 港仙	HK4.54 cents 港仙
Diluted	攤薄		<b>HK4.74 cents</b> 港仙	HK4.52 cents 港仙

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			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
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	12	570,644	495,154
Goodwill	商譽	13	–	–
Interest in an associate	於一間聯營公司之權益	15	101,804	–
Available-for-sale financial assets	可供出售金融資產	16	–	1,115
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	17	1,508	–
Deferred tax asset	遞延稅項資產	26	–	12,646
Prepayments	預付款項	20	–	1,771
Total non-current assets	非流動資產總額		673,956	510,686
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	85,377	54,744
Trade receivables	貿易應收帳款	19	367,083	267,037
Prepayments, deposits and other receivables	預付款項、按金及其他應收帳款	20	365,808	214,404
Tax recoverable	可收回稅項		–	8
Cash and bank balances	現金及銀行結存	22	18,894	69,655
Total current assets	流動資產總額		837,162	605,848
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付帳款	23	237,326	158,188
Other payables, accruals and deposit received	其他應付帳款、應計款項及已收按金	24	625,982	474,201
Convertible bonds	可換股債券	31	43,526	–
Tax payable	應付稅項		5,150	–
Total current liabilities	流動負債總額		911,984	632,389
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>		<b>(74,822)</b>	<b>(26,541)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		<b>599,134</b>	<b>484,145</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018	2017
			二零一八年	二零一七年
		<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
		<i>附註</i>	千港元	千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Other payables and deferred income	其他應付帳款及遞延收入	24	<b>8,205</b>	8,455
Other borrowings	其他借貸	25	<b>18,188</b>	18,188
Deferred tax liability	遞延稅項負債	26	<b>11,253</b>	106
Convertible bonds	可換股債券	31	–	41,427
Total non-current liabilities	非流動負債總額		<b>37,646</b>	68,176
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>561,488</b>	415,969
<b>EQUITY</b>	<b>股權</b>			
Equity attributable to owners of the Company	本公司擁有人應佔股權			
Share capital	股本	27	<b>27,264</b>	25,966
Reserves	儲備		<b>485,737</b>	350,902
Non-controlling interests	非控股權益	30	<b>513,001</b>	376,868
			<b>48,487</b>	39,101
<b>TOTAL EQUITY</b>	<b>股權總額</b>		<b>561,488</b>	415,969

The consolidated financial statements on pages 83 to 195 were approved and authorised for issue by the Board on 28 March 2019 and are signed on its behalf by:

第83至195頁之綜合財務報表已於二零一九三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

*Director*

董事

**Mr. ZHAO Xu Guang**

趙旭光先生

*Director*

董事

**Mr. SO Chiu Fung**

蘇焜鋒先生

# 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														
		Reserves 儲備												Non-controlling interests		
		Share capital	Share premium	Contributed surplus	Special reserve	Other reserve	Share option reserve	Exchange fluctuation reserve	Capital redemption reserve	Convertible bonds reserve	Accumulated losses	Subtotal	Total		Total	
		股本	股份溢價	撥入盈餘	特別儲備	其他儲備	購股期權儲備	兌換波動儲備	資本贖回儲備	可換股債券儲備	累計虧損	小計	總計	非控股權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
				(Note i) (附註i)	(Note ii) (附註ii)	(Note iii) (附註iii)										
At 1 January 2017	於二零一七年一月一日	24,036	341,361	1,141,727	18,236	(9,788)	3,585	81,231	85	550,200	(1,906,063)	220,574	244,610	22,995	267,605	
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	117,898	117,898	117,898	14,015	131,913	
Other comprehensive income for the year:	本年度其他全面收益：															
Exchange differences on translation of foreign operations	海外業務折算產生之兌換差額	-	-	-	-	-	-	14,926	-	-	-	14,926	14,926	1,530	16,456	
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	14,926	-	-	117,898	132,824	132,824	15,545	148,369	
Transactions with owners:	與擁有人之交易：															
Conversion of convertible bonds	兌換可換股債券	1,930	-	548,120	-	-	-	-	-	(550,050)	-	(1,930)	-	-	-	
Transfer of equity component to accumulated losses upon extinguishment	消除後權益部分轉撥至累計虧損	-	-	-	-	-	-	-	-	(137)	137	-	-	-	-	
Extinguishment of the 2016 Convertible Bonds	已消除之二零一六年可換股債券	-	-	-	-	-	-	-	-	(13)	13	-	-	-	-	
Recognition of the 2017 Convertible Bonds	已確認之二零一七年可換股債券	-	-	-	-	-	-	-	-	368	(368)	-	-	-	-	
Lapsed share options	已失效之購股期權	-	-	-	-	-	(1,076)	-	-	-	1,076	-	-	-	-	
Acquisition of non-controlling interests of a subsidiary	收購一間附屬公司之非控股權益	-	-	-	-	(566)	-	-	-	-	-	(566)	(566)	561	(5)	
Total transactions with owners	與擁有人之交易總額	1,930	-	548,120	-	(566)	(1,076)	-	-	(549,832)	858	(2,496)	(566)	561	(5)	
At 31 December 2017	於二零一七年十二月三十一日	25,966	341,361	1,689,847	18,236	(10,354)	2,509	96,157	85	368	(1,787,307)	350,902	376,868	39,101	415,969	



# 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													
		Reserves 儲備										Non-controlling interests		Total	
		Share capital	Share premium	Contributed surplus	Special reserve	Other reserve	Share option reserve	Exchange fluctuation reserve	Capital redemption reserve	Convertible bonds reserve	Accumulated losses	Subtotal	Total	Non-controlling interests	Total
		股本	股份溢價	繳入盈餘	特別儲備	其他儲備	購股期權儲備	兌換波動儲備	資本贖回儲備	債券儲備	累計虧損	小計	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note i) (附註i)	(Note ii) (附註ii)	(Note iii) (附註iii)									
At 1 January 2018	於二零一八年一月一日	25,966	341,361	1,689,847	18,236	(10,354)	2,509	96,157	85	368	(1,787,307)	350,902	376,868	39,101	415,969
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	128,391	128,391	128,391	17,590	145,981
Other comprehensive loss for the year:	本年度其他全面虧損:														
Exchange differences on translation of foreign operations	海外業務折算產生之兌換差額	-	-	-	-	-	-	(26,014)	-	-	-	(26,014)	(26,014)	(2,578)	(28,592)
Total comprehensive (loss) income for the year	本年度全面(虧損)收益總額	-	-	-	-	-	-	(26,014)	-	-	128,391	102,377	102,377	15,012	117,389
Transactions with owners:	與擁有人之交易:														
Share allotment	股份配發	1,298	32,458	-	-	-	-	-	-	-	-	32,458	33,756	-	33,756
Dividends to non-controlling interests	向非控股權益派發股息	-	-	-	-	-	-	-	-	-	-	-	-	(5,626)	(5,626)
Total transactions with owners	與擁有人之交易總額	1,298	32,458	-	-	-	-	-	-	-	-	32,458	33,756	(5,626)	28,130
At 31 December 2018	於二零一八年十二月三十一日	27,264	373,819	1,689,847	18,236	(10,354)	2,509	70,143	85	368	(1,658,916)	485,737	513,001	48,487	561,488

### Notes:

- (i) The contributed surplus represents the excess of the value of shares converted upon conversion of the 2008 Convertible Bonds over the nominal amount of the ordinary shares issued pursuant to section 40(1) of the Bermuda Companies Act 1981 and the credit arising from the capital reorganisation.
- (ii) The special reserve represents the difference between the nominal value of the shares of the subsidiaries at the date when the shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.
- (iii) The other reserve represents the difference between the fair value of the consideration paid and the relevant share of carrying value of the subsidiary's net assets acquired from the non-controlling interest.

### 附註:

- (i) 根據百慕達一九八一年公司法第40(1)條，繳入盈餘指兌換二零零八年可換股債券時兌換之股份價值超出已發行普通股面值之差額及資本重組產生之進帳。
- (ii) 特別儲備指附屬公司於本公司收購股份當日之股份面值與本公司就收購發行之股份面值之差額。
- (iii) 其他儲備指已付代價公允值與分佔向非控股權益收購附屬公司資產淨值帳面值相關份額之間之差額。

# 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
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	<b>175,932</b>	126,659
Adjustments for:	調整：		
Finance costs	財務費用	<b>2,200</b>	8,015
Interest income	利息收入	<b>(22)</b>	(21)
Depreciation	折舊	<b>42,286</b>	46,464
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目 減值虧損撥回	<b>(99,053)</b>	(84,977)
Write-back of inventories provision	撥回存貨撥備	-	(3,654)
Loss allowance of trade receivables, net	貿易應收帳款虧損撥備，淨額	<b>154</b>	411
Reversal of impairment loss of prepayments, net	預付款項減值虧損撥回，淨額	-	(6,112)
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	-	(658)
Gain on debt restructuring	債務重組之收益	-	(8,801)
Loss arising from amendment to convertible bonds	修訂可換股債券產生之虧損	-	188
		<b>121,497</b>	77,514
(Increase)/decrease in inventories	存貨(增加)/減少	<b>(35,077)</b>	6,737
Increase in trade receivables	貿易應收帳款增加	<b>(117,772)</b>	(25,523)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收帳款增加	<b>(37,332)</b>	(7,136)
Increase in an amount due from the non-controlling shareholder	應收非控股股東款項增加	<b>(1,324)</b>	(140)
Increase in financial assets FVPL/ available-for-sale financial assets	按公允值計入損益之金融資產/ 可供出售金融資產增加	<b>(393)</b>	(16)
Increase/(decrease) in trade payables	貿易應付帳款增加/(減少)	<b>91,452</b>	(46,697)
Increase in other payables, accruals and deposits received and deferred income	其他應付帳款、應計款項、已收按金及遞延收入增加	<b>133,262</b>	95,477
Cash generated from operations	產生自經營業務之現金	<b>154,313</b>	100,216
Interest paid	已付利息	<b>(101)</b>	(2,129)
Hong Kong profits tax paid	已付香港利得稅	<b>8</b>	(56)
NET CASH FROM OPERATING ACTIVITIES	來自經營業務之現金淨額	<b>154,220</b>	98,031

# 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

			<b>2018</b>	2017
		<i>Notes</i>	二零一八年	二零一七年
		<i>附註</i>	<b>HK\$'000</b>	HK\$'000
			千港元	千港元
INVESTING ACTIVITIES	投資業務			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	12	<b>(47,367)</b>	(21,457)
Acquisition of an associate	收購一間聯營公司	15	<b>(23,040)</b>	-
Acquisition of non-controlling interest	收購非控股權益		-	(5)
Increase in other receivables due from the non-controlling shareholder	應收非控股股東之其他應收帳款增加	21	<b>(134,592)</b>	(104,863)
Interest received	已收利息		<b>22</b>	21
NET CASH USED IN INVESTING ACTIVITIES	用於投資業務之現金淨額		<b>(204,977)</b>	(126,304)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		<b>(50,757)</b>	(28,273)
Cash and cash equivalents at the beginning of the reporting period	報告期初之現金及現金等價物		<b>69,655</b>	97,931
Effect of foreign currency rate changes, net	匯率變動之影響，淨額		<b>(4)</b>	(3)
Cash and cash equivalents at the end of the reporting period	報告期末之現金及現金等價物		<b>18,894</b>	69,655
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物之結存分析			
Cash and bank balances	現金及銀行結存		<b>18,894</b>	69,655

# 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. CORPORATION AND GROUP INFORMATION

Huscoke Holdings Limited (formerly known as Huscoke Resources Holdings Limited) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The registered office at the end of the reporting period is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the principal office at the end of the reporting period is located at Room 2301, 23/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

During the year, the Group were involved in the following activities:

- coke trading business;
- coal-related ancillary business; and
- coke production business.

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Rich Key Enterprises Limited*	British Virgin Islands/ Hong Kong	US\$1	100%	-	Investment holding
富基企業有限公司*	英屬處女群島/ 香港	1 美元			投資控股
Pride Eagle Investments Limited*	British Virgin Islands/ Hong Kong	US\$1	-	100%	Investment holding
傲鷹投資有限公司*	英屬處女群島/ 香港	1 美元			投資控股
Huscoke International Group Limited 和嘉國際集團有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$10,000 10,000 港元	-	100%	Trading of coke 買賣焦炭

### 1. 公司及集團資料

和嘉控股有限公司(原名為和嘉資源控股有限公司)於百慕達註冊成立為獲豁免有限公司,其股份在聯交所上市。於報告期末,註冊辦事處及主要辦事處分別位於Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda及香港金鐘金鐘道89號力寶中心第1座23樓2301室。

於本年度,本集團涉及以下業務:

- 焦炭貿易業務;
- 煤炭相關附屬業務;及
- 焦炭生產業務。

#### 有關附屬公司之資料

本公司主要附屬公司之詳情如下:

# 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

### 1. CORPORATION AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows:  
(continued)

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Herong Resources Limited 和融資源有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$10,000 10,000 港元	–	100%	Trading of coke 買賣焦炭
Ocean Signal Limited 海誌有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$10,000 10,000 港元	–	100%	Assets holding 資產持有
Joy Wisdom International Limited* 智悅國際有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1,000 1,000 美元	–	100%	Investment holding 投資控股
Huscoke International Investment Limited 和嘉國際投資有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$1 1 港元	–	100%	Investment holding 投資控股

### 1. 公司及集團資料(續)

#### 有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

# 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. CORPORATION AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows:  
(continued)

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
GRG Huscoke (Shan Xi) Ltd ("GRG Huscoke")* (Note i)	The PRC/The PRC	HK\$715,000,000	–	90%	Coal-related ancillary business; coke production and coke trading
山西金岩和嘉能源有限公司 ("金岩和嘉")*(附註i)	中國/中國	715,000,000 港元			煤炭相關附屬業務； 焦炭生產及買賣焦 炭
Wealth Guardian Holdings Limited*	British Virgin Islands/ Hong Kong	US\$1	100%	–	Investment holding
富御控股有限公司*	英屬處女群島/ 香港	1 美元			投資控股
Good Guardian Investments Limited*	British Virgin Islands/ Hong Kong	US\$1	–	100%	Investment holding
佳衛投資有限公司*	英屬處女群島/ 香港	1 美元			投資控股
Fruitful International Investments Limited 富豐國際投資有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$10,000 10,000 港元	–	100%	Investments 投資
Joint Bloom Enterprises Limited* (Note ii)	British Virgin Islands/ Hong Kong	US\$1	100%	–	Investment holding
合盛企業有限公司*(附註ii)	英屬處女群島/ 香港	1 美元			投資控股
True Tycoon Limited* (Note ii)	Cayman Islands/ Hong Kong	US\$1	–	100%	Investment holding
誠亨有限公司*(附註ii)	開曼群島/香港	1 美元			投資控股

### 1. 公司及集團資料(續)

#### 有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

# 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. CORPORATION AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows:  
(continued)

\* The statutory financial statements of these subsidiaries are not audited by Mazars CPA Limited, or another member firm of the Mazars global network.

Notes:

- (i) GRG Huscoke is a Sino-foreign equity joint venture company established in the PRC.
- (ii) The companies were incorporated during the year ended 31 December 2018.
- (iii) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at anytime during the reporting period.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year and formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

### 2.1 BASIS OF PRESENTATION

As at 31 December 2018, the Group recorded net current liabilities of approximately HK\$74,822,000 (2017: HK\$26,541,000) and consolidated accumulated losses of approximately HK\$1,658,916,000 (2017: HK\$1,787,307,000). The Group also recorded consolidated profit for the year ended 31 December 2018 of approximately HK\$145,981,000 (2017: HK\$131,913,000) though it was principally derived from reversal of impairment loss on items of property, plant and equipment of approximately HK\$99,053,000 (2017: HK\$84,977,000).

In view of these circumstances, the Directors considered the Group's future liquidity, its operating results in recent years and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In this connection, the Directors have taken into account of the following measures and factors to assess the validity of the adoption of going concern principle:

- (a) On 13 February 2019, the Company and Rontac Resources Company Limited, the holder of the 2017 Convertible Bonds (as defined in note 31) with principal amount of HK\$43,277,000, entered into an agreement to extend the maturity date of the 2017 Convertible Bonds for one year to 31 August 2020 with all other terms and conditions remain unchanged. The extension is subject to approval of Shareholders at a special general meeting ("SGM") to be held on 9 April 2019. Further details are set out in notes 31 and 41(a) to the consolidated financial statements.

### 1. 公司及集團資料(續)

#### 有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

\* 該等附屬公司之法定財務報表並非由中審眾環(香港)會計師事務所有限公司或中審眾環全球網絡之另一成員事務所審核。

附註:

- (i) 金岩和嘉為於中國成立之中外合資合營公司。
- (ii) 該等公司於截至二零一八年十二月三十一日止年度註冊成立。
- (iii) 於報告期末或於報告期內任何時間,概無附屬公司擁有任何尚未償還之債務證券。

上表列出本公司董事認為對年內業績有重大影響及佔本集團資產淨值絕大部分之本公司附屬公司。本公司董事認為,列出其他附屬公司之詳情將會令本節篇幅過份冗長。

### 2.1 呈報基準

於二零一八年十二月三十一日,本集團錄得流動負債淨額約74,822,000港元(二零一七年:26,541,000港元)及綜合累計虧損約1,658,916,000港元(二零一七年:1,787,307,000港元)。截至二零一八年十二月三十一日止年度,本集團亦錄得綜合溢利約145,981,000港元(二零一七年:131,913,000港元),儘管主要來自撥回物業、廠房及設備減值虧損約99,053,000港元(二零一七年:84,977,000港元)。

鑑於有關情況,本公司董事於評估本集團是否擁有充足之財務資源進行持續經營時,已考慮本集團未來流動資金、其於近年來之經營業績以及其可得融資來源。就此而言,本公司董事已計及下列措施及因素以評估採納持續經營原則之有效性:

- (a) 於二零一九年二月十三日,本公司與融泰資源有限公司(本金額為43,277,000港元之二零一七年可換股債券(定義見附註31)持有人)訂立協議,以延長二零一七年可換股債券之到期日一年至二零二零年八月三十一日,而所有其他條款及條件保持不變。延長須待將於二零一九年四月九日舉行之股東特別大會(「股東特別大會」)上獲股東批准後,方可作實。進一步詳情載於綜合財務報表附註31及41(a)。

# 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

### 2.1 BASIS OF PRESENTATION (continued)

- (b) The Directors will consider to improve the financial position of the Group (i) enlarge the capital base of the Company by conducting fund raising exercises such as share placement or (ii) obtain bank facilities when necessary.
- (c) Management has used its best endeavor to improve the Group's operating results to attain positive operating cash flows. The Group's operation has been recovering in light of continuous improved market demand for coke production in the PRC during the year. A gross profit of approximately HK\$245,821,000 (2017: HK\$212,983,000) was recorded for the year ended 31 December 2018. The Group continued to generate net cash inflows from its operations during the year ended 31 December 2018. The Directors believe that the recovery momentum will continue and the operation will keep contributing positive cash inflows to the Group in the foreseeable future.
- (d) Included in the current liabilities of the Group as at 31 December 2018 is an amount of approximately HK\$214,700,000 (2017: HK\$199,108,000) in relation to contract liabilities from contracts with customers within HKFRS 15, majority of which will be recognised as revenue when the performance obligation is satisfied. Taking into account the estimated costs to be incurred in generating such revenue with reference to gross profit ratio of around 16% for current year, the management considered there is no significant cash outflow impact to the Group for such amount in the foreseeable future.

After taking into account the above measures, the Directors consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

### 2.1 呈報基準(續)

- (b) 本公司董事將考慮改善本集團之財務狀況(i)透過進行股份配售等集資活動擴大本公司股本基礎或(ii)於必要時取得銀行融資。
- (c) 管理層已盡其所能改善本集團之經營業績，以維持正數營運現金流。於本年度，由於中國焦炭生產之市場需求持續改善，本集團營運已逐漸恢復。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245,821,000港元(二零一七年：212,983,000港元)。本集團持續於截至二零一八年十二月三十一日止年度內自營運產生現金流入淨額。本公司董事相信復甦之勢頭將持續，而營運將於可見未來為本集團帶來正數現金流入。
- (d) 本集團於二零一八年十二月三十一日之流動負債包括有關香港財務報告準則第15號範圍內來自客戶合約之合約負債之款項約214,700,000港元(二零一七年：199,108,000港元)，其中大部分款項將於達致履約義務時確認為收入。經計及參考本年度毛利率約16%而得出產生該收入時將予產生的估計成本，管理層認為就該款項於可見未來不會對本集團產生重大的現金流出影響。

經計及上述措施，本公司董事認為本集團將有充足營運資本撥付其營運並履行到期之財務責任，因此，彼等信納綜合財務報表按持續經營基準編製屬合適。



# 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

### 2.2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year. A summary of the principal accounting policies adopted by the Group is set out below.

### 2.3 ADOPTION OF NEW/REVISED HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transaction</i>
Annual Improvements to HKFRSs	<i>2014–2016 Cycle: HKFRS 1 and HKAS 28</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>

#### Amendments to HKFRS 2: Classification and Measurement of Share-based Payment Transactions

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

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### 2.2 編製基準

該等綜合財務報表已按照香港會計師公會（「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」）（包括所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港普遍採納之會計原則及香港公司條例之披露規定編製。綜合財務報表亦遵守上市規則之適用披露規定。

綜合財務報表乃按照與於二零一七年綜合財務報表所採用會計政策一致之基準編製，惟採納以下與本集團有關及於本年度生效之新訂／經修訂香港財務報告準則除外。本集團所採納之主要會計政策概要載列如下。

### 2.3 採納新訂／經修訂香港財務報告準則

本集團已首次應用下列與本集團有關之新訂／經修訂香港財務報告準則：

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
香港財務報告準則之年度改進	二零一四年至二零一六年週期：香港財務報告準則第1號及香港會計準則第28號
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9號	金融工具
香港財務報告準則第15號	客戶合約收入

#### 香港財務報告準則第2號之修訂：股份支付交易之分類及計量

該等修訂訂明歸屬及非歸屬條件對現金結算股份付款計量之影響；因預扣稅責任具有淨額結算特徵之股份支付交易；以及使交易類別由現金結算變更為以股本結算之股份付款條款及條件之修訂之會計處理規定。

採納該等修訂並無對綜合財務報表構成任何重大影響。

### 2.3 ADOPTION OF NEW/REVISED HKFRSs (continued)

#### Annual Improvements 2014–2016 Cycle

##### HKAS 28: *Measuring an associate or joint venture or its subsidiaries at fair value*

The amendments clarify that the election to measure associates or joint ventures at fair value or retain the fair value measurement applied by investment entity associates or joint ventures can be made separately for each associate or joint venture at the relevant date.

The adoption of the amendments does not have any significant impact on the consolidated financial statements since the Group is not eligible to measure its interest in an associate at fair value.

##### HK(IFRIC)-Int 22: *Foreign Currency Transactions and Advance Consideration*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of the interpretation does not have any significant impact on the consolidated financial statements.

##### HKFRS 9: *Financial Instruments*

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

### 2.3 採納新訂／經修訂香港財務報告準則(續)

#### 二零一四年至二零一六年週期之年度改進 香港會計準則第28號：按公允值計量聯營公司或合營企業或其附屬公司

該等修訂澄清可於相關日期單獨就各聯營公司或合營企業選擇按公允值計量聯營公司或合營企業或保留投資實體聯營公司或合營企業所應用之公允值計量。

由於本集團不符合資格按公允值計量其於一間聯營公司之權益，故採納該等修訂並無對綜合財務報表產生任何重大影響。

##### 香港(國際財務報告詮釋委員會)－詮釋第22號：外幣交易及預付代價

該詮釋澄清在終止確認預付代價相關之非貨幣資產或非貨幣負債時，為釐定初步確認相關資產、費用或收入(或其中部分)採用之即期匯率，交易日期為實體初步確認預付代價產生之非貨幣資產或非貨幣負債之日期。

採納該詮釋並無對綜合財務報表產生任何重大影響。

##### 香港財務報告準則第9號：金融工具

以下詞彙乃於該等綜合財務報表中採用：

- 按公允值計入損益：按公允值計入損益。
- 按公允值計入其他全面收益：按公允值計入其他全面收益。
- 指定按公允值計入其他全面收益：按公允值計入其他全面收益計量之股本工具。
- 強制按公允值計入其他全面收益：按公允值計入其他全面收益計量之債務工具。

於二零一八年一月一日或之後開始之年度期間，香港財務報告準則第9號取代香港會計準則第39號金融工具：確認及計量。其引入就金融資產及金融負債、金融資產減值及對沖會計法之分類及計量之新規定。

# 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

### 2.3 ADOPTION OF NEW/REVISED HKFRSs (continued)

#### HKFRS 9: Financial Instruments (continued)

In accordance with the transition provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 January 2018 (i.e. the date of initial application), except as described below:

- (a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:
  - (i) the determination of the business model within which a financial asset is held;
  - (ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and
  - (iii) the de-designation of financial assets or financial liabilities at FVPL.

The above resulting classification shall be applied retrospectively.

- (b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses (“ECL”) at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.
- (c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

There is no difference between the previous carrying amounts of financial assets under HKAS 39 and those upon adoption of HKFRS 9 at 1 January 2018.

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

### 2.3 採納新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號：金融工具(續)

根據香港財務報告準則第9號之過渡性條文，比較資料未經重列，而本集團已對於二零一八年一月一日(即首次應用日期)存在之金融工具追溯應用香港財務報告準則第9號，惟下文所述者除外：

- (a) 以下評估乃基於於首次應用日期存在之事實及情況而作出：
  - (i) 釐定持有金融資產之業務模式；
  - (ii) 指定按公允值計入損益或(倘為金融資產)按指定按公允值計入其他全面收益之金融資產或金融負債；及
  - (iii) 取消指定按公允值計入損益之金融資產或金融負債。

以上因此產生之分類將獲追溯應用。

- (b) 倘於首次應用日期釐定信貸風險自初步確認以來有否顯著增加將須花費不必要成本或精力，則於各報告日期按相等於全期預期信貸虧損(「預期信貸虧損」)之金額確認虧損撥備，直至金融工具終止確認為止，除非該金融工具於報告日期之信貸風險較低則作別論。
- (c) 就根據香港會計準則第39號按成本計量之於股本工具之投資而言，該等工具乃於首次應用日期按公允值計量。

香港會計準則第39號項下金融資產之先前帳面值與於二零一八年一月一日採納香港財務報告準則第9號後之帳面值間並無差異。

採納香港財務報告準則第9號對本集團金融負債之分類及計量並無重大影響。

# 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

### 2.3 ADOPTION OF NEW/REVISED HKFRSs (continued)

#### HKFRS 9: Financial Instruments (continued)

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Measurement category under HKAS 39	香港會計準則第39號 項下計量分類	Carrying amount under HKAS 39 香港會計準則 第39號 項下帳面值 HK\$'000 千港元	Measurement category and carrying amount under HKFRS 9 香港財務報告準則第9號 項下計量分類及帳面值	
			Amortised cost 攤銷成本 HK\$'000 千港元	FVPL 按公允價值 計入損益 HK\$'000 千港元
<b>Available-for-sale financial assets 可供出售金融資產</b>				
Private club debenture (Note i)	私人會所債券(附註i)	1,115	–	1,115
<b>Loans and receivables (Note ii) 貸款及應收帳款(附註ii)</b>				
Trade receivables	貿易應收帳款	267,037	267,037	–
Other receivables	其他應收帳款	158,983	158,983	–
Cash and bank balances	現金及銀行結存	69,655	69,655	–
		496,790	495,675	1,115

Notes:

- (i) The private club debenture that was previously classified as available-for-sale financial assets measured at FVOCI amounted to approximately HK\$1,115,000 was classified as financial assets at FVPL at the date of initial application since it does not meet the criteria to be classified as Mandatory FVOCI and was not designated as Designated FVOCI in accordance with HKFRS 9.
- (ii) These items continue to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

### 2.3 採納新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號：金融工具(續)

於二零一八年一月一日，就本集團各類金融資產而言，香港會計準則第39號項下原計量分類及帳面值與香港財務報告準則第9號項下新計量分類及帳面值之對帳見下表。

Measurement category under HKAS 39	香港會計準則第39號 項下計量分類	Carrying amount under HKAS 39 香港會計準則 第39號 項下帳面值 HK\$'000 千港元	Measurement category and carrying amount under HKFRS 9 香港財務報告準則第9號 項下計量分類及帳面值	
			Amortised cost 攤銷成本 HK\$'000 千港元	FVPL 按公允價值 計入損益 HK\$'000 千港元
<b>Available-for-sale financial assets 可供出售金融資產</b>				
Private club debenture (Note i)	私人會所債券(附註i)	1,115	–	1,115
<b>Loans and receivables (Note ii) 貸款及應收帳款(附註ii)</b>				
Trade receivables	貿易應收帳款	267,037	267,037	–
Other receivables	其他應收帳款	158,983	158,983	–
Cash and bank balances	現金及銀行結存	69,655	69,655	–
		496,790	495,675	1,115

附註：

- (i) 先前分類為可供出售金融資產之私人會所債券按公允價值計入其他全面收益計量為約1,115,000港元，於首次應用日期分類為按公允價值計入損益之金融資產，原因是根據香港財務報告準則第9號，其不符合分類為強制按公允價值計入其他全面收益或並非指定為指定按公允價值計入其他全面收益之標準。
- (ii) 該等項目繼續按攤銷成本計量，因為於首次應用日期，本集團之業務模式乃為持有該等投資以收取合約現金流量，而現金流量指尚未償還本金之純粹支付本金及利息。

### 2.3 ADOPTION OF NEW/REVISED HKFRSs (continued)

#### HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The Standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity at 1 January 2018 (i.e. the date of initial application). Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed at 1 January 2018 in accordance with the transition provisions therein. The adoption of this standard does not have a significant impact on the measurement and recognition of revenue of the Group but additional disclosures have been made throughout these consolidated financial statements.

### 2.3 採納新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第15號：客戶合約收入

香港財務報告準則第15號取代(其中包括)香港會計準則第18號及香港會計準則第11號,其分別訂明銷售貨品及提供服務所產生之收入確認以及建築合約之會計處理。該準則於其範圍內就收入確認及來自客戶合約之若干成本建立全面框架,亦引入一整套披露規定,將導致實體向使用者提供財務報表時,須載列實體與客戶訂立之合約所產生之收入及現金流之性質、金額、時間及不確定性等全面資料。

本集團已選擇應用累計影響過渡方法並將初步採納之累計影響確認為一項對於二零一八年一月一日(即首次應用日期)之年初股權部分結餘所作之調整。因此,並無就香港財務報告準則第15號之影響重列比較資料。

此外,根據有關過渡條文,本公司僅對於二零一八年一月一日尚未完成之合約追溯應用香港財務報告準則第15號。採納該準則並無對計量及確認本集團收入構成重大影響,惟已於該等綜合財務報表作出額外披露。

## 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

### **Basis of measurement**

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial assets at FVPL, which are measured at fair values as explained in the accounting policies set out below.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis.

### **Allocation of total comprehensive income**

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

## 2.4 主要會計政策概要

### **計量基準**

編製該等綜合財務報表所採用之計量基準為歷史成本，惟按公允值計入損益之金融資產按公允值計量（誠如下文所載會計政策所闡釋）則除外。

### **綜合帳目基準**

綜合財務報表包括本公司及其所有附屬公司之財務報表。附屬公司之財務報表的報告年度與本公司相同，並採用一致會計政策編製。

所有集團內公司間之結餘、交易和集團內公司間交易所產生之收入及支出、溢利及虧損均全數對銷。附屬公司之業績自本集團取得控制權之日起綜合入帳，並繼續綜合入帳至該控制權終止日期。

非控股權益乃獨立於本公司擁有人，於綜合損益及其他全面收益表及綜合財務狀況表之權益中呈列。於被收購方屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔被收購方資產淨額之非控股權益乃按公允值或現時擁有權工具應佔被收購方可識別資產淨額中已確認款項之比例初步計量。此計量決定以逐項收購為基礎。

### **全面收益總額之分配**

損益及其他全面收益之各組成部分歸屬於本公司擁有人及非控股權益。全面收益總額歸屬於本公司擁有人及非控股權益，即使此導致非控股權益出現虧絀結餘。

## 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Basis of consolidation (continued)

#### Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

#### Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

## 2.4 主要會計政策概要(續)

### 綜合帳目基準(續)

#### 擁有權權益變動

本集團於附屬公司之擁有權權益變動(並不導致失去控制權)列作權益交易入帳。控股及非控股權益之帳面值將予調整,以反映其於附屬公司之相對權益變動。非控股權益之調整金額與所付或所收代價之公允值之間之任何差額直接於權益中確認,並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權,則出售損益按(i)已收代價之公允值及於失去控制權當日所釐定任何保留權益之公允值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益於失去控制權當日之帳面值之差額計算。先前就已出售附屬公司於其他全面收益確認之款額,會按猶如母公司已直接出售相關資產或負債之所需相同基準入帳。自控制權失去當日起,於前附屬公司保留之任何投資及該前附屬公司所結欠或應收之任何金額,入帳列為金融資產、聯營公司、合營企業或其他(如適用)。

#### 附屬公司

附屬公司指本集團所控制實體。倘本集團承受或有權藉參與實體業務而享有可變回報,並有能力運用其對該實體之權力影響該等回報,則本集團對該實體擁有控制權。倘有事實及情況顯示,控制權之一項或多項元素出現變動,本集團將重新評估其是否對被投資公司有控制權。

於本公司財務狀況表(於該等附註呈列)內,附屬公司投資以成本減去累計減值虧損列帳。倘投資之帳面值高於其可回收金額,則投資之帳面值按個別基準削減至其可回收金額。附屬公司業績由本公司按已收及應收股息基準入帳。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Associates

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

The Group's investment in associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on an acquisition of an associate is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate. Such goodwill is included in interests in associates. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

In the Company's statement of financial position which is presented within these notes, an investment in associates and joint ventures is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of associates and joint ventures are accounted for by the Company on the basis of dividends received and receivable.

### 2.4 主要會計政策概要(續)

#### 聯營公司

聯營公司指本集團能對其行使重大影響力之實體。重大影響力指可參與被投資公司之財務及營運決策但不是控制或共同控制該等政策之權力。

本集團於聯營公司之投資根據權益會計法入帳，惟當投資或其部份被分類為持作出售除外。根據權益會計法，投資初步按成本記錄，並就本集團應佔被投資公司之資產淨值及任何有關投資之減值虧損出現收購後變動而隨後作出調整。當本集團應佔被投資公司之虧損相等於或超過其於被投資公司之權益之帳面值(包括任何實質上構成本集團於被投資公司之部份投資淨額之長期權益)，除非本集團已產生法律或推定責任或代表被投資公司付款，否則本集團不再確認其應佔之進一步虧損。

收購聯營公司產生之商譽按投資成本超出本集團應佔被收購聯營公司之可識別資產及負債公允淨值間之差額計量。有關商譽計入於聯營公司之權益。另一方面，本集團應佔其可識別資產及負債之公允淨值超出投資成本間之任何差額，即時於損益中確認為收入。

於本公司財務狀況表(於該等附註呈列)內，於聯營公司及合營企業之任何投資以成本減去減值虧損列帳。倘投資之帳面值高於可回收金額，則投資之帳面值按個別基準削減至其可收回金額。聯營公司及合營企業之業績由本公司按已收及應收股息基準入帳。



# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Construction in progress is stated at cost, which comprises the related construction and borrowing costs, if applicable, less any identified impairment loss. The cost of construction in progress will not be amortised until they are put into use and are transferred to a specific category of property, plant and equipment when the construction is completed.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold land under finance leases	Over the lease terms
Buildings	Over the shorter of the term of the lease of the land and 50 years
Leasehold improvement	Over the lease terms
Furnaces and infrastructure	25 years
Plant and machinery	8 years
Computer equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

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

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列帳。物業、廠房及設備項目之成本包括其購買價及將資產達至其擬定用途之營運狀況及地點之任何直接應佔成本。保養及維修於其產生年度在損益扣除。

在建工程按成本減任何已識別減值虧損列帳，其包括相關建築及借貸成本(如適用)。在建工程成本於工程完工後投入使用以及轉撥至特定物業、廠房及設備類別前不會予以攤銷。

在建工程以外之物業、廠房及設備之折舊乃由彼等可供使用之日期，按下列估計可使用年期及扣除彼等估計殘餘值後，以直線法提撥折舊，以撇銷成本減累計減值虧損。倘物業、廠房及設備項目各部份之可使用年期不同，則該項目之成本會合理分配並分開計算折舊：

根據融資租賃持有之租賃土地	於租期內
樓宇	土地租期與50年之較短者
租賃物業改良	於租期內
熔爐及基建	25年
廠房及機器	8年
電腦設備	5年
傢俬及裝置	5年
汽車	5年

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時終止確認。終止確認資產產生之任何損益(按該項目出售所得款項之淨額及帳面值間之差額計算)於終止確認該項目之年度計入損益內。

## 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Financial instruments

#### Financial assets

##### Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

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.

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 the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

##### Classification and measurement

###### Applicable from 1 January 2018

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) FVPL.

## 2.4 主要會計政策概要(續)

### 金融工具

#### 金融資產

##### 確認及終止確認

金融資產乃當且僅當本集團成為該等工具之合約條文一方時按交易日之基準確認。

金融資產被終止確認乃當且僅當(i)本集團於獲取金融資產未來現金流量之合約權利到期；或(ii)本集團轉讓金融資產及(a)本集團已轉讓金融資產擁有權之絕大部份風險及回報；或(b)本集團既無轉讓也不保留金融資產擁有權之絕大部份風險及回報但本集團不會保留對金融資產之控制權。

倘本集團保留轉讓金融資產擁有權之絕大部份風險及回報，則繼續確認此金融資產。

倘本集團既無轉讓也不保留轉讓資產擁有權之絕大部份風險及回報及繼續控制該資產時，則本集團會根據其持續參與程度及可能需繳付之相關負債確認該金融資產。

##### 分類及計量

###### 自二零一八年一月一日起適用

金融資產(並無重大融資組成部份之貿易應收帳款除外)初步按公允值加上(就並非按公允值計入損益列帳之金融資產而言)收購金融資產直接應佔之交易成本確認。該等貿易應收帳款初步按其交易價格計量。

於初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)強制按公允值計入其他全面收益；(iii)指定按公允值計入其他全面收益；或(iv)按公允值計入損益。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and measurement (continued)

Applicable from 1 January 2018 (continued)

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its 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 at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include cash and bank balances, trade and other receivables, deposits paid and amount due from the non-controlling shareholder.

2.4 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

分類及計量 (續)

自二零一八年一月一日起適用 (續)

初始確認時之金融資產分類取決於本集團管理金融資產之業務模式及金融資產之合約現金流特徵。除非本集團改變管理金融資產之業務模式，在此情形下，所有受影響之金融資產在業務模式發生變更後之首個年度報告期間之第一天進行重新分類，否則金融資產在初始確認後不得進行重新分類。

1) 按攤銷成本計量之金融資產

倘金融資產同時符合下列條件且未被指定為按公允值計入損益，則按攤銷成本計量：

- (i) 於一個業務模式內持有金融資產，而其持有金融資產之目的是為了收取合約現金流；及
- (ii) 其合約條款引致於指定日期之現金流僅為支付本金和未償還本金之利息。

以攤銷成本列帳之金融資產隨後採用實際利率法計量並可予減值。減值、終止確認或透過攤銷程序產生之盈虧於損益內確認。

本集團以攤銷成本列帳之金融資產包括現金及銀行結存、貿易及其他應收帳款、已付按金及應收非控股股東款項。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

#### Classification and measurement (continued)

#### Applicable from 1 January 2018 (continued)

#### 2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

The Group's financial assets mandatorily measured at FVPL include private club debenture.

### 2.4 主要會計政策概要(續)

#### 金融工具(續)

#### 金融資產(續)

#### 分類及計量(續)

#### 自二零一八年一月一日起適用(續)

#### 2) 按公允值計入損益之金融資產

該等投資包括並非按攤銷成本或按公允值計入其他全面收益計量之金融資產，其中包括持作買賣金融資產、於初始確認時指定為按公允值計入損益之金融資產、因香港財務報告準則第3號適用之業務合併中之或然代價安排而產生之金融資產及須另行按公允值計入損益計量之金融資產。該等投資按公允值列帳，而任何因此產生之收益及虧損於損益確認，不包括金融資產賺取之任何股息或利息。股息或利息收入與公允值收益或虧損分開呈列。

金融資產如屬以下各項，則分類為持作買賣：

- (i) 收購目的主要為於短期內出售；
- (ii) 屬於受集中管理之已識別金融工具組合之一部分，且有證據顯示其於初始確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約或並非指定有效對沖工具之衍生工具。

本集團強制按公允值計入損益計量之金融資產包括私人會所債券。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

#### Classification and measurement (continued)

#### Applicable before 1 January 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

The Group classified its financial assets into one of the following categories before 1 January 2018:

1) *Loans and receivables*

Loans and receivables including trade and other receivables, deposits paid, amount due from non-controlling shareholder and cash and bank balances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

2) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as a separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

### 2.4 主要會計政策概要 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 分類及計量 (續)

#### 於二零一八年一月一日之前適用

金融資產初步按其公允值確認，而倘金融資產並未按公允值計入損益，則另加收購金融資產直接應佔之交易成本。

本集團於二零一八年一月一日前將其金融資產分類為下列類別之一：

1) *貸款及應收帳款*

貸款及應收帳款(包括貿易及其他應收帳款、已付按金、應收非控股股東款項以及現金及銀行結存)為有固定或可釐訂付款，並無於活躍市場報價且並非持作買賣之非衍生金融資產。該等資產使用實際利率法按攤銷成本計量，惟倘應收帳款為免息貸款且無任何固定還款期或其貼現影響並不重大則除外。在此情況下，應收帳款按成本減減值虧損入帳。攤銷成本經考慮於到期前之期間內收購時之任何折讓或溢價計算。因終止確認、減值或於攤銷過程中產生之收益及虧損會於損益中確認。

2) *可供出售金融資產*

可供出售金融資產為指定為此類別或不予分類為任何其他金融資產類別之非衍生金融資產，其按公允值計量，而價值變動確認為權益獨立部份，直至資產被出售、收集或以其他方式處置為止，或直至資產被釐定為已減值為止，屆時，之前於其他全面收益中呈報之累計收益或虧損將重新分類至損益，列作重新分類調整。

**2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)**

**Financial liabilities**

**Recognition and derecognition**

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

**Classification and measurement**

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, accruals, other borrowings and convertible bonds. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

**Impairment of financial assets and other items under HKFRS 9**

**Applicable from 1 January 2018**

The Group recognises loss allowances for ECL on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

**2.4 主要會計政策概要(續)**

**金融負債**

**確認及終止確認**

金融負債當及僅當本集團成為工具合約條文之一方時確認。

金融負債當及僅當負債消除(即相關合約訂明之責任解除、取消或到期)時方終止確認。

**分類及計量**

金融負債初步按其公允值確認，而倘金融負債並未按公允值計入損益，則另加發行金融負債直接應佔之交易成本。

本集團之金融負債包括貿易及其他應付帳款、其他借貸及可換股債券。所有金融負債初步按其公允值確認，其後以實際利率法按攤銷成本計量，惟倘貼現之影響不重大時，金融負債則按成本入帳。

**金融資產減值及香港財務報告準則第9號項下之其他項目**

**自二零一八年一月一日起適用**

本集團就適用於根據香港財務報告準則第9號減值規定之金融資產(按攤銷成本計量)之預期信貸虧損確認虧損撥備。於各報告日期，倘金融資產之信貸風險已自初步確認起大幅增加，本集團按相等於全期預期信貸虧損之金額計量該金融資產之虧損撥備。倘金融資產之信貸風險自初步確認起並無大幅增加，則本集團按相等於十二個月預期信貸虧損之金額計量該金融資產之虧損撥備。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Impairment of financial assets and other items under HKFRS 9**

(continued)

**Measurement of ECL**

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

2.4 主要會計政策概要 (續)

**金融資產減值及香港財務報告準則第9號項下之其他項目 (續)**

**計量預期信貸虧損**

預期信貸虧損是於金融工具之預期年期對信貸虧損之概率加權估計(即所有現金短缺之現值)。

就金融資產而言，信貸虧損為根據合約應付一間實體之合約現金流量與實體預期收取之現金流量之間之差額之現值。

全期預期信貸虧損指於金融工具於預計年期內所有可能違約事件產生之預期信貸虧損，而十二個月預期信貸虧損指預計於報告日期後12個月內可能發生之金融工具違約事件產生之部分全期預期信貸虧損。

倘預期信貸虧損按集體基準計量，則金融工具按下列一項或多項共同信貸風險特徵基準歸類：

- (i) 逾期資料
- (ii) 工具性質
- (iii) 抵押品性質
- (iv) 債務人之行業
- (v) 債務人之地理位置

於各報告日期重新計量虧損撥備以反映金融工具之信貸風險及虧損自初始確認以來出現之變動。所得之虧損撥備之變動於損益中確認為減值盈虧，並對金融工具之帳面值作出相應調整。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Impairment of financial assets and other items under HKFRS 9**

(continued)

**Definition of default**

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) 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); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, 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.

**Assessment of significant increase in credit risk**

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial assets has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

2.4 主要會計政策概要(續)

**金融資產減值及香港財務報告準則第9號項下之其他項目(續)**

**違約定義**

倘金融工具符合任何一項下列標準，本集團認為以下事項構成內部信貸風險管理違約事件，此乃由於以往經驗顯示本集團可能不會悉數收取未償還之合約金額。

- (i) 內部制訂或得自外界來源之資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持之任何抵押品)；或
- (ii) 交易對手違反財務契諾。

不論上文分析為何，本集團都認為，已於金融資產逾期超過90日後發生違約，除非本集團有合理及可靠資料證明更加滯後之違約標準更為恰當，則當別論。

**評估信貸風險大幅增加**

於評估金融工具之信貸風險是否自初步確認起大幅增加時，本集團比較金融工具於報告日期出現違約之風險與該金融工具於初步確認日期出現違約之風險。作此評估時，本集團會考慮合理及有理據之定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得之前瞻性資料。

當合約付款逾期超過30日，不論以上評估結果如何，本集團假設金融資產之信貸風險自初始確認起已大幅增加。

儘管如此，本集團假定倘金融工具於報告日期被釐定為擁有低信貸風險，則金融工具之信貸風險自初步確認起並無大幅增加。



2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Impairment of financial assets and other items under HKFRS 9**

(continued)

**Low credit risk**

A financial 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.

**Simplified approach of ECL**

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Credit-impaired financial asset**

A financial asset is credit-impaired when one or more events 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 include 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.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2.4 主要會計政策概要 (續)

**金融資產減值及香港財務報告準則第9號項下之其他項目 (續)**

**低信貸風險**

倘出現下列情況，則金融工具被釐定為擁有低信貸風險：

- (i) 其擁有低違約風險；
- (ii) 借款人有強大能力於短期履行其合約現金流量責任；及
- (iii) 長遠而言經濟及業務狀況出現之不利變動可能但不一定會削弱借款人履行其合約現金流量責任之能力。

**預期信貸虧損之簡化方法**

就貿易應收帳款而言，本集團計算預期信貸虧損時應用簡化方法。本集團於各報告日期根據全期預期信貸虧損確認虧損撥備，並根據其以往信貸虧損經驗，建立撥備矩陣，並就債務人之特定前瞻性因素及經濟環境作出調整。

**信貸減值金融資產**

當發生會對金融資產估計未來現金流量造成不利影響之一項或多項事件，則該金融資產出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：

- (a) 發行人或借款人出現重大財政困難。
- (b) 違反合約（如違約或逾期事件）。
- (c) 借款人之貸款人因有關借款人出現財政困難之經濟或合約理由而向借款人批出貸款人不會另行考慮之優惠。
- (d) 借款人有可能面臨破產或其他財務重組。
- (e) 因財政困難而導致該金融資產失去活躍市場。
- (f) 以大幅折讓購買或產生一項金融資產，其反映已產生之信貸虧損。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Impairment of financial assets and other items under HKFRS 9**

(continued)

**Write-off**

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

**Applicable before 1 January 2018**

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at FVPL, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is impaired, a cumulative loss comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss in profit or loss, is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale equity instrument after recognition of impairment loss is recognised in equity.

2.4 主要會計政策概要(續)

**金融資產減值及香港財務報告準則第9號項下之其他項目(續)**

**撇銷**

當本集團並無收回全部或部分金融資產之合約現金流量之合理預期時，會撇銷金融資產。本集團根據以往收回類似資產之經驗設有撇銷總帳面值之政策。本集團預期並無金額之重大收回遭撇銷。然而，經考慮法律意見後(倘適當)，遭撇銷之金融資產仍須根據本集團收回到期款項之程序進行強制執行活動。任何其後收回於損益中確認。

**於二零一八年一月一日前適用**

本集團於各報告期末評估有否客觀證據顯示金融資產(按公允值計入損益之金融資產除外)出現減值。按攤銷成本列帳之金融資產之減值虧損，乃按資產帳面值與按金融資產原實際利率貼現之估計未來現金流現值兩者間之差額計量。倘資產之可收回金額增幅可客觀地與於確認減值後所發生之事件相關連，則減值虧損會於其後期間於損益中撥回，惟須受減值撥回當日之資產帳面值不得超過未有確認減值之攤銷成本之限制規限。

倘一項可供出售金融資產出現減值，則包括其收購成本(扣除任何本金還款及攤銷)與其現行公允值之差額在內之累計虧損，經扣減以往於損益中確認之任何減值虧損後，會由權益重新分類至損益中並按重新分類調整列帳。就可供出售權益工具於損益確認之減值虧損不會透過損益撥回。可供出售權益工具之公允值於確認減值虧損後之任何其後增加於權益中確認。

**2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)**

**Convertible bond**

The component of the convertible bond that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs.

On the issue of the convertible bond, the fair value of the liability component is determined using a market rate for a similar bond that does not have a conversion option; and this amount is carried as a current liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible bond equity reserve is transferred to share capital or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible bond equity reserve is transferred to accumulated profits/losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of proceeds.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

**2.4 主要會計政策概要 (續)**

**可換股債券**

可換股債券中具有負債特性之部分已於扣除發行成本後在財務狀況表內確認為負債。

當發行可換股債券時，負債部分之公允值乃以無兌換權之類似債券之市場比率計算，而該金額則按攤銷成本列作流動負債，直至於兌換或贖回時消除為止。

所得款項餘額於扣除發行成本後分配至在股東權益內確認及計入之兌換權。於權益內列帳之兌換權價值在其後年度不會變動。當行使兌換權時，可換股債券權益儲備之結餘會轉撥至股本或其他適當儲備。當兌換權於到期日仍未行使時，可換股債券權益儲備內之餘額會轉撥至累計溢利／虧損。概不會於兌換或兌換權到期時在損益內確認盈虧。

發行成本於工具首次確認時根據所得款項於負債及權益部分之間之分配，在可換股債券負債及權益部分之間分配。有關發行可換股債券之交易成本按所得款項分配之比例分配至負債及權益部分。

**存貨**

存貨乃按成本及可變現淨值兩者之較低者列帳。成本按加權平均基準釐定。倘屬在製品及製成品，成本則包括直接物料費用、直接勞工及適當比例之間接生產成本。可變現淨值按估計售價減完成及出售將產生之任何估計成本計算。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Revenue recognition

##### Applicable from 1 January 2018

Revenue from contracts with customers within HKFRS 15

##### Nature of goods or services

The Group engaged in the manufacture and sale of medium coal, coke and by products, sales of electricity and heat and transportation service.

##### Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

### 2.4 主要會計政策概要(續)

#### 現金等價物

就綜合現金流量表而言，現金等價物指可隨時兌換為已知現金金額並承受極小價值變動風險之短期高流通性投資。

#### 收入確認

##### 自二零一八年一月一日起適用

香港財務報告準則第15號範圍內之客戶合約收入

##### 貨物或服務之性質

本集團從事生產及銷售中煤、焦炭及副產品、銷售電及熱以及運輸服務。

##### 識別履約義務

於合約初始時，本集團評估與客戶訂立之合約內承諾之貨物或服務，並識別向客戶轉讓以下貨物或服務之每項承諾為履約義務：

- (a) 明確貨物或服務（或一組貨物或服務）；或
- (b) 一系列大致相同及具有相同向客戶轉讓模式的明確貨物或服務。

倘達致以下兩項標準，則向客戶承諾之貨物或服務屬明確：

- (a) 客戶可單獨或與客戶隨時可獲得之其他資源（即貨物或服務可區分）一起從貨物或服務中受益；及
- (b) 本集團向客戶轉讓貨物或服務之承諾可與合約中之其他承諾分開識別（即轉讓貨物或服務之承諾在合約範圍內屬明確）。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Applicable from 1 January 2018 (continued)

Revenue from contracts with customers within HKFRS 15 (continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) 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.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of medium coal, coke and by-products are recognised at a point of time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Sale of electricity and heat are recognised at a point of time when they are consumed by the customers.

2.4 主要會計政策概要 (續)

收入確認 (續)

自二零一八年一月一日起適用 (續)

香港財務報告準則第15號範圍內之客戶合約收入 (續)

收入確認之時間

當(或於)本集團透過向客戶轉讓承諾貨物或服務(即資產)而達致履約義務時確認收入。資產乃當(或於)客戶取得其控制權時轉讓。

本集團於一段時間轉讓貨物或服務之控制權，而倘滿足以下其中一項標準，則達致履約義務及於一段時間確認收入：

- (a) 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；
- (b) 本集團之履約創建或強化一資產(例如在建工程)，該資產於創建或強化之時即由客戶控制；或
- (c) 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執行之權利。

倘本集團並非於一段時間內達致履約義務，則當客戶取得承諾資產之控制權時於某一時點達致履約義務。於釐定何時發生控制權轉移時，本集團會考慮控制權之概念以及諸如合法所有權、實際擁有權、支付權利、資產所有權之重大風險和回報以及客戶接受度等指標。

銷售中煤、焦炭及副產品乃於客戶取得承諾資產之控制權之時間點確認，一般與貨物向客戶交付及所有權轉交之時間相符。

銷售電及熱乃於客戶消耗電及熱之時間點確認。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

##### Applicable from 1 January 2018 (continued)

Revenue from contracts with customers within HKFRS 15 (continued)

##### Timing of revenue recognition (continued)

Service income of transportation services is recognised at a point of time when the goods transferred are received by customers.

##### Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

##### Applicable before 1 January 2018

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

- (a) the sales of medium coal, coke and by-products, when the significant risks and rewards of ownership have been transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) the sales of electricity and heat, when the electricity and heat are consumed by the customers;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) transportation services are recognised when the services are rendered.

### 2.4 主要會計政策概要(續)

#### 收入確認(續)

##### 自二零一八年一月一日起適用(續)

香港財務報告準則第15號範圍內之客戶合約收入(續)

##### 收入確認之時間(續)

運輸服務之服務收入於客戶收到轉讓貨物時某一時間點確認。

##### 利息收入

金融資產之利息收入採用實際利率法確認。就按攤銷成本計量且並無信貸減值之金融資產而言，實際利率用於計算資產之總帳面值，而就信貸減值金融資產而言，則用於計算攤銷成本(即扣除虧損撥備後之總帳面值)。

##### 於二零一八年一月一日之前適用

倘本集團可能獲得經濟利益，而收入及成本(倘適用)能可靠地計量，則收入乃按下列基準確認：

- (a) 銷售中煤、焦炭及副產品乃於擁有權之絕大部分風險及回報已轉讓予買方時確認，惟本集團須不參與管理(通常與擁有權有關)，亦無擁有已售貨品之實際控制權；
- (b) 銷售電及熱乃於客戶消耗電及熱時確認；
- (c) 利息收入乃按應計基準於金融工具之預期年期或適用之較短期間，應用準確貼現估計未來現金收入至金融資產帳面淨值之利率以實際利率法確認；及
- (d) 運輸服務乃於提供服務時確認。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Share-based payments**

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 28 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

**股份付款**

本公司實施一項購股期權計劃，旨在為對本集團業務成功作出貢獻之合資格參與者提供獎勵及回報。本集團之僱員(包括董事)以股份付款之方式收取報酬，而僱員則提供服務作為股本工具之代價(「股權結算交易」)。

就於二零零二年十一月七日後之授出而與僱員進行之股權結算交易之成本，乃參考授出日期之公允值計量。公允值乃根據外部估值師採用二項模式釐定，進一步詳情載於綜合財務報表附註28。

股權結算交易之成本連同股權之相應增加，乃於以僱員福利開支履行表現及／或服務條件期內確認。直至歸屬日期前，於各報告期末就股權結算交易確認之累計開支，反映歸屬期已到期部分及本集團對最終將會歸屬之股本工具數目之最佳估計。於某期間扣除自或計入損益之金額，代表於期初及期終確認之累計開支之變動。

釐定獎勵之授出日公允值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允值。附帶於獎勵中但並無相關服務要求之其他任何條件皆視為非歸屬條件。反映非歸屬條件之獎勵公允值若當中不包含服務及／或表現條件乃即時予以支銷。

## 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of Hong Kong dollars, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## 2.4 主要會計政策概要(續)

### 股份付款(續)

因未能達至非市場表現及／或服務條件，而導致最終並無歸屬之獎勵並不會確認支銷，惟包括一項市場或非歸屬條件之獎勵無論市場或非歸屬條件是否達成，其均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

倘股權結算獎勵之條款有所變更而獎勵之原有條款已達成，則最少須確認猶如條款並無變更之開支。此外，倘按變更日期之計量，任何變更導致股份付款之總公允值有所增加，或對僱員有利，則會就該等變更確認開支。

倘股權結算獎勵被註銷，會被視為已於註銷日期歸屬，而任何尚未就獎勵確認之開支，均會即時確認。此包括本集團或僱員控制範圍內之非歸屬條件未達成之任何獎勵。然而，倘授出新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷及新獎勵，均會如前段所述被視為原有獎勵之變更。

計算每股盈利時，尚未行使購股期權之攤薄影響乃反映為額外股份攤薄。

### 外幣換算

本集團各實體之財務報表所列項目，乃按該實體經營所在之主要經濟環境貨幣（「功能貨幣」）計量。綜合財務報表以港元呈報，港元亦為本公司之功能貨幣。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，會於損益中確認。



2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

The results and financial position of all the group entities that have a functional currency different from the presentation currency (the “foreign operations”) are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group’s entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.
- On the partial disposal of the Group’s interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.
- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

2.4 主要會計政策概要 (續)

外幣換算 (續)

功能貨幣如有別於呈報貨幣之所有集團實體 (「海外業務」) 之業績及財務狀況乃按下列各項換算為呈報貨幣：

- 於各財務狀況表呈列之資產與負債按報告期末之收市匯率換算。
- 各損益及其他全面收益表之收入與開支按平均匯率換算。
- 所有從上述換算產生之匯兌差異及組成本集團海外業務投資淨額一部分之貨幣項目所產生之匯兌差異，乃確認為權益中之獨立部分。
- 於出售海外業務 (包括出售本集團於海外業務之全部權益、涉及失去對一間附屬公司 (包括海外業務) 之控制權之出售或部分出售於合營安排或聯營公司之權益 (包括其保留權益不再入帳列為股權之海外業務) 時，有關於其他全面收益確認且於權益中獨立部分累計之海外業務之匯兌差額之累計款項，於出售盈虧獲確認時自權益重新分類至損益。
- 於部分出售本集團於一間包括有海外業務之附屬公司之權益 (但本集團並無因此失去對該附屬公司之控制權) 時，於權益之獨立部分中確認之累計匯兌差額之比例份額會由該海外業務之非控股權益重新分佔且不會重新分類至損益。
- 於所有其他部分出售 (包括對聯營公司或合營企業之部分出售，而該出售不會導致本集團失去重大影響或共同控制權) 時，於權益之獨立部分中確認之累計匯兌差額之比例份額會重新分類至損益。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and interest in an associate, may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

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 cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

#### Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

#### 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.

#### As lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the terms of the relevant lease.

Lease incentives are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

### 2.4 主要會計政策概要(續)

#### 其他資產之減值

於各報告期末，本集團審閱內部及外界資訊來源，評估是否有任何跡象顯示其物業、廠房及設備及於一間聯營公司之權益可能已減值或以往確認之減值虧損是否不再存在或可能減少。倘存在任何該等跡象，則資產之可收回款額乃根據其公允值減出售成本及使用價值兩者中之較高者估計。倘未能估計個別資產之可收回款額，本集團則估計可獨立賺取現金流量之最小組別資產(即現金產生單位)之可收回款額。

倘資產或現金產生單位之估計可收回款額少於其帳面值，則將該資產或現金產生單位之帳面值撇減至其可收回款額。減值虧損乃即時確認為支出。

撥回減值虧損以該資產或現金產生單位按過往年度並無確認減值虧損而釐定之帳面值為限。撥回減值虧損乃即時於損益內確認為收入。

#### 借貸成本

所有借貸成本均於產生期間確認為開支。

#### 租賃

當租賃之條款將擁有權之絕大部分風險及回報轉移予承租人時，租賃分類為融資租賃。所有其他租賃則分類為經營租賃。

#### 作為承租人

經營租賃下之應付租金將於相關租期內以直線法自損益扣除。

租賃激勵於損益中確認為協定用於租賃資產之淨代價之組成部分。或然租金於其產生之會計期間確認為開支。

2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

**Employee benefits**

**Short term employee benefits**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

**Defined contribution plans**

The obligations for contribution to Mandatory Provident Fund Scheme in Hong Kong are recognised in profit or loss as incurred. The assets of the Scheme held separately from those of the Group in an independent administrated fund.

Contributions to the state-managed retirement benefit schemes in the PRC, which are calculated on certain percentages of the applicable payroll costs, are charged as expense when employees have rendered services entitling them to the contributions.

**Taxation**

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

2.4 主要會計政策概要(續)

**僱員福利**

**短期僱員福利**

薪金、年度花紅、帶薪年假、定額供款退休計劃之供款及非貨幣福利成本乃於僱員提供相關服務之年度累計。

**界定供款計劃**

向香港強制性公積金計劃之供款責任於產生時在損益確認。計劃之資產於獨立管理基金內與本集團之資產分開持有。

於中國均就該國家管理退休福利計劃按適用工資成本之若干百分比計算供款，並於僱員提供服務及有權享有該筆供款時作為開支扣除。

**稅項**

即期所得稅支出乃按本年度之業績就毋須課稅或不獲扣減之項目調整後，以於報告期末已實施或大致上實施之稅率計算。

遞延稅項乃使用負債法，就資產及負債之稅基與彼等於綜合財務報表之帳面值兩者間於報告期末之所有暫時差異計提撥備。然而，初步確認商譽或於交易中(業務合併除外)之其他資產或負債而產生之任何遞延稅項於交易時既不影響會計溢利亦不影響應課稅溢利或虧損，則該遞延稅項不會確認。

遞延稅項負債及資產乃根據於報告期末已實施或大致上實施之稅率及稅法，以預期資產收回或負債結清之期間適用之稅率計算。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

#### Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

### 2.4 主要會計政策概要(續)

#### 稅項(續)

倘遞延稅項資產甚有可能會有日後應課稅溢利可供與扣減暫時差異、稅項虧損及抵免互相抵銷，則予以確認。

遞延稅項乃就因投資附屬公司及聯營公司所產生之暫時差額計提撥備，惟本集團能控制該暫時差額之撥回時間及該暫時差額在可見將來可能不會撥回則除外。

#### 政府補助金

政府補助金乃在可合理確定將取得該補助金並將可符合所有附帶條件時按其公允值確認。倘補助金涉及開支項目，則按相關年度確認為收入，以按系統基準將補助金與擬補償之相關成本抵銷。倘補助金與資產有關，則公允值計入遞延收入帳，並於有關資產之預期可使用年期按每年等額分期款項撥入損益。

#### 關連人士

關連人士為與本集團有關之人士或實體。

- (a) 倘一名人士屬下列情況，則該名人士家族之人士或直系親屬與本集團有關連：
  - (i) 對本集團擁有控制權或共同控制權；
  - (ii) 對本集團擁有重大影響力；或
  - (iii) 為本集團之主要管理層成員。
- (b) 倘任何以下條件適用，則一個實體與本集團有關連：
  - (i) 該實體及本集團為同一集團之成員公司(即各控股公司、附屬公司或同系附屬公司互為關連)。
  - (ii) 一實體為另一實體之聯營公司或合營企業(或另一實體屬成員公司之集團成員公司之聯營公司或合營企業)。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Related parties (continued)

(b) (continued)

- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

### 2.4 主要會計政策概要 (續)

#### 關連人士 (續)

(b) (續)

- (iii) 兩間實體均為同一第三方之合營企業。
- (iv) 一實體為一第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (v) 該實體為本集團或與本集團有關連之實體之僱員利益而設之離職後福利計劃。倘本集團本身便是該計劃，提供資助之僱主亦與本集團有關連。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) (a)(i)所識別之人士對該實體有重大影響力，或為該實體(或該實體之控股公司)之主要管理人員。
- (viii) 該實體或其所屬之集團任何成員公司提供主要管理人員服務予本集團。

該名人士之直系親屬成員是指有關人士在與實體交易時，預期可影響或受該人士影響之親屬成員並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 依賴該名人士或該名人士之配偶或家庭夥伴之人士。

於關連人士之定義中，聯營公司包括該聯營公司之附屬公司，而合營企業包括該合營企業之附屬公司。

# 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

### 2.4 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2.5 FUTURE CHANGES IN HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Annual Improvements to HKFRSs	2015–2017 Cycle <sup>1</sup>
HKFRS 16	Leases <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKAS 19	Employee benefits <sup>1</sup>
Amendments to HKAS 28	Investments in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKASs 1 and 8	Definition of Material <sup>2</sup>
Amendments to HKFRS 3	Definition of a Business <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>3</sup> Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>4</sup> The effective date to be determined

### 2.4 主要會計政策概要(續)

#### 分類報告

綜合財務報表內所呈報之經營分類及各分類項目之金額，與定期就本集團各項業務及地域之資源分配及表現評估而向本集團主要經營決策者提供之財務資料一致。

就財務報告而言，個別重大之經營分類不會彙集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務之方法以及監管環境性質方面類似之分類除外。個別不重大之經營分類倘具備大部分該等特質，亦可以彙集計算。

### 2.5 香港財務報告準則之未來變動

於綜合財務報表獲批准日期，香港會計師公會已頒佈下列與本集團有關及於本年度尚未生效且本集團並無提前採用之新訂／經修訂香港財務報告準則。

香港財務報告準則之年度改進	二零一五年至二零一七年週期 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>1</sup>
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 <sup>1</sup>
香港會計準則第19號之修訂	僱員福利 <sup>1</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業之投資 <sup>1</sup>
香港財務報告準則第9號之修訂	負補償之預付特點 <sup>1</sup>
香港會計準則第1號及第8號之修訂	重大之定義 <sup>2</sup>
香港財務報告準則第3號之修訂	業務之定義 <sup>3</sup>
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資產出售或注資 <sup>4</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零二零年一月一日或之後開始之年度期間生效

<sup>3</sup> 對於二零二零年一月一日或之後開始之首個年度期間或之後進行之收購生效

<sup>4</sup> 待釐定之生效日期

## 2.5 FUTURE CHANGES IN HKFRSs (continued)

The Directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs. So far, the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial information for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

### HKFRS 16 Leases

HKFRS 16, which will be effective for annual periods beginning on or after 1 January 2019, significantly changes, among others, the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise right-of-use and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, HKFRS 16 substantially carry forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

The initial application of HKFRS 16 will result in recognition of right-of-use assets and lease liabilities for certain leases of the Company that are currently classified as operating leases under HKAS 17. Subsequently, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively. The total amount charged to profit or loss for each reporting period is not expected to be significantly different from the operating lease expense recognised under HKAS 17.

## 2.5 香港財務報告準則之未來變動(續)

本公司董事現正評估日後採納該等新訂／經修訂香港財務報告準則之可能影響。迄今本集團已識別新訂準則之若干方面可能對綜合財務報表構成重大影響。儘管對香港財務報告準則第16號之評估已大致完成，但由於迄今完成之評估乃基於本集團當前可得資料及在準則首次應用於本集團截至二零一九年六月三十日止六個月之中期財務資料前或會進一步識別影響，故初步採納準則後之實際影響或會有所不同。本集團亦可能改變其會計政策選擇(包括過渡方案)，直至該等準則首次應用於該財務報告。

### 香港財務報告準則第16號租賃

香港財務報告準則第16號(將於二零一九年一月一日或之後開始之年度期間生效)大幅變更(其中包括)對承租人會計處理方式，以單一模式取代香港會計準則第17號項下之雙重模式，規定除相關資產價值極低外，承租人須就因租期逾12個月之所有租賃而產生之權利及責任確認使用權及租賃負債。就出租人之會計處理方式而言，香港財務報告準則第16號主要延續香港會計準則第17號中出租人之會計處理方式規定。因此，出租人繼續分類其租賃為經營租賃或融資租賃，並為該兩類租賃作出不同會計處理方式。香港財務報告準則第16號亦規定承租人及出租人須提供更詳盡披露。

首次應用香港財務報告準則第16號將導致就根據香港會計準則第17號現時分類為經營租賃之本公司若干租賃確認使用權資產及租賃負債。其後，將分別就使用權資產及租賃負債確認折舊(及減值虧損，如適用)及利息。於各報告期間，自損益扣除之總金額預期不會與根據香港會計準則第17號確認之經營租賃開支有重大不同。

# 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Deferred tax liabilities

At the end of the reporting period, deferred tax liabilities of approximately HK\$11,253,000 (2017: approximately HK\$106,000) were provided for, in relation to the withholding tax on the distribution of retained profits of the PRC subsidiary to be remitted out of the PRC in foreseeable future. Further details are set out in note 26 to the consolidated financial statements.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

### 3. 關鍵會計估計及判斷

編製本集團之財務報表要求管理層作出可影響收入、開支、資產及負債及其相關披露事項以及或然負債披露事項之呈報金額之判斷、估計及假設。

此等假設及估計之不確定因素可能導致需要對日後受影響之資產或負債之帳面值作出重大調整之後果。

#### 判斷

於應用本集團之會計政策時，除涉及對財務報表已確認金額構成最大影響之估計外，管理層已作出以下判斷：

#### 遞延稅項負債

於報告期末，本集團就於可見將來將匯出中國之中國附屬公司之保留溢利分派之預扣稅作出遞延稅項負債約11,253,000港元（二零一七年：約106,000港元）撥備。進一步詳情載於綜合財務報表附註26。

#### 估計之不確定性

於報告期末就未來及其他估計不確定性之主要來源所作之主要假設，很大機會引致須於下一個財政年度就資產及負債帳面值作出重大調整者載述如下。



### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

#### Estimation uncertainty (continued)

##### Impairment of property, plant and equipment

The Group determines whether property, plant and equipment are impaired or the impairment no longer exists and this requires an estimation of the value in use of the cash-generating units to which these assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose suitable discount rates in order to calculate the present value of those cash flows. Any change in the business environment may lead to the change in expected future cash flows. The carrying amount of property, plant and equipment as at 31 December 2018 was HK\$570,644,000 (2017: HK\$495,154,000). Further details are set out in notes 12 and 14 to the consolidated financial statements.

##### Depreciation

The Group depreciates its property, plant and equipment over their estimated useful lives, commencing from the date the property, plant and equipment are ready for their intended use. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the property, plant and equipment. The depreciation will be changed when the useful life is expected to be different from the estimate and would affect profit or loss for the period in which such change of estimate takes place.

##### Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade receivables, amount due from non-controlling shareholder and deposits and other receivables, by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, recoverable amount of collateral, past collection history of debtors, concentration risk of debtors, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 39 to the consolidated financial statements.

### 3. 關鍵會計估計及判斷 (續)

#### 估計之不確定性 (續)

##### 物業、廠房及設備減值

本集團釐定物業、廠房及設備是否出現減值或減值是否已消失，就此需要估計獲分配該等資產之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位之預期未來現金流量，並須選擇適合之貼現率以計算該等現金流量之現值。任何業務環境之變動均可導致預期未來現金流量出現變動。於二零一八年十二月三十一日，物業、廠房及設備之帳面值為570,644,000港元(二零一七年：495,154,000港元)。進一步詳情載於綜合財務報表附註12及14。

##### 折舊

本集團由物業、廠房及設備可作擬定用途當日開始按物業、廠房及設備之估計可使用年期計算折舊。估計可使用年期反映管理層對本集團擬自使用物業、廠房及設備中得到未來經濟利益的估計使用期限。倘可使用年期預期與估計有所不同，折舊將會改變，並可能會對估計變動發生期間之損益造成影響。

##### 預期信貸虧損之虧損撥備

本集團管理層採用若干輸入數據及假設(包括違約風險及預期虧損率)估計以攤銷成本列帳之金融資產之虧損撥備(包括貿易應收帳款、應收非控股股東款項及按金及其他應收帳款)。估計涉及較高之不確定性，其乃基於各報告期末本集團之過往資料、抵押品之可收回金額、債務人之過往收款記錄、債務人之集中風險、本集團之實際虧損經驗、現行市況及前瞻性估計。倘預期與原本估計有差異，有關差異將影響以攤銷成本列帳之金融資產之帳面值。估計預期信貸虧損時採用之主要假設及輸入數據詳情載於綜合財務報表附註39。

# 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. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the coke trading segment – purchases and sales of coke and coal;
- (b) the coal-related ancillary segment – washing of raw coal into refined coal for sale and for further processing, and sale of electricity and heat which are generated as the by-products during the washing of raw coal; and
- (c) the coke production segment – processing of refined coal into coke for sales, and sale of coke by-products that are generated during coke production.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income and sundry income, corporate and administrative expenses, unallocated other operating income, unallocated finance costs and income tax (expense)/credit are excluded from such measurement.

Segment assets exclude cash and bank balances, financial assets at fair value through profit or loss, tax recoverable, deferred tax assets, interest in an associate and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings and convertible bonds for corporate use, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted at cost plus a certain percentage of mark-up.

### 4. 經營分類資料

就管理目的而言，本集團根據產品及服務組織業務單位，而可呈報經營分類如下：

- (a) 焦炭貿易分類－買賣焦炭及煤炭；
- (b) 煤炭相關附屬分類－洗原煤以產生作銷售用途及進一步加工之精煤，以及銷售電及熱（與洗原煤過程所產生之副產品一同產生）；及
- (c) 焦炭生產分類－加工精煤以產生作銷售用途之焦炭，以及銷售焦炭生產過程產生之焦炭副產品。

管理層獨立監察本集團經營分類之業績，以作出有關資源分配及表現評估之決策。分類表現乃根據可呈報分類溢利／（虧損）（其為經調整除稅前溢利／（虧損）之計量基準）予以評估。經調整除稅前溢利／（虧損）乃貫徹以本集團之除稅前溢利／（虧損）計量，惟利息收入及雜項收入、公司及管理費用、未分配其他經營收入、未分配財務費用及所得稅（開支）／抵免不計入於該計量內。

分類資產不包括現金及銀行結存、按公允值計入損益之金融資產、可收回稅項、遞延稅項資產、於一間聯營公司之權益以及其他未分配總辦事處及公司資產，此乃由於此等資產乃按集團基準管理。

分類負債不包括公司用途之其他借貸及可換股債券、遞延稅項負債以及其他未分配總辦事處及公司負債，此乃由於此等負債乃按集團基準管理。

分類間銷售及轉讓乃參考按成本加若干百分比之加成進行交易。

# 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. OPERATING SEGMENT INFORMATION (continued)

#### Segment revenue and results

For the year ended 31 December 2018

### 4. 經營分類資料(續)

#### 分類收入及業績

截至二零一八年十二月三十一日止年度

		Coke Trading	Coal-related Ancillary	Coke Production	Eliminations	Total
		焦炭貿易	煤炭相關 附屬分類	焦炭生產	對銷	總計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元
Segment revenue	分類收入					
– external sales	– 對外銷售	35,884	91,119	1,351,046	–	1,478,049
– intersegment sales	– 分類間銷售	–	189,753	–	(189,753)	–
Other income	其他收入	–	41,316	–	–	41,316
<b>Total</b>	<b>總計</b>	<b>35,884</b>	<b>322,188</b>	<b>1,351,046</b>	<b>(189,753)</b>	<b>1,519,365</b>
Segment results	分類業績	315	(232,904)	504,755	(854)	271,312
Interest income and sundry income	利息收入及雜項收入					3,637
Corporate administrative expenses	公司管理費用					(103,301)
Unallocated other operating income	未分配其他經營收入					6,484
Unallocated finance costs	未分配財務費用					(2,200)
Profit before tax	除稅前溢利					175,932
Income tax expense	所得稅開支					(29,951)
Profit for the year	本年度溢利					145,981

The revenue of coal-ancillary segment includes revenue from transportation service of HK\$9,042,000 (2017: HK\$7,233,000), sales of electricity and heat of HK\$71,508,000 (2017: HK\$73,441,000) and sales of by-products of HK\$10,569,000 (2017: HK\$28,945,000).

煤炭相關附屬分類收入包括運輸服務收入 9,042,000 港元 (二零一七年: 7,233,000 港元)、銷售電及熱收入 71,508,000 港元 (二零一七年: 73,441,000 港元) 及銷售副產品收入 10,569,000 港元 (二零一七年: 28,945,000 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. OPERATING SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

For the year ended 31 December 2017

### 4. 經營分類資料 (續)

#### 分類收入及業績 (續)

截至二零一七年十二月三十一日止年度

		Coke Trading 焦炭貿易 HK\$'000 千港元	Coal-related Ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分類收入					
– external sales	– 對外銷售	32,130	109,619	1,189,042	–	1,330,791
– intersegment sales	– 分類間銷售	–	285,959	–	(285,959)	–
Other income	其他收入	–	36,749	–	–	36,749
<b>Total</b>	<b>總計</b>	<b>32,130</b>	<b>432,327</b>	<b>1,189,042</b>	<b>(285,959)</b>	<b>1,367,540</b>
Segment results	分類業績	1,466	33,935	171,015	(1,287)	205,129
Interest income and sundry income	利息收入及雜項收入					8,670
Corporate administrative expenses	公司管理費用					(83,804)
Unallocated other operating income	未分配其他經營收入					4,679
Unallocated finance costs	未分配財務費用					(8,015)
Profit before tax	除稅前溢利					126,659
Income tax credit	所得稅抵免					5,254
Profit for the year	本年度溢利					131,913

# 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. OPERATING SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

At 31 December 2018

		Coke Trading 焦炭貿易 HK\$'000 千港元	Coal-related Ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
SEGMENT ASSETS	分類資產				
Segment assets	分類資產	755	260,471	793,263	1,054,489
Corporate and unallocated assets	公司及未分配資產				456,629
Consolidated assets	綜合資產				1,511,118
SEGMENT LIABILITIES	分類負債				
Segment liabilities	分類負債	4,302	402,208	352,505	759,015
Corporate and unallocated liabilities	公司及未分配負債				190,615
Consolidated liabilities	綜合負債				949,630

At 31 December 2017

於二零一七年十二月三十一日

		Coke Trading 焦炭貿易 HK\$'000 千港元	Coal-related Ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
SEGMENT ASSETS	分類資產				
Segment assets	分類資產	3,223	513,293	303,608	820,124
Corporate and unallocated assets	公司及未分配資產				296,410
Consolidated assets	綜合資產				1,116,534
SEGMENT LIABILITIES	分類負債				
Segment liabilities	分類負債	2,535	268,746	303,361	574,642
Corporate and unallocated liabilities	公司及未分配負債				125,923
Consolidated liabilities	綜合負債				700,565

# 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. OPERATING SEGMENT INFORMATION (continued)

#### Other Segment Information

For the year ended 31 December 2018

### 4. 經營分類資料 (續)

#### 其他分類資料

截至二零一八年十二月三十一日止年度

		Coke Trading	Coal-related Ancillary	Coke Production	Total
		焦炭貿易	煤炭相關 附屬分類	焦炭生產	總計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Additions of property, plant and equipment	添置物業、廠房及設備	-	10,612	29,644	40,256
Unallocated	未分配				7,111
					<b>47,367</b>
Depreciation	折舊	-	6,605	29,765	36,370
Unallocated	未分配				5,916
					<b>42,286</b>
Unallocated interest expenses on discounted bills, other borrowings and convertible bonds	未分配貼現票據、其他借貸及可換股債券之利息開支				2,200
Provision/(reversal) of loss allowance of trade receivables, net	貿易應收帳款虧損撥備/(撥回)，淨額	-	3,799	(3,645)	154
Provision/(reversal) of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥備/(撥回)	-	268,943	(367,996)	(99,053)

# 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. OPERATING SEGMENT INFORMATION (continued)

#### Other Segment Information (continued)

For the year ended 31 December 2017

### 4. 經營分類資料 (續)

#### 其他分類資料 (續)

截至二零一七年十二月三十一日止年度

		Coke Trading 焦炭貿易 HK\$'000 千港元	Coal-related Ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Additions of property, plant and equipment	添置物業、廠房及設備	-	16,289	1,780	18,069
Unallocated	未分配				3,388
					<u>21,457</u>
Depreciation	折舊	-	39,820	188	40,008
Unallocated	未分配				6,456
					<u>46,464</u>
Unallocated interest expenses on discounted bills, other borrowings and convertible bonds	未分配貼現票據、其他借貸及可換股債券之利息開支				<u>8,015</u>
Provision/(reversal) of loss allowance of trade receivables, net	貿易應收帳款虧損撥備/(撥回)，淨額	-	(912)	1,323	<u>411</u>
Reversal of loss allowance of prepayments, net	預付款項虧損撥備撥回，淨額	-	(1,098)	(5,901)	(6,999)
Unallocated	未分配				887
					<u>(6,112)</u>
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回	-	-	(84,977)	<u>(84,977)</u>

# 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. OPERATING SEGMENT INFORMATION (continued)

#### Geographical Information

##### (a) Revenue from external customers

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations during the years ended 31 December 2018 and 2017. Therefore, no analysis by geographical region is presented.

The revenue information is based on the locations of the customers.

##### (b) Non-Current Assets

The non-current asset information is based on the locations of the assets and excludes interest in an associate, financial instruments and deferred tax assets.

#### Information about major customers

Revenues from external customers individually contributing 10% or more of the total revenue from the Group are as follows:

Coke Production Segment:	焦炭生產分類：
Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D

\* This customer did not individually contribute 10% or more of the total revenue from Group in 2018 or 2017.

### 4. 經營分類資料 (續)

#### 地區資料

##### (a) 來自外部客戶之收益

截至二零一八年及二零一七年十二月三十一日止年度，本集團之收入、開支、業績、資產及負債，以及資本開支絕大部分來自單一地區，即中國（本集團主要業務及營運地點）。因此，並無呈報地區分析。

收入資料乃根據客戶所在地劃分。

##### (b) 非流動資產

有關非流動資產資料乃根據資產所在地區劃分，且不包括於一間聯營公司之權益、金融工具及遞延稅項資產。

#### 有關主要客戶之資料

來自外部客戶之收入個別貢獻本集團總收入之10%或以上的情況如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	3,764	2,563
The PRC	566,880	494,362
	<b>570,644</b>	<b>496,925</b>

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	327,365	—*
Customer B	190,857	—
Customer C	184,444	—*
Customer D	—*	683,271
	<b>702,666</b>	<b>683,271</b>

\* 該客戶於二零一八年及二零一七年並無個別貢獻本集團總收入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

### 5. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue and other income and gains 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
<b>Revenue from contracts with customers within HKFRS 15</b>	香港財務報告準則第15號範圍內之客戶合約收入		
Transportation service	運輸服務	9,042	7,233
Sales of electricity and heat	銷售電及熱	71,508	73,441
Sales of medium coal, coke and by-products	銷售中煤、焦炭及副產品	1,397,499	1,250,117
		<b>1,478,049</b>	1,330,791
<b>Other income and gains, net</b>	其他收入及收益，淨額		
Interest income from bank deposits, calculated using effective interest method	銀行存款之利息收入，採用實際利率法計算	22	21
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	-	658
Gain on debt restructuring	債務重組之收益	-	8,801
Loss arising from amendment to convertible bonds	修訂可換股債券所產生之虧損	-	(188)
Government grant*	政府補助金*	41,316	36,085
Sundry income	雜項收入	3,615	42
		<b>44,953</b>	45,419

\* Government grant have been received for supplying heat in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time.

The amount of revenue recognised for the year ended 31 December 2018 that was included in the contract liabilities at the beginning of the year is approximately HK\$170,341,000.

### 5. 收入及其他收入及收益

收入指年內已售出貨物之淨發票價值扣除退貨撥備及貿易折扣和提供服務之價值。

收入及其他收入及收益之分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Revenue from contracts with customers within HKFRS 15</b>		
Transportation service	9,042	7,233
Sales of electricity and heat	71,508	73,441
Sales of medium coal, coke and by-products	1,397,499	1,250,117
	<b>1,478,049</b>	1,330,791
<b>Other income and gains, net</b>		
Interest income from bank deposits, calculated using effective interest method	22	21
Gain on disposal of items of property, plant and equipment	-	658
Gain on debt restructuring	-	8,801
Loss arising from amendment to convertible bonds	-	(188)
Government grant*	41,316	36,085
Sundry income	3,615	42
	<b>44,953</b>	45,419

\* 已就於中國供應熱收取政府補助金。概無有關該等資助之未達成條件或或然事項。

香港財務報告準則第15號範圍內之客戶合約收入乃按固定價格計算並於某個時間點確認。

年初之合約負債金額中，約170,341,000港元於二零一八年十二月三十一日止年度確認為收入。

# 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

### 6. FINANCE COSTS

An analysis of finance costs 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
Interest on discounted bills	貼現票據利息	101	2,129
Interest expenses on other borrowings	償還之其他借貸利息開支	-	44
Interest expenses on convertible bonds	償還之可換股債券利息開支	2,099	5,842
		<b>2,200</b>	<b>8,015</b>

### 6. 財務費用

財務費用分析如下：

### 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of inventories sold	銷售存貨成本	<b>1,232,228</b>	1,121,462
Auditor's remuneration	核數師酬金	<b>1,050</b>	1,600
Depreciation	折舊	<b>42,286</b>	46,464
Operating lease payments in respect of leasehold interests in land and rented properties	土地及租用物業租賃權益之經營租賃款項	<b>4,484</b>	4,413
Employee benefit expense (including directors' remuneration):	僱員福利開支 (包括董事酬金):		
Wages and salaries	工資及薪金	<b>71,957</b>	61,450
Pension scheme contributions (Note i)	退休福利計劃供款 (附註i)	<b>23,360</b>	12,549
		<b>95,317</b>	73,999
Write-back of inventories provision (Note ii)	撥回存貨撥備 (附註ii)	-	(3,654)
Loss allowance of trade receivables, net (Note iii)	貿易應收帳款虧損撥備，淨額 (附註iii)	<b>154</b>	411
Reversal of loss allowance of prepayments, net (Note iii)	預付款項虧損撥備撥回，淨額 (附註iii)	-	(6,112)
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回	<b>(99,053)</b>	(84,977)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(658)
Fair value changes on financial assets at FVPL/available-for-sale financial assets (Note iii)	按公允值計入損益之金融資產/可供出售金融資產之公允值變動 (附註iii)	<b>(393)</b>	(16)

### 7. 除稅前溢利

本集團之除稅前溢利扣除/(計入)下列各項後得出：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 7. PROFIT BEFORE TAX (continued)

Notes:

- (i) As at 31 December 2018 and 2017, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.
- (ii) The balance is included in "Cost of sales" in the consolidated profit or loss.
- (iii) These balances are included in "Other operating income, net" in the consolidated profit or loss. The "Other operating income, net" also included reversal of accruals of HK\$29,397,000 for the year ended 31 December 2018 (2017: HK\$15,827,000).

### 8. DIRECTORS' EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 7. 除稅前溢利(續)

附註：

- (i) 於二零一八年及二零一七年十二月三十一日，本集團並無可用作扣減未來年度退休福利計劃供款之已沒收供款。
- (ii) 結餘計入綜合損益之「銷售成本」內。
- (iii) 該等結餘已計入綜合損益之「其他經營收入，淨額」內。「其他經營收入，淨額」亦計入截至二零一八年十二月三十一日止年度之撥回應計款項29,397,000港元(二零一七年：15,827,000港元)。

### 8. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之本年度董事薪酬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	2,663	2,309
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,472	3,170
Pension scheme contributions	退休福利計劃供款	29	36
		<b>3,501</b>	3,206
		<b>6,164</b>	5,515

# 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

### 8. DIRECTORS' EMOLUMENTS (continued)

### 8. 董事酬金(續)

		Salaries, allowances and benefits	Pension scheme contributions	Total	
		Fees in kind	retirement benefits scheme contributions	Total	
		袍金 及實物福利	退休福利 計劃供款	總計	
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	
<b>2018</b>	<b>二零一八年</b>				
<b>Executive Directors:</b>	<b>執行董事：</b>				
Zhao Xu Guang	趙旭光	845	3,315	18	4,178
Wong Siu Hung, Patrick (re-designated as non-executive Director on 9 April 2018)	黃少雄(於二零一八年四月九日調任為非執行董事)	212	157	5	374
So Chiu Fung (appointed on 7 September 2018)	蘇晁鋒(於二零一八年九月七日獲委任)	394	-	6	400
Li Baoqi (appointed on 9 April 2018 and resigned on 7 September 2018)	李寶琦(於二零一八年四月九日獲委任及於二零一八年九月七日辭任)	543	-	-	543
		<b>1,994</b>	<b>3,472</b>	<b>29</b>	<b>5,495</b>
<b>Non-executive Directors:</b>	<b>非執行董事：</b>				
Wong Siu Hung, Patrick (re-designated on 9 April 2018)	黃少雄(於二零一八年四月九日調任)	131	-	-	131
Huang Man Yem	黃文鑫	180	-	-	180
		<b>311</b>	<b>-</b>	<b>-</b>	<b>311</b>
<b>Independent non-executive Directors:</b>	<b>獨立非執行董事：</b>				
Lam Hoy Lee, Laurie	林開利	120	-	-	120
To Wing Tim, Paddy	杜永添	120	-	-	120
Lau Ka Ho (resigned on 14 December 2018)	劉家豪(於二零一八年十二月十四日辭任)	114	-	-	114
Wang Wei Hsin (appointed on 19 December 2018)	王維新(於二零一八年十二月十九日獲委任)	4	-	-	4
		<b>358</b>	<b>-</b>	<b>-</b>	<b>358</b>
		<b>2,663</b>	<b>3,472</b>	<b>29</b>	<b>6,164</b>

# 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

### 8. DIRECTORS' EMOLUMENTS (continued)

### 8. 董事酬金(續)

		Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Pension scheme contributions 退休福利 計劃供款	Total	
	Fees 袍金	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
2017	二零一七年				
<b>Executive Directors:</b>	<b>執行董事：</b>				
Zhao Xu Guang	趙旭光	823	2,585	18	3,426
Wong Siu Hung, Patrick	黃少雄	845	585	18	1,448
		1,668	3,170	36	4,874
<b>Non-executive Directors:</b>	<b>非執行董事：</b>				
Li Baoqi (retired on 2 June 2017)	李寶琦(於二零一七年 六月二日退任)	101	-	-	101
Huang Man Yem	黃文鑫	180	-	-	180
		281	-	-	281
<b>Independent non-executive Directors:</b>	<b>獨立非執行董事：</b>				
Lam Hoy Lee, Laurie	林開利	120	-	-	120
To Wing Tim, Paddy	杜永添	120	-	-	120
Lau Ka Ho	劉家豪	120	-	-	120
		360	-	-	360
		2,309	3,170	36	5,515

During the years ended 31 December 2018 and 2017, no emolument of any director was waived or agreed to waive and no emolument was paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一八年及二零一七年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金，而本集團概無向任何董事支付任何酬金作為鼓勵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

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four\* Directors (2017: two), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2017: three) highest paid employees, who are not a Director, are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	677	1,522
Pension scheme contributions	退休福利計劃供款	11	38
		<b>688</b>	<b>1,560</b>

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	3

\* Including Li Baoqi who was appointed as executive Director on 9 April 2018 and resigned on 7 September 2018 and So Chiu Fung who was appointed as executive Director on 7 September 2018.

During the years ended 31 December 2018 and 2017, no emolument was paid by the Group to any of the above one (2017: three) highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.

### 10. INCOME TAX

No provision for Hong Kong profits tax was made as there were no assessable profits arising in Hong Kong during the years ended 31 December 2018 and 2017.

The income tax provision in respect of operations in the PRC is calculated at the applicable tax rates of 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof while no provision for the PRC profit tax was made for the year ended 31 December 2017 as the PRC subsidiary had available tax losses brought forward from prior years to offset the estimated assessable profits.

### 9. 五名最高薪僱員

本年度之五名最高薪僱員包括四名\*本公司董事(二零一七年:兩名),其薪酬詳情載於上文附註8。本年度餘下一名(二零一七年:三名)非本公司董事之最高薪僱員之薪酬詳情如下:

		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 benefits in kind	薪金、津貼及實物福利	677	1,522
Pension scheme contributions	退休福利計劃供款	11	38
		<b>688</b>	<b>1,560</b>

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	3

\* 包括李寶琦(彼於二零一八年四月九日獲委任為執行董事及於二零一八年九月七日辭任)及蘇晁鋒(彼於二零一八年九月七日獲委任為執行董事)。

截至二零一八年及二零一七年十二月三十一日止年度,本集團概無向任何上述一名(二零一七年:三名)最高薪人士支付任何酬金作為鼓勵加入本集團之獎勵或離職補償。

### 10. 所得稅

由於香港並無應課稅溢利,故於截至二零一八年及二零一七年十二月三十一日止年度並無就香港利得稅計提撥備。

有關中國業務之所得稅撥備乃以現行有關法例、詮釋及慣例為基礎就年內估計應課稅溢利按照25%之適用稅率計算,而截至二零一七年十二月三十一日止年度並無就中國利得稅作出撥備,皆因中國附屬公司擁有過往年度結轉可抵銷應課稅溢利之稅項虧損。

# 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

### 10. INCOME TAX (continued)

### 10. 所得稅(續)

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Note 附註		
Current – Hong Kong	即期—香港			
Overprovision in prior years	過往年度超額撥備		–	(161)
Current – The PRC	即期—中國			
Charge for the year	本年度支出		5,440	–
Underprovision in prior years	過往年度撥備不足		–	7,122
Deferred tax	遞延稅項	26	24,511	(12,215)
Total tax expenses/(credit) for the year	本年度總稅項開支/(抵免)		29,951	(5,254)

Included in deferred tax charge for the year was approximately HK\$11,886,000 (equivalent to RMB10,000,000) (2017: Nil) in relation to provision for 10% withholding tax of approximately HK\$5,063,000 (equivalent to RMB4,500,000) on dividend attributable to the Group of approximately HK\$50,634,000 (equivalent to RMB45,000,000) out of dividend declared by GRG Huscoke of approximately HK\$56,260,000 (equivalent to RMB50,000,000).

本年度的遞延稅項費用約為11,886,000港元(相等於人民幣10,000,000元)(二零一七年:無),是與金岩和嘉宣派的股息約56,260,000港元(相等於人民幣50,000,000元)當中本集團應佔股息約50,634,000港元(相當於人民幣45,000,000元)的10%預扣稅撥備約5,063,000港元(相等於人民幣4,500,000元)相關。

A reconciliation of tax applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

按本公司及其大部分附屬公司註冊司法權區之法定稅率計算之除稅前溢利適用之稅項與按實際稅率計算之稅項開支/(抵免)之對帳,以及適用稅率(即法定稅率)與實際稅率之對帳如下:

#### 2018

#### 二零一八年

		Hong Kong 香港		The PRC 中國		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
(Loss)/profit before tax	除稅前(虧損)/溢利	(30,029)		205,961		175,932	
Tax at the statutory tax rate	按法定稅率計算之稅項	(4,955)	16.5	51,490	25.0	46,535	26.5
Expenses not deductible for tax	不可扣稅之開支	6,053	(20.0)	5,304	2.6	11,357	6.5
Income not subject to tax	毋須課稅之收入	(1,204)	3.9	(26,780)	(13.0)	(27,984)	(15.9)
Tax losses utilised from previous periods	動用過往期間稅項虧損	–	–	(11,843)	(5.8)	(11,843)	(6.7)
Withholding tax on undistributable profits of the PRC subsidiary	中國附屬公司未分派溢利之預扣稅	–	–	11,886	5.8	11,886	6.8
Tax (credit)/expense at the Group's effective rate	按本集團實際稅率計算之稅項(抵免)/開支	(106)	0.4	30,057	14.6	29,951	17.2

# 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 (continued)

2017

		Hong Kong 香港		The PRC 中國		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
(Loss)/profit before tax	除稅前(虧損)/溢利	(21,117)		147,776		126,659	
Tax at the statutory tax rate	按法定稅率計算之稅項	(3,484)	16.5	36,944	25.0	33,460	26.4
Expenses not deductible for tax	不可扣稅之開支	3,489	(16.5)	3,351	2.3	6,840	5.4
Income not subject to tax	毋須課稅之收入	(6)	-	(24,347)	(16.5)	(24,353)	(19.2)
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	(161)	0.8	7,123	4.8	6,962	5.5
Tax losses recognised	已確認稅項虧損	-	-	(12,321)	(8.3)	(12,321)	(9.7)
Tax losses not recognised	未確認稅項虧損	106	(0.5)	-	-	106	0.1
Tax losses from previous periods utilised	動用過往期間稅項虧損	-	-	(15,948)	(10.8)	(15,948)	(12.6)
Tax credit at the Group's effective rate	按本集團實際稅率計算之稅項抵免	(56)	0.3	(5,198)	(3.5)	(5,254)	(4.1)

### 10. 所得稅(續)

二零一七年

### 11. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$128,391,000 (2017: HK\$117,898,000), and the weighted average number of ordinary shares of 2,608,007,725 (2017: 2,596,625,258) in issue during the year.

The calculation of diluted earnings per share amount for the years ended 31 December 2018 and 2017 is based on the profit for the year attributable to owners of the Company, adjusted to reflect the interest and loss arising from amendment to the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

### 11. 每股盈利

每股基本盈利金額乃根據本公司擁有人應佔本年度溢利128,391,000港元(二零一七年: 117,898,000港元), 以及年內已發行普通股加權平均數2,608,007,725股(二零一七年: 2,596,625,258股)計算。

截至二零一八年及二零一七年十二月三十一日止年度每股攤薄盈利乃按本公司擁有人應佔本年度溢利計算, 並已調整以反映修訂可換股債券所產生之利息及虧損。正如計算每股基本盈利般, 用於計算普通股加權平均數為年內已發行普通股數目, 以及假設被視為兌換所有潛在攤薄普通股為普通股時按無償代價發行之普通股加權平均數。



# 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

### 11. EARNINGS PER SHARE (continued)

The calculation of diluted earnings per share for the year ended 31 December 2018 and 2017 is based on:

### 11. 每股盈利(續)

計算截至二零一八年及二零一七年十二月三十一日止年度之每股攤薄盈利之依據如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Earnings:	盈利：		
Profit attributable to owners of the Company used in the basic earnings per share calculation	計算每股基本盈利採用之本公司擁有人應佔溢利	128,391	117,898
Add: Loss arising from amendment to convertible bonds	加上：修訂可換股債券所產生之虧損	N/A 不適用	188
Add: Interest expense on convertible bonds	加上：可換股債券利息開支	2,099	5,842
Profit attributable to owners of the Company used in the diluted earnings per share calculation	計算每股攤薄盈利採用之本公司擁有人應佔溢利	130,490	123,928
<b>Number of shares</b> 股份數目			
		2018 二零一八年	2017 二零一七年
Shares:	股份：		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	計算每股基本盈利採用之年內已發行普通股加權平均數	2,608,007,725	2,596,625,258
Effect of dilution – weighted average number of ordinary shares:	攤薄影響－普通股加權平均數：		
Convertible bonds (Note)	可換股債券(附註)	144,256,976	144,256,976
Weighted average number of ordinary shares used in the diluted earnings per share calculation	計算每股攤薄盈利採用之普通股加權平均數	2,752,264,701	2,740,882,234

Note: Share options were not considered in the effect of dilution as it had no diluting effect on the basic earnings per share for the years ended 31 December 2018 and 31 December 2017 and were ignored in the calculation of diluted earnings per share.

附註：由於截至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止年度，每股基本盈利概無攤薄影響，故購股期權不被視為具攤薄影響，並在計算每股攤薄盈利時未有考慮。

# 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. PROPERTY, PLANT AND EQUIPMENT

### 12. 物業、廠房及設備

		Land and building 土地及樓宇 HK\$'000 千港元	Leasehold improvement 租賃物業改良 HK\$'000 千港元	Furnaces and infrastructure 熔爐及基建 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本值</b>									
At 1 January 2017	於二零一七年一月一日	351,586	-	462,339	524,451	69,370	842	45,484	-	1,454,072
Additions	添置	-	1,653	-	16,619	697	304	2,184	-	21,457
Disposals	出售	-	-	-	-	-	-	(872)	-	(872)
Write-off	撇銷	-	-	-	-	-	(791)	(1,143)	-	(1,934)
Exchange realignment	匯兌調整	17,786	-	23,387	26,968	3,528	5	2,226	-	73,900
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	369,372	1,653	485,726	568,038	73,595	360	47,879	-	1,546,623
Additions	添置	-	-	2,458	7,677	1,007	15	4,215	31,995	47,367
Exchange realignment	匯兌調整	(17,365)	-	(22,963)	(27,111)	(3,513)	-	(2,284)	(1,706)	(74,942)
At 31 December 2018	於二零一八年十二月三十一日	352,007	1,653	465,221	548,604	71,089	375	49,810	30,289	1,519,048
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>									
At 1 January 2017	於二零一七年一月一日	112,149	-	415,278	404,381	68,218	786	40,411	-	1,041,223
Provided for the year	年內撥備	10,875	451	2,340	30,564	261	59	1,914	-	46,464
Disposals	出售	-	-	-	-	-	-	(828)	-	(828)
Write-off	撇銷	-	-	-	-	-	(791)	(1,143)	-	(1,934)
Reversal of impairment loss	減值虧損撥回	(8,157)	-	(72,988)	(3,586)	(172)	-	(74)	-	(84,977)
Exchange realignment	匯兌調整	5,746	-	19,142	21,166	3,454	4	2,009	-	51,521
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	120,613	451	363,772	452,525	71,761	58	42,289	-	1,051,469
Provided for the year	年內撥備	9,774	553	19,464	9,837	294	74	2,290	-	42,286
Provision/(reversal) of impairment loss	減值虧損撥備/(撥回)	123,606	-	(255,727)	29,918	(2,587)	1	243	5,493	(99,053)
Exchange realignment	匯兌調整	(12,787)	-	(4,493)	(23,391)	(3,252)	(1)	(2,081)	(293)	(46,298)
At 31 December 2018	於二零一八年十二月三十一日	241,206	1,004	123,016	468,889	66,216	132	42,741	5,200	948,404
<b>NET CARRYING AMOUNTS</b>	<b>帳面淨值</b>									
At 31 December 2018	於二零一八年十二月三十一日	110,801	649	342,205	79,715	4,873	243	7,069	25,089	570,644
At 31 December 2017	於二零一七年十二月三十一日	248,759	1,202	121,954	115,513	1,834	302	5,590	-	495,154

# 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. GOODWILL

### 13. 商譽

		HK\$'000 千港元
Cost:	成本值：	
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、二零一七年 十二月三十一日、二零一八年一月一日 及二零一八年十二月三十一日	2,269,645
Accumulated impairment:	累計減值：	
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、二零一七年 十二月三十一日、二零一八年一月一日 及二零一八年十二月三十一日	(2,269,645)
Net carrying amount:	帳面淨值：	
At 31 December 2018 and 2017	於二零一八年及二零一七年十二月三十一日	-

### 14. IMPAIRMENT TEST ON PROPERTY, PLANT AND EQUIPMENT

For the purpose of impairment testing, property, plant and equipment have been allocated to two cash-generating units, being the coal-related ancillary segment and coke production segment. The carrying amounts of property, plant and equipment as at 31 December 2018 and 2017 allocated to these units are as follows:

### 14. 物業、廠房及設備減值測試

就減值測試而言，物業、廠房及設備已分配至兩個現金產生單位，即煤炭相關附屬分類及焦炭生產分類。於二零一八年及二零一七年十二月三十一日，分配至此等單位之物業、廠房及設備之帳面值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Coal-related ancillary segment	煤炭相關附屬分類	81,449	355,144
Coke production segment	焦炭生產分類	432,926	88,849
Unallocated	未分配	56,269	51,161
		570,644	495,154

#### 14. IMPAIRMENT TEST ON PROPERTY, PLANT AND EQUIPMENT

(continued)

##### Coal-related ancillary cash-generating unit

At 31 December 2018, the recoverable amount of the coal-related ancillary cash-generating unit was determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period (2017: 11-year period) which is assessed and approved by senior management with reference to the physical conditions of property, plant and equipment at the current status and the expected obsolescence and retirement based on prior year experience. The pre-tax discount rate to the cash flow projections was 25.2% (2017: 21.7%).

Key assumptions were used in the value in use calculation of the coal-related ancillary cash-generating unit as at 31 December 2018 and 31 December 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

**Budgeted manufacturing capacity utilisation rate** – The rate is determined on the basis of the average actual utilisation rate achieved in prior years, decreased gradually for tightening of production safety and environmental protection measures.

**Discount rate** – The discount rate used reflects specific risks relating to the coal-related ancillary cash-generating unit.

**Raw materials purchase costs, production costs and product selling price inflation** – The basis used to determine the value assigned to costs and price inflation is the forecasted inflation indices of the budget year.

##### Coke production cash-generating unit

The recoverable amount of the coke production cash-generating unit as at 31 December 2018 and 31 December 2017 was determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period (2017: 7.5-year period) which is assessed and approved by senior management with reference to the physical conditions of property, plant and equipment at the current status and the expected obsolescence and retirement based on prior year experience. The pre-tax discount rate to the cash flow projections was 27.6% (2017: 19.2%).

#### 14. 物業、廠房及設備減值測試(續)

##### 煤炭相關附屬現金產生單位

於二零一八年十二月三十一日，煤炭相關附屬現金產生單位之可收回金額已根據使用價值計算方法，採用根據高級管理層在參考物業、廠房及設備目前之實際狀況以及根據過往年度經驗預計之陳舊及報廢後所評估及批准涵蓋5年期間(二零一七年：11年期間)之財務預算為基礎之現金流量預測而釐定。現金流量預測之稅前貼現率為25.2%(二零一七年：21.7%)。

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，煤炭相關附屬現金產生單位之使用價值計算方法已採用主要假設。以下闡述管理層進行減值測試時根據現金流量預測所作之各項主要假設：

**預算產能使用率**—按過往年度達致之平均實際使用率為基準而釐定之比率，乃因持續收緊生產安全及環境保護措施而逐步減少。

**貼現率**—所使用之貼現率反映煤炭相關附屬現金產生單位之特定風險。

**原材料採購成本、生產成本及產品售價通脹**—釐定分配至成本及價格通脹價值所使用之基準，乃預算年度之預測通脹指數。

##### 焦炭生產現金產生單位

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，焦炭生產現金產生單位之可收回金額已根據使用價值計算方法，採用高級管理層參考物業、廠房及設備目前之實際狀況以及根據過往年度經驗之預期陳舊及報廢後所評估及批准涵蓋5年期間(二零一七年：7.5年期間)之財務預算之現金流量預測而釐定。現金流量預測之稅前貼現率為27.6%(二零一七年：19.2%)。

**14. IMPAIRMENT TEST ON PROPERTY, PLANT AND EQUIPMENT**  
*(continued)*

**Coke production cash-generating unit** *(continued)*

Key assumptions were used in the value in use calculation of the coke production cash-generating unit as at 31 December 2018 and 31 December 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

**Budgeted manufacturing capacity utilisation rate** – The rate is determined on the basis of the average actual utilisation rate achieved in prior years, increased gradually for expected revival and improvement in market.

**Discount rate** – The discount rate used reflects specific risks relating to the coke production cash-generating unit.

**Raw materials purchase costs, production costs and product selling price inflation** – The basis used to determine the value assigned to costs and price inflation is the forecasted inflation indices of the budget year.

In light of the favourable market circumstances of coke production, the coke production segment recorded operating profits during the years ended 31 December 2018 and 2017. The recoverable amount of the coke production segment as at 31 December 2018 was approximately HK\$432,926,000 (2017: HK\$88,849,000).

On the contrary, the coal-related ancillary segment recorded operating losses during the year ended 31 December 2018 as a result of continuous tightening of the production safety and environmental protection measures on the coal-related ancillary business by the relevant governmental body in the PRC which significantly diminished the Group's revenue from coal-related ancillary segment. The recoverable amount of the coal-related ancillary segment as at 31 December 2018 was approximately HK\$81,449,000 (2017: HK\$355,144,000).

Based on the results from the discounted cash flows, the Directors considered a reversal of impairment loss on items of property, plant and equipment of HK\$367,996,000 (2017: HK\$84,977,000) in the coke production segment and additional impairment of HK\$268,943,000 (2017: Nil) in the coal-related ancillary segment were recognised in profit or loss for the year ended 31 December 2018.

**14. 物業、廠房及設備減值測試(續)**

**焦炭生產現金產生單位(續)**

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，焦炭生產現金產生單位之使用價值計算方法已採用主要假設。以下闡述管理層進行減值測試時根據現金流量預測所作之各項主要假設：

**預算產能使用率**—按過往年度達致之平均實際使用率為基準而釐定之比率，乃按預期市場復甦及發展而逐步增加。

**貼現率**—所使用之貼現率反映有關焦炭生產現金產生單位之特定風險。

**原材料採購成本、生產成本及產品售價通脹**—釐定分配至成本及價格通脹價值所使用之基準，乃預算年度之預測通脹指數。

鑑於焦炭生產市況有利，截至二零一八年及二零一七年十二月三十一日止年度，焦炭生產分類錄得經營溢利。於二零一八年十二月三十一日，焦炭生產分類之可收回金額約為432,926,000港元(二零一七年：88,849,000港元)。

相反，截至二零一八年十二月三十一日止年度，煤炭相關附屬分類因中國有關政府機構持續收緊煤炭相關附屬業務之生產安全及環境保護措施而錄得營運虧損，因而大幅降低本集團來自煤炭相關附屬分類之收入。煤炭相關附屬分類於二零一八年十二月三十一日之可收回金額約為81,449,000港元(二零一七年：355,144,000港元)。

根據貼現現金流量之結果，本公司董事認為焦炭生產分類之物業、廠房及設備項目減值虧損撥回367,996,000港元(二零一七年：84,977,000港元)及煤炭相關附屬分類額外減值268,943,000港元(二零一七年：無)乃於截至二零一八年十二月三十一日止年度於損益確認。

# 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

### 15. INTEREST IN AN ASSOCIATE

### 15. 於一間聯營公司之權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	101,804	—

Details of the associate at the end of the reporting period are as follows:

於報告期末之聯營公司詳情如下：

Name of associate 聯營公司名稱	Place of incorporation 註冊成立地點	Principal place of business 主要營業地點	Proportion of value of registered capital indirectly held by the Company 本公司間接所持註冊股本價值所佔比例		Principal activities 主要業務
			2018 二零一八年	2017 二零一七年	
EDB Holding Limited (“EDB”) EDB Holding Limited (“EDB”)	Cayman Islands 開曼群島	The PRC 中國	20.5%		— Software service provider 軟件服務供應商

Note:

附註：

The Group has the power to appoint two out of nine directors of EDB in accordance with the Articles of Association of EDB, therefore the Group is deemed to have significant influence over EDB.

本集團有權力根據EDB之組織章程細則委任EDB九名董事中之兩名，因此本集團被視為對EDB可行使重大影響力。

In July 2018, an indirectly wholly-owned subsidiary of the Company (the “Purchaser Subsidiary”) entered into sales and purchase agreement (the “SPA”) with an independent third party (the “Vendor”) in which the Purchaser Subsidiary agreed to buy 10% of the Enlarged Issued Shares (defined below) of EDB, a company incorporated in the Cayman Islands with principal subsidiaries engaged in provision of software services in the PRC, at consideration of approximately HK\$33,756,000 (the “SPA Consideration”) by allotment of 129,831,263 ordinary shares of the Company (the “Consideration Shares”) to the Vendor at the market price of HK\$0.26 each (the “Acquisition”).

於二零一八年七月，本公司一間間接全資附屬公司（「買方附屬公司」）與一名獨立第三方（「賣方」）訂立買賣協議（「買賣協議」），其中買方附屬公司同意購買EDB（一間於開曼群島註冊成立之公司，其主要附屬公司於中國從事提供軟件服務）10%經擴大已發行股份（定義見下文），代價約為33,756,000港元（「買賣協議代價」），將透過市價每股0.26港元向賣方配發129,831,263股本公司普通股（「代價股份」）結付（「收購事項」）。

In July 2018, the Purchaser Subsidiary entered into share subscription agreement (the “Subscription Agreement”) with EDB, its major shareholder and the ultimate beneficiary of EDB to subscribe for 13,556,527 ordinary shares of EDB, representing 10.5% of issued shares of EDB (the “Enlarged Issued Shares”) at consideration of RMB60,000,000 (equivalent to approximately HK\$68,048,000) (the “Subscription”). The details of the Acquisition and Subscription were disclosed in the Company’s announcement dated 20 July 2018.

於二零一八年七月，買方附屬公司與其主要股東EDB及EDB之最終受益人訂立股份認購協議（「認購協議」），以認購EDB之13,556,527股普通股，佔EDB已發行股份之10.5%（「經擴大已發行股份」），代價為人民幣60,000,000元（相等於約68,048,000港元）（「認購事項」）。收購事項及認購事項之詳情於本公司日期為二零一八年七月二十日之公告中披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 15. INTEREST IN AN ASSOCIATE

Note: (continued)

Under the SPA and Subscription Agreement, the Vendor and EDB will be obliged to compensate to the Purchaser Subsidiary when the guaranteed profit of EDB and its subsidiaries ("EDB Group") for the year ended 31 December 2018, subject to audit of the consolidated financial statements of EDB Group prepared in accordance with HKFRSs cannot be achieved. Besides, there is protective clause in which the Purchaser Subsidiary can request the Vendor and the major shareholder of EDB together with its ultimate shareholder to repurchase partial or all the sale or subscribed shares when certain conditions occur. The Consideration Shares are pledged to the Company until all the post-acquisition obligations of the SPA and the Subscription Agreement are satisfied. Details have been set out in the Company's announcement dated 20 July 2018.

The Acquisition and the Subscription were completed on 30 November 2018 when the Consideration Shares have been issued to the Vendor and the sale shares and subscribed shares of EDB have been transferred and issued to the Purchaser Subsidiary. As the Group is deemed to have significant influence on EDB, EDB is considered as an associate of the Group.

According to HKAS 28, the Group should account for its interest in the associate, EDB, using the equity method. As EDB has not yet completed the audit of its consolidated financial statements for the year ended 31 December 2018 prepared in accordance with HKFRSs, as stipulated in the SPA and the Subscription Agreement, it is not expected to be completed before the date of publishing the annual report of the Company. The management cannot obtain reliable audited financial information of EDB for accounting for the Group's interest in EDB, using the equity method, as at 31 December 2018 which is instead at cost of approximately HK\$101,804,000 (Note 15).

As at 31 December 2018, the Group has settled RMB20,000,000 (equivalent to approximately HK\$23,040,000) in accordance with the terms of the Subscription Agreement. The outstanding consideration of RMB40,000,000 (equivalent to other payable approximately HK\$45,008,000) was recognised as other payable to an associate (Note 24).

As the Group has not accounted for its interest in an associate with the equity method, no reconciliation of financial information from the gross assets and liabilities of the associate to the carrying amount of the Group's interest in an associate as at 31 December 2018 in the consolidated statement of financial position and the breakdown of the Group's share of results and other comprehensive income of associate for the year ended then ended in accordance with HKFRSs were disclosed.

### 15. 於一間聯營公司之權益 (續)

附註：(續)

根據買賣協議及認購協議，賣方及EDB將須於EDB及其附屬公司(「EDB集團」)截至二零一八年十二月三十一日止年度之保證溢利(受EDB集團根據香港財務報告準則編製之綜合財務報表之審核工作所規限)未獲達致時向買方附屬公司作出補償。此外，協議訂有保護條款，買方附屬公司可要求賣方及EDB之主要股東連同其最終股東在發生若干狀況時購回部分或全部待售股份或已認購股份。代價股份乃質押予本公司，直至買賣協議及認購協議之收購後責任獲達成為止。詳情已載於本公司日期為二零一八年七月二十日之公告內。

收購事項及認購事項已於二零一八年十一月三十日當代價股份已發行予賣方及EDB之待售股份及已認購股份已轉讓及發行予買方附屬公司時完成。由於本集團被視為對EDB可行使重大影響力，EDB被視為本集團之聯營公司。

根據香港會計準則第28號，本集團將使用權益法將其於聯營公司EDB之權益入帳。由於EDB尚未完成根據香港財務報告準則編製之截至二零一八年十二月三十一日止年度之綜合財務報表之審核工作(誠如買賣協議及認購協議所規定)，預期於本公司年報刊發日期前不會完成，故管理層未能獲得EDB之可靠經審核財務資料，以使用權益法將本集團於二零一八年十二月三十一日於EDB之權益入帳，其以成本約101,804,000港元列帳(附註15)。

於二零一八年十二月三十一日，本集團已根據認購協議之條款償付人民幣20,000,000元(相等於約23,040,000港元)。未償還代價人民幣40,000,000元(相等於其他應付帳款約45,008,000港元)乃確認為應付一間聯營公司之其他應付帳款(附註24)。

由於本集團並無使用權益法將其於一間聯營公司之權益入帳，故概無披露聯營公司之總資產及負債之財務資料與本集團於綜合財務狀況表中於二零一八年十二月三十一日於一間聯營公司之權益之帳面值之對帳以及本集團根據香港財務報告準則於截至該日止年度之應佔聯營公司之業績及其他全面收益之明細。

# 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. AVAILABLE-FOR-SALE FINANCIAL ASSETS

### 16. 可供出售金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Private Club debentures, at fair value	按公允價值列帳之私人會所債券	–	1,115

These investments were reclassified as financial assets at fair value through profit or loss on first adoption of HKFRS 9 on 1 January 2018 with details set out in note 17.

該等投資於二零一八年一月一日首次採納香港財務報告準則第9號時重新分類為按公允價值計入損益之金融資產，詳情載於附註17。

### 17. FINANCIAL ASSETS AT FVPL

### 17. 按公允價值計入損益之金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mandatorily measured at FVPL: Private club debenture (Note)	強制按公允價值計入損益計量： 私人會所債券(附註)	1,508	–

Note: The private club debenture was valued with reference to quoted price in active market.

附註：私人會所債券乃參考活躍市場之報價估值。

### 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
Raw materials	原材料	44,439	28,677
Work in progress	在製品	35,691	15,036
Finished goods	製成品	5,247	11,031
		<b>85,377</b>	<b>54,744</b>

### 19. TRADE RECEIVABLES

### 19. 貿易應收帳款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables:	貿易應收帳款：		
– third parties	– 第三方	159,262	104,756
– related companies	– 關連人士	86,683	40,462
– non-controlling shareholder	– 非控股股東	170,076	177,150
		<b>416,021</b>	322,368
Bill receivables	應收票據	3,938	–
Loss allowance	虧損撥備	(52,876)	(55,331)
		<b>367,083</b>	267,037



# 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 RECEIVABLES (continued)

The carrying amounts of trade receivables approximate their fair values.

The ageing analysis of the trade receivables (net of loss allowance) by invoice date at the end of the reporting period is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 3 months	三個月內	171,992	25,735
3 to 4 months	三至四個月	–	1,179
Over 4 months	超過四個月	195,091	240,123
		<b>367,083</b>	267,037

Information about the Group's exposure to credit risks and loss allowance for trade receivables are set out in note 39 to the consolidated financial statements.

### 19. 貿易應收帳款(續)

貿易應收帳款之帳面值與其公允值相若。

於報告期末，按發票日期呈列之貿易應收帳款(扣除虧損撥備)之帳齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 3 months	三個月內	171,992	25,735
3 to 4 months	三至四個月	–	1,179
Over 4 months	超過四個月	195,091	240,123
		<b>367,083</b>	267,037

有關本集團信貸風險及貿易應收帳款虧損撥備之資料載於綜合財務報表附註39。

### 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Other receivables due from the Non-controlling Shareholder	應收非控股股東之其他應收帳款	21	273,368	156,385
Prepayments and other receivables due from related companies	應收關連公司之預付款項及其他應收帳款	35(b)(ii)	11,464	6,419
Prepayments, deposits and other receivables due from other parties (Note)	應收其他人士之預付款項、按金及其他應收帳款(附註)		93,502	66,515
Less: Loss allowance	減：虧損撥備		(12,526)	(13,144)
			<b>365,808</b>	216,175
Less: Current portion	減：即期部分		(365,808)	(214,404)
Non-current portion – prepayments	非即期部分 – 預付款項		–	1,771

### 20. 預付款項、按金及其他應收帳款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other receivables due from the Non-controlling Shareholder	應收非控股股東之其他應收帳款	21	273,368
Prepayments and other receivables due from related companies	應收關連公司之預付款項及其他應收帳款	35(b)(ii)	11,464
Prepayments, deposits and other receivables due from other parties (Note)	應收其他人士之預付款項、按金及其他應收帳款(附註)		93,502
Less: Loss allowance	減：虧損撥備		(12,526)
			<b>365,808</b>
Less: Current portion	減：即期部分		(365,808)
Non-current portion – prepayments	非即期部分 – 預付款項		–
			1,771

# 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. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

(continued)

Note: The balance included prepayments to suppliers of raw materials for the coal-related ancillary and the coke production businesses which are unsecured, non-interest-bearing and are to be settled with future purchases.

The carrying amounts of deposits and other receivables approximate their fair values.

As at 31 December 2018, the Group recognised loss allowance of HK\$12,526,000 (2017: HK\$13,144,000) on the balances. The movement in the loss allowance for the balances during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

### 20. 預付款項、按金及其他應收帳款(續)

附註：結餘包括就煤炭相關附屬及焦炭生產業務付予原材料供應商之預付款項，乃無抵押、不計息並以未來購買支付。

按金及其他應收帳款之帳面值與其公允值相若。

於二零一八年十二月三十一日，本集團就結餘確認虧損撥備12,526,000港元(二零一七年：13,144,000港元)。年內，結餘之虧損撥備變動概述於下文。比較金額指根據香港會計準則第39號確認之減值虧損之虧損撥備。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of the reporting period	於報告期初	13,144	18,484
Increase in allowance	撥備增加	-	2,645
Reversal of allowance	撥備撥回	-	(8,757)
Exchange realignment	匯兌調整	(618)	772
At the end of the reporting period	於報告期末	<b>12,526</b>	13,144

### 21. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER

### 21. 應收非控股股東款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current	即期		
Trade receivables from the non-controlling shareholder (Note 19)	非控股股東之貿易應收帳款(附註19)	170,076	177,150
Other receivables from the non-controlling shareholder (Note 20)	非控股股東之其他應收帳款(附註20)	273,368	156,385

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 21. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER

(continued)

Notes:

- (i) The balances are trade in nature, non-interest-bearing and have a credit term of 120 days (2017: 120 days), which are similar to those granted to major trading customers of the Group.
- (ii) The balances are advances to the non-controlling shareholder, which are non-interest-bearing and repayable on demand.
- (iii) As at 31 December 2017, the aggregate amount due from non-controlling shareholder of HK\$333,535,000 was governed by a repayment agreement and an asset pledge agreement dated 1 March 2017 and 23 March 2017 respectively.

On 6 March 2018, these agreements were renewed to cover these balances due from the non-controlling shareholder plus aggregate amounts due from affiliates of the non-controlling shareholder of HK\$46,881,000 as at 31 December 2017 (Note 35). Pursuant to the renewed repayment agreement, a monthly repayment of RMB50,000,000 would be made by the non-controlling shareholder from August 2018 onwards after the new plant started operation, and that the entire amount would be settled within 12 months. The pledged property, plant and equipment under the renewed asset pledge agreement were valued at HK\$1,369,272,000 at 31 January 2018.

- (iv) On 31 December 2018, the Group entered into a debt transfer agreement with the non-controlling shareholder, 孝義市愛路恩濟天然氣製造有限公司 ("Xiaoyi ILNG") and Shanxi Jinyan Energy Technology Company Limited (山西金岩能源科技有限公司) ("Energy Technology") (the "Debt Assignee"), and the ultimate beneficiary of the non-controlling shareholder, pursuant to which the Group and the non-controlling shareholder and Debt Assignee agreed to assign the trade and other receivables from the non-controlling shareholder of approximately RMB365,826,000 (equivalent to approximately HK\$411,627,000) together with aggregate amounts due from its affiliates of approximately RMB36,477,000 (equivalent to approximately HK\$41,044,000) to the Debt Assignee (together the "Assigned Debt") (the "Debt Assignment").

According to the Debt Assignment, the Assigned Debt is interest-bearing at 5% p.a. and the Debt Assignee shall repay the Assigned Debt within 1 year from the date of the Debt Assignment together with accrued interest. A conversion right is also granted to the Group which can partially or fully convert the Assigned Debt to not more than 12% of the enlarged registered capital of the Debt Assignee by subscription of new registered capital or transfer of existing registered capital held by Xiaoyi ILNG within 1 year from the date of the Debt Assignment. The Assigned Debt is secured by 12% registered capital of the Debt Assignee held by Xiaoyi ILNG and the personal guarantee from the ultimate beneficiary of the non-controlling shareholder. If the Group exercises the Conversion Right upon or prior to the expiry of the Debt Assignment, the accrued interest for converted portion of the debt will be waived and the pledged property, plant and equipment from the Debt Assignee will be released. As at 31 December 2018, the trade and other receivables from the non-controlling shareholder and aggregate amounts due from affiliates are approximately HK\$443,444,000 (Note 21) and HK\$91,849,000 (net loss allowance amounted to HK\$6,298,000) (Note 35) respectively.

Further details of the Debt Assignment are set out in the Company's announcement dated 3 January 2019. The Debt Assignment is subject to the fulfilment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a SGM.

The carrying amounts of the above balances approximate their fair values.

### 21. 應收非控股股東款項 (續)

附註：

- (i) 結餘屬交易性質、不計息及信貸期為120日(二零一七年：120日)，與授予本集團主要貿易客戶之期限相若。
- (ii) 結餘乃給予非控股股東之墊款，乃不計息並須按要求償還。
- (iii) 於二零一七年十二月三十一日，應收非控股股東款項總額333,535,000港元乃由日期分別為二零一七年三月一日及二零一七年三月二十三日之還款協議及資產抵押協議規管。

該等協議於二零一八年三月六日重續，以涵蓋於二零一七年十二月三十一日應收非控股股東之該等結餘另加應收非控股股東聯屬公司款項總額46,881,000港元。根據經重續還款協議，非控股股東於新廠房開始營運後將由二零一八年八月起每月償還人民幣50,000,000元，全數金額將於12個月內清償。根據經重續資產抵押協議已抵押物業、廠房及設備於二零一八年一月三十一日之價值為1,369,272,000港元。

- (iv) 於二零一八年十二月三十一日，本集團與非控股股東、孝義市愛路恩濟天然氣製造有限公司(「愛路恩濟」)及山西金岩能源科技有限公司(「能源科技」)(「債務受讓人」)及非控股股東之最終受益人訂立債務轉讓協議，據此，本集團及非控股股東及債務受讓人同意將非控股股東之貿易及其他應收帳款約人民幣365,826,000元(相等於約411,627,000港元)連同應收其聯屬公司之款項總額約人民幣36,477,000元(相等於約41,044,000港元)轉讓予債務受讓人(合稱「已轉讓債務」)(「債務轉讓」)。

根據債務轉讓，已轉讓債務按每年5%計息，及債務受讓人須於債務轉讓日期起計一年內償還已轉讓債務且連同應計利息。本集團亦獲授兌換權，可於債務轉讓日期起計一年內將已轉讓債務部分或全部兌換為債務受讓人經認購新註冊股本或轉讓愛路恩濟所持現有註冊股本擴大後之註冊股本不超過12%。已轉讓債務乃由愛路恩濟持有之債務受讓人之12%註冊股本及非控股股東之最終受益人之個人擔保作抵押。倘本集團於債務轉讓屆滿時或之前行使兌換權，則債務獲兌換部分之應計利息將獲豁免，及債務受讓人之已質押物業、廠房及設備將獲解除。於二零一八年十二月三十一日，非控股股東之貿易及其他應收帳款及應收聯屬公司之款項總額分別約為443,444,000港元(附註21)及91,849,000港元(已扣除虧損撥備6,298,000港元)(附註35)。

有關債務轉讓之進一步詳情載於本公司日期為二零一九年一月三日之公告內。債務轉讓須待若干條件(包括聯交所批准及本公司股東於股東特別大會上批准)達成後，方可作實。

上述結餘之帳面值與其公允值相若。

# 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. CASH AND BANK BALANCES

### 22. 現金及銀行結存

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	18,894	69,655

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in RMB amounted to HK\$718,000 (2017: HK\$200,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of cash and bank balances approximate their fair values.

於報告期末，本集團以人民幣計值之現金及銀行結存以及定期存款為718,000港元（二零一七年：200,000港元）。人民幣不可自由兌換為其他貨幣，惟根據中國內地外匯管制規例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每日之銀行存款利率按浮動利率賺取利息。短期定期存款具有不同存款期限，由一天至三個月不等，視乎本集團之即時現金需要而定，並按有關短期定期存款利率賺取利息。銀行結存乃存入並無近期拖欠記錄之信譽良好銀行。

現金及銀行結存之帳面值與其公允值相若。

# 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 PAYABLES

### 23. 貿易應付帳款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables due to other parties	應付其他人士之貿易應付帳款	<b>231,893</b>	152,959
Trade payables due to related companies	應付關連公司之貿易應付帳款	<b>5,433</b>	5,229
		<b>237,326</b>	158,188

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

於報告期末，按發票日期計算之貿易應付帳款之帳齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 3 months	三個月內	<b>152,193</b>	50,185
3 to 4 months	三至四個月	<b>1,582</b>	4,218
Over 4 months	超過四個月	<b>83,551</b>	103,785
		<b>237,326</b>	158,188

The trade payables are non-interest-bearing and are normally settled on 120-day terms.

貿易應付帳款為不計息及一般於120日內清償。

The carrying amounts of trade payables approximate their fair values.

貿易應付帳款之帳面值與其公允值相若。

# 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

### 24. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED AND DEFERRED INCOME

### 24. 其他應付帳款、應計款項、已收按金及遞延收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables and accrued charges	其他應付帳款及應計費用	<b>369,416</b>	278,235
Amount due from an associate (Note i)	應收一間聯營公司款項 (附註i)	<b>45,008</b>	-
Contract liabilities (Note ii)	合約負債(附註ii)	<b>214,700</b>	199,108
Deferred income (Note iii)	遞延收入(附註iii)	<b>5,063</b>	5,313
		<b>634,187</b>	482,656
Less: Current portion	減：即期部分	<b>(625,982)</b>	(474,201)
Non-current portion	非即期部分	<b>8,205</b>	8,455

The carrying amounts of the other payables and accrued charges approximate their fair values.

其他應付帳款及應計款項之帳面值與其公允值相若。

Notes:

附註：

- (i) The amount due is unsecured, interest-free and repayable 30 working days after the completion of the Subscription Agreement.
- (ii) Contract liabilities  
The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

- (i) 到期款項為無抵押、免息及須於認購協議完成後30個工作日支付。
- (ii) 合約負債  
於香港財務報告準則第15號範圍內與客戶之合約產生之合約負債變動(不包括相同年度內因增加及減少產生之變動)如下：

		2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	<b>199,108</b>
Recognised as revenue	確認為收入	<b>(170,341)</b>
Receipt of advances	收取墊款	<b>196,698</b>
Exchange realignment	匯兌調整	<b>(10,765)</b>
At 31 December	於十二月三十一日	<b>214,700</b>

As at 31 December 2018, none of the contract liabilities that are expected to be settled after more than 12 months.

於二零一八年十二月三十一日，預期將於超過12個月後清償之合約負債為零港元。

- (iii) Deferred income represented government grant to subsidiaries in the PRC with attaching conditions to be complied with, in respect of the construction of atmospheric monitoring system, which will be recognised as other income when all the required conditions are complied with.

- (iii) 遞延收入指就建設空氣監測系統授予中國附屬公司之政府補助金(附帶須遵守條件)，其將於所有規定條件得以遵守時確認為其他收入。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 25. OTHER BORROWINGS

### 25. 其他借貸

		2018 二零一八年			2017 二零一七年		
		Effective interest rate 實際利率	Maturity 到期	HK\$'000 千港元	Effective interest rate 實際利率	Maturity 到期	HK\$'000 千港元
<b>Non-current</b>	非即期						
Unsecured other borrowings	無抵押其他借貸	<b>3.51% p.a. 年息3.51%</b>	<b>2020</b>	<b>18,188</b>	5.27% p.a. 年息5.27%	2019	18,188
				<b>18,188</b>			<b>18,188</b>
Analysed into:	分析為：						
Other borrowings repayable	須償還之其他 借貸						
In the second year after the end of reporting period	須於報告期末後 第二年償還			<b>18,188</b>			<b>18,188</b>

Other than a borrowing with the carrying amount of HK\$5,807,000 as at 31 December 2018 (2017: HK\$5,807,000) which is denominated in US\$, all other borrowings are denominated in HK\$. The carrying values of other borrowings approximate their fair values.

除於二零一八年十二月有一筆帳面值為5,807,000港元(二零一七年: 5,807,000港元)之借貸以美元計值外, 所有其他借貸以港元計值。其他借貸之帳面值與其公允值相若。

As at 31 December 2018, included in other borrowings were loans from a former Director, who resigned on 7 September 2018, of HK\$1,751,000 (2017: HK\$1,751,000) and a Director of GRG Huscoke of HK\$3,195,000 (2017: HK\$3,195,000).

於二零一八年十二月三十一日, 計入其他借貸為一名前任本公司董事(彼於二零一八年九月七日辭任)之貸款1,751,000港元(二零一七年: 1,751,000港元)及金岩和嘉一名董事之貸款3,195,000港元(二零一七年: 3,195,000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. OTHER BORROWINGS (continued)

During the years ended 31 December 2018 and 2017, the Group has been negotiating with lenders and certain creditors of the Group to restructure and extend the Group's indebtedness. Details are set out below:

- (i) On 15 March 2017, the Group secured agreements with lenders of other borrowings and certain creditors to waive a total amount of HK\$7,132,000 comprising principal amounts of other borrowings of HK\$6,000,000, accrued interests of HK\$632,000, and other payables of HK\$500,000. One of the lenders agreed to waive the interest charged on the loan balance from 1 January 2017 onwards. It was further agreed that the remaining balances of other borrowings and other payables after the waiver of HK\$22,955,000 are to be settled partly by cash of HK\$4,417,000 with the remaining balances to be settled by cash or by issue of new shares or securities of the Company.

On 27 July 2017, the Group secured agreements with lenders of other borrowings to extend the repayment date to 31 December 2017. In December 2017, the Group entered into agreements with the lenders to further extend the repayment date of other borrowings to 31 August 2019. These arrangements resulted in a gain of HK\$1,669,000 recognised in the profit or loss for the year ended 31 December 2017.

As a result, a gain on debt restructuring in aggregate of HK\$8,801,000 was recognised in profit or loss for the year ended 31 December 2017.

- (ii) On 28 December 2018, the Group entered into agreements with lenders to further extend the repayment date of other borrowings under the same terms for 1 year to 31 August 2020.

### 25. 其他借貸(續)

於截至二零一八年及二零一七年十二月三十一日止年度，本集團一直與貸款人及本集團若干債權人進行磋商，以重組及延期本集團債務。詳情載列於下文：

- (i) 於二零一七年三月十五日，本集團與其他借貸之貸款人及若干債權人訂立協議，以豁免總額7,132,000港元，包括其他借貸本金額6,000,000港元、應計利息632,000港元及其他應付帳款500,000港元。其中一名貸款人已同意豁免自二零一七年一月一日起收取之貸款餘額利息。於豁免後之其他借貸及其他應付帳款之餘額22,955,000港元乃進一步同意部分將以現金4,417,000港元償付，而餘額將以現金或發行本公司新股份或證券償付。

於二零一七年七月二十七日，本集團與其他借貸之貸款人訂立協議，以延長償還日期至二零一七年十二月三十一日。於二零一七年十二月，本集團與貸款人訂立協議以進一步延長其他借貸之償還日期至二零一九年八月三十一日。該等安排致使於截至二零一七年十二月三十一日止年度之損益中確認收益1,669,000港元。

因此，截至二零一七年十二月三十一日止年度，債務重組之收益合共8,801,000港元乃於損益確認。

- (ii) 於二零一八年十二月二十八日，本集團與貸款人訂立協議，以按相同條款進一步將其他借貸之償還日期延長一年至二零二零年八月三十一日。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 26. DEFERRED TAX

#### Deferred tax liability

### 26. 遞延稅項

#### 遞延稅項負債

		Depreciation allowance in excess of related depreciation 超出相關折舊 之折舊撥備 HK\$'000 千港元	Undistributable profits of the PRC subsidiary 中國附屬公司 之未分派溢利 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	-	-	-
Deferred tax credited to profit or loss during the year	年內計入損益之遞延稅項	106	-	106
<b>At 31 December 2017 and 1 January 2018</b>	於二零一七年十二月三十一日 及二零一八年一月一日	<b>106</b>	<b>-</b>	<b>106</b>
<b>Deferred tax charged to profit or loss during the year</b>	年內扣除損益之遞延稅項	<b>(106)</b>	<b>11,886</b>	<b>11,780</b>
<b>Exchange realignment</b>	匯兌調整	<b>-</b>	<b>(633)</b>	<b>(633)</b>
<b>At 31 December 2018</b>	於二零一八年十二月三十一日	<b>-</b>	<b>11,253</b>	<b>11,253</b>

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributable by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2018, deferred tax liability in respect of HK\$11,253,000 (equivalent to RMB10,000,000) (2017: Nil) has been provided. In the opinion of the Directors, the remaining undistributed profits of the PRC subsidiary of HK\$498,240,000 (equivalent to RMB442,801,000), at the present time, are required for financing the continuing operations of the entities and no distribution would be made in the foreseeable future. Accordingly, no provision for deferred taxation has been made in this respect.

根據中國企業所得稅法，於中國成立之外資企業向境外投資者宣派之股息徵收10%之預扣稅。有關規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國與境外投資者所屬司法權區之間訂有稅務條約，則較低之預扣稅率可能適用。就本集團而言，適用稅率為10%。本集團因此須就於中國成立之附屬公司於二零零八年一月一日以來產生之盈利可供分派股息繳付預扣稅。

於二零一八年十二月三十一日，已作出遞延稅項負債撥備11,253,000港元（相等於人民幣100,000,000元）（二零一七年：無）。董事認為，目前中國附屬公司之餘下不分派溢利498,240,000港元（相等於人民幣442,801,000元）須予撥付實體持續經營，並在可預見未來將不作分派。因此，並無就此作出遞延稅項撥備。

# 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

### 26. DEFERRED TAX (continued)

#### Deferred tax asset

### 26. 遞延稅項 (續)

#### 遞延稅項資產

		Losses available for offsetting against future taxable profits 可供用作抵銷 未來應課稅溢利 之虧損 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-
Deferred tax credited to profit or loss during the year	年內計入損益之遞延稅項	12,321
Exchange realignment	匯兌調整	325
<b>At 31 December 2017 and 1 January 2018</b>	<b>於二零一七年十二月三十一日及 二零一八年一月一日</b>	<b>12,646</b>
<b>Deferred tax charged to profit or loss during the year</b>	<b>年內扣除損益之遞延稅項</b>	<b>(12,731)</b>
<b>Exchange realignment</b>	<b>匯兌調整</b>	<b>85</b>
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>-</b>

The Group has tax losses arising in Hong Kong of HK\$145,062,000 (2017: HK\$145,062,000) and none in the PRC (2017: HK\$138,111,000) that are available indefinitely and within five years from the year of losses, respectively, for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the above amounts can be utilised.

本集團於香港產生之稅項虧損為145,062,000港元(二零一七年: 145,062,000港元)及並無於中國產生稅項虧損(二零一七年: 138,111,000港元),分別可供無限期及於虧損年度五年內用作抵銷產生虧損之公司之未來應課稅溢利。

並無就上述稅項虧損確認遞延稅項資產,因為本集團認為不大可能有應課稅溢利可動用上述金額。

# 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. SHARE CAPITAL

#### Shares

### 27. 股本

#### 股份

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised:	法定：		
20,000,000,000 (2017: 20,000,000,000) ordinary shares of HK\$0.01 each (2017: HK\$0.01 each)	20,000,000,000 股 (二零一七年： 20,000,000,000 股) 每股面值 0.01 港元 (二零一七年：每股面值 0.01 港元) 之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足：		
2,726,456,521 (2017: 2,596,625,258) ordinary shares	2,726,456,521 股 (二零一七年： 2,596,625,258 股) 普通股	27,264	25,966

A summary of movements in the Company's share capital is as follows:

本公司股本變動之概要如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份 溢價 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	2,403,625,258	24,036	341,361	365,397
Issue of shares upon conversion of the 2008 Convertible Bonds (Note i)	兌換二零零八年可換股債 券後發行股份 (附註 i)	193,000,000	1,930	-	1,930
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	2,596,625,258	25,966	341,361	367,327
Share allotment (Note ii)	股份配發 (附註 ii)	129,831,263	1,298	32,458	33,756
At 31 December 2018	於二零一八年 十二月三十一日	2,726,456,521	27,264	373,819	401,083

# 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. SHARE CAPITAL (continued)

#### Shares (continued)

Notes:

- (i) On 20 January 2017, 193,000,000 ordinary shares of the Company of HK\$0.01 each were issued at a conversion price of HK\$2.00 per New Share upon partial conversion of the 2008 Convertible Bonds for a total amount of HK\$386,000,000.
- (ii) Pursuant to the Subscription Agreement entered into between the Company and an independent third party in July 2018, the Company issued 129,831,263 ordinary shares at market price of HK\$0.26 per share as consideration for acquisition of issued share of an associate. (Note 15).

#### Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in note 28 to the consolidated financial statements.

### 28. SHARE OPTION SCHEMES

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share option scheme include the directors and employees of the Group. A share option scheme became effective on 31 May 2002 and expired on 31 May 2012 (the "2002 Scheme"). A new share option scheme was adopted and became effective on 28 March 2013 (the "2013 Scheme"). Unless otherwise cancelled or amended, the 2002 Scheme and 2013 Scheme (collectively, the "Share Option Schemes") will remain in force for ten years from the effective date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Schemes was an amount equivalent to, upon their exercise, 10% of the total number of shares in issue as at the respective dates of approval of the Share Option Schemes. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Schemes within any 12-month period was limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

### 27. 股本(續)

#### 股份(續)

附註：

- (i) 於二零一七年一月二十日，本公司193,000,000股每股面值0.01港元之普通股於部分兌換二零零八年可換股債券後獲發行，總額為386,000,000港元及兌換價為每股新股份2.00港元。
- (ii) 根據本公司與一名獨立第三方於二零一八年七月訂立之認購協議，本公司按市價每股0.26港元發行129,831,263股普通股，作為收購一間聯營公司已發行股份之代價(附註15)。

#### 購股期權

本公司購股期權計劃及根據計劃發行之購股期權詳情載於綜合財務報表附註28。

### 28. 購股期權計劃

本公司設有購股期權計劃以向對本集團業務成功作出貢獻之合資格參與者提供鼓勵及回報。購股期權計劃之合資格參與者包括本集團之董事及僱員。購股期權計劃於二零零二年五月三十一日生效，並於二零一二年五月三十一日屆滿(「二零零二年計劃」)。本公司已採納新購股期權計劃，其於二零一三年三月二十八日生效(「二零一三年計劃」)。除另有註銷或修訂外，二零零二年計劃及二零一三年計劃(統稱「購股期權計劃」)將由生效日期起繼續生效十年。

根據購股期權計劃現時獲准授出尚未行使購股期權之最高數目在其獲行使時相等於本公司於批准購股期權計劃之相關日期已發行股份總數之10%。根據購股期權計劃於任何12個月期間向各合資格參與者授出之購股期權可予發行之股份最高數目限於本公司於任何時間已發行股份之1%。超出此限制進一步授出購股期權須於本公司股東大會上取得股東批准。

**28. SHARE OPTION SCHEMES (continued)**

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. Options may be exercised at any time from the date of grant of the share options to the end of the exercise period.

The exercise price of share options is determinable by the Directors, but may not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of grant of the share options; (ii) the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

Under the 2013 Scheme, options were granted to eligible participants and there were outstanding (but not yet exercised) options to subscribe for a total number of 10,400,000 shares as at 31 December 2018, representing approximately 0.4% of the issued share capital of the Company at that date and the date of approval of these consolidated financial statements. The outstanding options granted under the 2013 Scheme shall be subject to the provisions of the 2013 Scheme and Chapter 17 of the Listing Rules.

Under the 2002 Scheme, there were no outstanding options at the beginning and end of year ended 31 December 2018. During the year ended 31 December 2017, 1,340,000 share options with exercise price of HK\$0.8 per share were lapsed at the end of the exercise period (i.e. 5 January 2017) in accordance with terms of the 2002 Scheme.

**28. 購股期權計劃 (續)**

授予本公司董事、主要行政人員、主要股東或其任何聯繫人士之購股期權須取得獨立非執行董事之事先批准。此外，於任何12個月期間向本公司主要股東、獨立非執行董事或其任何聯繫人士授出超過本公司於任何時間已發行股份0.1%及總值(根據本公司股份於授出當日之價格計算)超過5,000,000港元之任何購股期權須於本公司股東大會上取得股東之事先批准。

授出之購股期權須於授出日期後28日內接納，承授人獲授時須支付合共1港元之象徵式代價。購股期權可由授出購股期權當日至行使期末隨時行使。

購股期權之行使價由本公司董事釐定，將不低於以下最高者：(i)本公司股份於授出購股期權當日於聯交所之收市價；(ii)本公司股份於緊接授出日期前五個交易日於聯交所之平均收市價；及(iii)本公司股份之面值。

購股期權並無賦予持有人享有股息或於本公司股東大會上投票之權利。

根據二零一三年計劃，本公司向合資格參與者授出購股期權，於二零一八年十二月三十一日，本公司尚有發行在外(惟尚未行使)之購股期權可認購合共10,400,000股股份，佔本公司於該日及該等綜合財務報表獲批准日期之已發行股本約0.4%。根據二零一三年計劃授出之未行使購股期權須遵守二零一三年計劃及上市規則第17章之條文。

根據二零零二年計劃，於截至二零一八年十二月三十一日止年度初及年度末並無未行使之購股期權。截至二零一七年十二月三十一日止年度，根據二零零二年計劃之條款，1,340,000份行使價為每股0.8港元之購股期權於行使期結束時(即二零一七年一月五日)失效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 28. SHARE OPTION SCHEMES (continued)

#### 2013 Scheme

The following share options were outstanding under the 2013 Scheme during the year:

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股期權 數目 '000 千股	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股期權 數目 '000 千股
At 1 January	於一月一日	0.66	10,400	0.66	14,160
Lapsed during the year	年內失效	-	-	0.66	(3,760)
At 31 December	於十二月三十一日	0.66	10,400	0.66	10,400

During the year ended 31 December 2018, no share options were lapsed/exercised in accordance with terms of the 2013 Scheme.

During the year ended 31 December 2017, 3,760,000 share options were lapsed upon the cessation of employment of two participants in accordance with terms of the 2013 Scheme.

### 28. 購股期權計劃(續)

#### 二零一三年計劃

年內，根據二零一三年計劃尚未行使之購股期權如下：

截至二零一八年十二月三十一日止年度，概無購股期權根據二零一三年計劃之條款失效／獲行使。

截至二零一七年十二月三十一日止年度，3,760,000份購股期權根據二零一三年計劃之條款於停止僱用兩名參與者後失效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 28. SHARE OPTION SCHEMES (continued)

#### 2013 Scheme (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the respective reporting periods are as follows:

#### 2018

Number of options 購股期權數目 '000 千股	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
<b>10,400</b>	<b>0.66</b>	6 September 2014 to 5 September 2019 二零一四年九月六日至二零一九年九月五日

#### 2017

Number of options 購股期權數目 '000 千股	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
10,400	0.66	6 September 2014 to 5 September 2019 二零一四年九月六日至二零一九年九月五日

The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

### 29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 87 to 88 of the consolidated financial statements.

### 28. 購股期權計劃 (續)

#### 二零一三年計劃 (續)

於相關報告期末尚未行使購股期權之行使價及行使期如下：

#### 二零一八年

Exercise period 行使期
6 September 2014 to 5 September 2019 二零一四年九月六日至二零一九年九月五日

#### 二零一七年

Exercise period 行使期
6 September 2014 to 5 September 2019 二零一四年九月六日至二零一九年九月五日

購股期權之行使價可因應供股或紅股發行或本公司股本之其他類似變動而予以調整。

### 29. 儲備

本集團之儲備金額及於本年度及過往年度之儲備變動載於綜合財務報表第87至88頁之綜合權益變動表。

# 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

### 30. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

#### GRG Huscoke

		2018 二零一八年	2017 二零一七年
Percentage of equity interest held by non-controlling interests at 31 December	於十二月三十一日之非控股權益所持股權百分比	<b>10%</b>	10%

### 30. 持有重大非控股權益之非全資附屬公司

持有重大非控股權益之本集團附屬公司之詳情載列如下：

#### 金岩和嘉

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit for the year allocated to non-controlling interests	分配至非控股權益之本年度溢利	<b>17,590</b>	14,015
Accumulated balances of non-controlling interests at the reporting date	於報告日期之非控股權益累計結餘	<b>48,487</b>	39,101



# 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

### 30. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The summarised financial information of the above subsidiary, GRG Huscoke. The amounts disclosed are before any inter-company eliminations:

### 30. 持有重大非控股權益之非全資附屬公司 (續)

下表載列上述附屬公司金岩和嘉之財務資料概要。所披露之金額為並未作任何公司間對銷之金額：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入	<b>1,478,049</b>	1,330,791
Other income and gains	其他收入及收益	<b>144,001</b>	121,726
Total expenses	開支總額	<b>(1,446,146)</b>	(1,299,542)
Profit for the year	本年度溢利	<b>175,904</b>	152,975
Total comprehensive income for the year	本年度全面收益總額	<b>150,107</b>	168,272
Current assets	流動資產	<b>853,996</b>	573,419
Non-current assets	非流動資產	<b>566,880</b>	507,007
Current liabilities	流動負債	<b>(961,520)</b>	(725,920)
Non-current liabilities	非流動負債	<b>(16,315)</b>	(5,313)
Net cash flows from operating activities	來自經營業務之現金流量淨額	<b>160,247</b>	123,645
Net cash flows used in investing activities	用於投資業務之現金流量淨額	<b>(159,529)</b>	(123,714)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	<b>718</b>	(69)

### 31. CONVERTIBLE BONDS

#### 2016 Convertible Bonds

Pursuant to a subscription agreement entered into between Kailuan (Hong Kong) International Co., Limited and the Company on 13 April 2016, the Company issued convertible bonds with a principal amount of HK\$43,277,000 (the 2016 Convertible Bonds) to Kailuan (Hong Kong) International Co., Limited on 2 November 2016. The 2016 Convertible Bonds bear interest at 2.5% per annum, mature 1 year from the issue date and are extendable for one additional year subject to the agreement between the Company and the bondholder. The 2016 Convertible Bonds carry a conversion right entitling the holder to subscribe for the Company's shares at a conversion price of HK\$0.06 per share.

The 2016 Convertible Bonds are convertible at the option of the holder into the Company's ordinary shares during the period commencing from the seventh business day prior to the maturity date and expiring on the date immediately before the maturity date, provided that the conversion does not trigger off a mandatory offer obligation under Rule 26 of the Hong Kong Code on Takeovers and Mergers and the public float of the Company's shares shall not be less than 25% of total issued shares of the Company, in which:

- (i) The bondholder has a right to convert up to 50% of the principal amount of the 2016 Convertible Bonds into the Company's shares at any time throughout the conversion period at its sole and absolute discretion; and
- (ii) The bondholder has a right to convert the remaining 50% of the principal amount of the 2016 Convertible Bonds subject to the consent of the Company.

The Company has a right to redeem the whole or part of the outstanding 2016 Convertible Bonds at 100% of the principal amount and accrued interest at any time before the maturity date by giving the bondholder not less than 14 days prior notice during the outstanding period.

On the maturity date, any of the 2016 Convertible Bonds not converted or redeemed during the tenure will be redeemed at 100% of the principal amount with accrued interest.

As a result of the share consolidation in May 2016, the conversion price of the 2016 Convertible Bonds was adjusted from HK\$0.06 per share to HK\$0.3 per New Share pursuant to the terms and conditions of the 2016 Convertible Bonds. The number of shares upon conversion would be adjusted in accordance with the adjusted conversion price.

### 31. 可換股債券

#### 二零一六年可換股債券

根據開灤(香港)國際有限公司與本公司於二零一六年四月十三日訂立之認購協議，本公司於二零一六年十一月二日發行本金額為43,277,000港元之可換股債券(二零一六年可換股債券)予開灤(香港)國際有限公司。二零一六年可換股債券之票息率為每年2.5%，自發行日期起一年後到期，可經本公司與債券持有人協定後額外延長一年。二零一六年可換股債券附帶之兌換權令持有人有權按每股兌換價0.06港元認購本公司股份。

二零一六年可換股債券可自到期日前第七個營業日開始至緊接到期日之前一日屆滿之期間，按照持有人之意願兌換為本公司普通股，惟兌換須並無觸發香港公司收購及合併守則之規則26項下強制性要約責任及本公司股份之公眾持股量不得低於本公司全部已發行股份之25%，其中：

- (i) 債券持有人有權於整個兌換期間內隨時全權酌情將二零一六年可換股債券本金額最多50%兌換為本公司股份；及
- (ii) 債券持有人有權兌換二零一六年可換股債券本金額之餘下50%，須待本公司同意。

本公司有權於到期日之前隨時按100%本金額及應計利息贖回全部或部分尚未償還二零一六年可換股債券，惟須於債券尚未償還期間向債券持有人發出不少於14日之事先通知。

於到期日，任何於保有期內未兌換或贖回之二零一六年可換股債券將按本金額之100% (連同應計利息) 贖回。

由於二零一六年五月進行股份合併，二零一六年可換股債券之兌換價根據二零一六年可換股債券之條款及條件由每股0.06港元調整至每股新股份0.3港元。兌換後之股份數目將按照經調整兌換價進行調整。

# 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

### 31. CONVERTIBLE BONDS (continued)

#### 2016 Convertible Bonds (continued)

The fair value of the 2016 Convertible Bonds as a whole was HK\$38,340,000 on the issue date of which the fair value of the liability portion of the 2016 Convertible Bonds was HK\$38,190,000 and the equity portion was HK\$150,000.

On 30 December 2016 (the “**2016 Amendment Date**”), the Company and Kailuan (Hong Kong) International Co., Limited entered into an agreement whereby the maturity date of the 2016 Convertible Bonds was extended to 2 May 2018 (the “**2016 Amendment**”). Other than the maturity date, all terms of the 2016 Convertible Bonds remain unchanged. In light of the terms of the 2016 Amendment, the Company reassessed the fair values of the 2016 Convertible Bonds at the 2016 Amendment Date. The values of the liability component and the equity components at the 2016 Amendment Date were determined at HK\$36,835,000 and HK\$150,000, respectively. The effect of the 2016 Amendment was a gain of HK\$2,303,000 which was recognised in the consolidated profit or loss for the year ended 31 December 2016.

The fair values of the liability component of the 2016 Convertible Bonds at the issue date and the 2016 Amendment Date were estimated using an equivalent market interest rate for a similar note without a conversion option. The respective residual amounts are assigned as the equity components and included in the convertible bonds reserve.

On 22 December 2017 (the “**2017 Amendment Date**”), the Company and Kailuan (Hong Kong) International Co., Limited entered into an agreement to vary certain terms and conditions of the 2016 Convertible Bonds (the “**2017 Amendments**”). The amendments included but were not limited to the following:

- (i) the maturity date of 2 May 2018 was extended to 31 August 2019;
- (ii) the conversion period was changed to the period commencing from fulfilment of conditions precedent of the 2017 Amendments up to 31 August 2019; and
- (iii) the holder of the 2016 Convertible Bonds will have the right to convert 100% of the principal amount of the 2016 Convertible Bonds at any time during the conversion period.

### 31. 可換股債券(續)

#### 二零一六年可換股債券(續)

二零一六年可換股債券於發行日期之整體公允值為38,340,000港元，其中二零一六年可換股債券負債部分之公允值為38,190,000港元及權益部分為150,000港元。

於二零一六年十二月三十日(「二零一六年修訂日期」)，本公司與開灤(香港)國際有限公司訂立協議，其中將二零一六年可換股債券之到期日延長至二零一八年五月二日(「二零一六年修訂」)。除到期日外，二零一六年可換股債券之所有條款維持不變。鑑於二零一六年修訂之條款，本公司重新評估二零一六年可換股債券於二零一六年修訂日期之公允值。負債部分及權益部分於二零一六年修訂日期之價值分別釐定為36,835,000港元及150,000港元。二零一六年修訂之影響為收益2,303,000港元，乃於截至二零一六年十二月三十一日止年度之綜合損益內確認。

於發行日期及二零一六年修訂日期，二零一六年可換股債券負債部分之公允值乃採用無兌換權之類似票據之等值市場利率估計。各自餘下部分指定為權益部分，並計入可換股債券儲備。

於二零一七年十二月二十二日(「二零一七年修訂日期」)，本公司與開灤(香港)國際有限公司訂立協議，以修改二零一六年可換股債券若干條款及條件(「二零一七年修訂」)。有關修訂包括但不限於以下：

- (i) 到期日由二零一八年五月二日延長至二零一九年八月三十一日；
- (ii) 兌換期間改為自二零一七年修訂之先決條件獲達成起至二零一九年八月三十一日期間；及
- (iii) 二零一六年可換股債券持有人將有權於兌換期間內隨時兌換二零一六年可換股債券本金額之100%。

**31. CONVERTIBLE BONDS (continued)**

**2016 Convertible Bonds (continued)**

Further details of the 2017 Amendments are set out in the Company's announcement and the circular dated 22 December 2017 and 15 January 2018, respectively.

The 2017 Amendments were approved at the SGM held on 5 February 2018 and other conditions were fulfilled on 5 February 2018.

The 2017 Amendments constituted a significant modification and was accounted for as an extinguishment of the 2016 Convertible Bonds and an issue of new convertible bonds (the 2017 Convertible Bonds). In light of the terms of the 2017 Amendments set out above, the Company reassessed, as at the 2017 Amendments Date, the fair values of the 2016 Convertible Bonds and the 2017 Convertible Bonds. The net effect of the 2017 Amendments is the recognition of a loss of HK\$188,000 charged to profit or loss.

The carrying amount of the liability component of the 2017 Convertible Bonds as at 31 December 2018 was HK\$43,526,000 (2017: HK\$41,427,000). The fair value of the liability component of the 2017 Convertible Bonds as at 31 December 2017 of HK\$41,427,000, was calculated by discounting the future cash flows at the prevailing market interest rate at the end of respective reporting periods which conducted by an independent professional qualified valuer, Ascent Partners Valuation Service Limited, by using Black-Scholes Partial Differential Equations.

On 8 March 2018, Kailuan (Hong Kong) International Co. Limited transferred the 2017 Convertible Bonds to its immediate holding company, Rontac Resources Company Limited, with all terms remained unchanged.

There was no conversion or redemption of the 2016 Convertible Bonds and the 2017 Convertible Bonds during the years ended 31 December 2018 and 2017 or subsequent to the end of the reporting period.

**31. 可換股債券 (續)**

**二零一六年可換股債券 (續)**

二零一七年修訂之進一步詳情載於本公司日期為二零一七年十二月二十二日之公告及二零一八年一月十五日之通函。

二零一七年修訂於二零一八年二月五日舉行之股東特別大會獲得批准，而其他條件亦於二零一八年二月五日達成。

二零一七年修訂屬於一項重大修改，其入帳列作已消除之二零一六年可換股債券及發行新可換股債券（二零一七年可換股債券）。鑑於上文所載之二零一七年可換股債券之條款，本公司於二零一七年修訂日期重新評估二零一六年可換股債券及二零一七年可換股債券之公允值。二零一七年修訂之淨影響為確認虧損188,000港元，乃於損益內扣除。

二零一七年可換股債券之負債部分於二零一八年十二月三十一日之帳面值為43,526,000港元（二零一七年：41,427,000港元）。二零一七年可換股債券之負債部分於二零一七年十二月三十一日之公允值41,427,000港元按於相關報告期末之現行市場利率貼現未來現金流量計算。估值由獨立專業合資格估值師艾升評值諮詢有限公司進行，並使用柏力克-舒爾斯偏微分方程計算。

於二零一八年三月八日，開灤（香港）國際有限公司將其持有之二零一七年可換股債券轉讓予其直接控股公司融泰資源有限公司，所有條款維持不變。

截至二零一八年及二零一七年十二月三十一日止年度或於報告期末後，概無兌換或贖回二零一六年可換股債券及二零一七年可換股債券。

# 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. CONVERTIBLE BONDS (continued)

#### 2016 Convertible Bonds (continued)

An analysis of the liability and equity components of the 2016 and the 2017 Convertible Bonds on the issue date and the movements during the years ended 31 December 2018 and 2017 is as follows:

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As 1 January 2017	於二零一七年一月一日	36,835	150	36,985
Interest expense before the 2017 Amendments	二零一七年修訂前之 利息開支	5,790	–	5,790
Transfer of interest expense to other payable	利息開支轉撥至 其他應付帳款	(1,083)	–	(1,083)
Loss on extinguishment of the 2016 Convertible Bonds	因消除二零一六年可換股 債券所產生之虧損	1,362	–	1,362
Transfer of equity component to accumulated losses upon extinguishment	消除後權益部分轉撥至 累計虧損	–	(137)	(137)
Extinguishment of the 2016 Convertible Bonds	已消除之二零一六年 可換股債券	(42,904)	(13)	(42,917)
Recognition of the 2017 Convertible Bonds	已確認之二零一七年 可換股債券	41,375	368	41,743
Interest expense of the 2017 Convertible Bonds	二零一七年可換股債券之 利息開支	52	–	52
As 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	41,427	368	41,795
Interest expense of the 2017 Convertible Bonds	二零一七年可換股債券之 利息開支	2,099	–	2,099
As at 31 December 2018	於二零一八年十二月三十一日	43,526	368	43,894

### 31. 可換股債券(續)

#### 二零一六年可換股債券(續)

二零一六年及二零一七年可換股債券於發行日期之負債及權益部分之分析及截至二零一八年及二零一七年十二月三十一日止年度之變動如下：

# 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

### 32. COMMITMENTS

#### (a) Capital commitments

The Group had the following capital commitments at the end of the reporting period:

Acquisitions of plant and equipment: 收購廠房及設備：  
Contracted, but not provided for 已訂約，但未撥備

#### (b) Operating lease commitments

##### *As lessee*

The Group leases certain of its leasehold interests in land and properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year 一年內  
In the second to fifth years, inclusive 第二年至第五年(包括首尾兩年)

### 32. 承擔

#### (a) 資本承擔

本集團於報告期末有以下資本承擔：

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

-	3,355
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#### (b) 經營租賃承擔

##### *作為承租人*

本集團根據經營租賃安排租賃若干土地及物業之租賃權益。物業之租賃期限協定為一至十年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃之未來最低租金總額到期如下：

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

9,906	4,813
24,217	5,766
<b>34,123</b>	<b>10,579</b>

# 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. CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities which have not been provided for in these financial statements (2017: Nil).

### 34. LITIGATIONS

(a) On 25 September 2015, 杭州熱聯集團股份有限公司 (Hangzhou Relian Group Holding Limited) (“**Hangzhou Relian**”) issued a writ of summons against (i) 張家港保稅區康輝國際貿易有限公司 (Zhangjiagang Kanghui International Trading Limited) (“**Kanghui International**”) and (ii) GRG Huscoke in relation to an alleged breach by Kanghui International of an agency agreement (as amended and supplemented by the supplemental agreement dated 5 May 2014) (the “**Agency Agreements**”) entered into on 30 December 2013 among Hangzhou Relian as the agent, Kanghui International as the principal and GRG Huscoke as the supplier and guarantor in relation to the supply of coke by GRG Huscoke to Kanghui International through Hangzhou Relian. According to the writ of summons, Hangzhou Relian claimed against Kanghui International and GRG Huscoke, for a sum of RMB4,318,000 (equivalent to HK\$5,098,000), being the outstanding sum payable by Kanghui International to Hangzhou Relian under the Agency Agreements.

During the year ended 31 December 2017, 浙江省杭州市江干區人民法院 has issued 民事判決書, pursuant to which, Kanghui International and GRG Huscoke were liable to pay Hangzhou Relian a sum of RMB4,350,000 (equivalent to HK\$5,136,000). There was no settlement on such balance during the year ended 31 December 2018. In the opinion of the Directors, adequate provision has been made in the financial statements for the years ended 31 December 2018 and 2017. To the best knowledge of the Directors, no further legal action has been lodged by Hangzhou Relian up to the approval date of the financial statements.

### 33. 或然負債

於二零一八年十二月三十一日，本集團並無任何尚未於此等財務報表內作出撥備之重大或然負債（二零一七年：無）。

### 34. 訴訟

(a) 於二零一五年九月二十五日，杭州熱聯集團股份有限公司（「杭州熱聯」）向（i）張家港保稅區康輝國際貿易有限公司（「康輝國際」）及（ii）金岩和嘉發出傳訊令狀，就有關康輝國際違反於二零一三年十二月三十日杭州熱聯（作為代理人）、康輝國際（作為主事人）及金岩和嘉（作為供應商及擔保人）所訂立之代理協議（經日期為二零一四年五月五日之補充協議修訂及補充，「代理協議」），內容有關金岩和嘉透過杭州熱聯向康輝國際供應焦炭作出指控。根據該傳訊令狀，杭州熱聯向康輝國際及金岩和嘉要求賠償代理協議項下康輝國際應付杭州熱聯的未付金額人民幣4,318,000元（相等於5,098,000港元）。

於截至二零一七年十二月三十一日止年度，浙江省杭州市江干區人民法院發出了民事判決書，據此，康輝國際及金岩和嘉須向杭州熱聯繳付人民幣4,350,000元（相等於5,136,000港元）。截至二零一八年十二月三十一日止年度，沒有結清相關結欠。本公司董事認為，於截至二零一八年及二零一七年十二月三十一日止年度之財務報表已作出足夠撥備。就本公司董事所知，直至財務報表審批日期，杭州熱聯並無作出進一步法律訴訟。

# 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. LITIGATIONS (continued)

- (b) The Group received notification issued by 山西省太原市中級人民法院 (Shanxi Province Taiyuan City Intermediate People's Court) (the "Court") dated 20 May 2016 in which 山西國際物流有限公司 (Shanxi International Logistic Co., Ltd.) ("Shanxi Logistic") commenced legal action against GRG Huscoke. Pursuant to the statement of claim, GRG Huscoke failed to deliver goods and failed to repay the prepayment of RMB50,000,000 (equivalent to HK\$59,035,000) received from Shanxi Logistic in accordance with the cooperation agreements entered into by Shanxi Logistic and GRG Huscoke in March 2013, on 1 April 2014 and 1 May 2015 respectively. As a result, Shanxi Logistic demanded GRG Huscoke to repay RMB50,000,000 (equivalent to HK\$59,035,000) plus profits forgone of RMB14,894,000 (equivalent to HK\$17,410,000) and related legal expense of RMB183,000 (equivalent to HK\$214,000) up to 29 February 2016 as a result of the non-delivery of goods by GRG Huscoke.

During the year ended 31 December 2016, a civil mediation agreement (the "Civil Mediation Agreement") was entered into to confirm, among others, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB65,077,000 (equivalent to HK\$76,659,000) as of 11 April 2016 and such sums should be repaid on or before 30 May 2016. Subsequently, GRG Huscoke, Shanxi Logistic, the non-controlling shareholder and the controlling owner of the non-controlling shareholder (collectively, as the Guarantors of GRG Huscoke) entered into a settlement agreement (the "Settlement Agreement") regarding the execution of the Civil Mediation Agreement. Pursuant to the Settlement Agreement, GRG Huscoke shall settle RMB31,000,000 (equivalent to HK\$36,500,000) by instalments by 31 December 2016, and monthly instalments of RMB6,000,000 (equivalent to HK\$7,100,000) from January 2017 onwards until the full settlement of the outstanding sums (including interest accrued and to be accrued thereon).

As at 31 December 2018, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB57,877,000 (equivalent to HK\$65,123,000).

The Group has been in negotiation with Shanxi Logistic to rearrange the payment schedule under the Settlement Agreement. To the best knowledge of the Directors, no further legal action was lodged by Shanxi Logistics up to the approval date of the financial statements. In the opinion of the Directors, appropriate provision has been made in the financial statements as at 31 December 2018 and 31 December 2017.

### 34. 訴訟(續)

- (b) 本集團接獲山西省太原市人民法院(「法院」)於二零一六年五月二十日發出之通知，山西國際物流有限公司(「山西物流」)對金岩和嘉展開法律訴訟。根據起訴書，金岩和嘉未能根據山西物流與金岩和嘉分別於二零一三年三月、二零一四年四月一日及二零一五年五月一日訂立之合作協議交付貨品及償還預付款項人民幣50,000,000元(相等於59,035,000港元)。因此，山西物流要求金岩和嘉償還預付款項人民幣50,000,000元(相等於59,035,000港元)加因金岩和嘉未能交付貨品而導致截至二零一六年二月二十九日止之已失去溢利人民幣14,894,000元(相等於17,410,000港元)及相關法律開支人民幣183,000元(相等於214,000港元)。

於截至二零一六年十二月三十一日止年度，一份民事調解協議(「民事調解協議」)已予訂立，以確認(其中包括)截至二零一六年四月十一日金岩和嘉結欠山西物流之總額為人民幣65,077,000元(相等於76,659,000港元)及有關總額須於二零一六年五月三十日或之前償還。其後，金岩和嘉、山西物流、非控股股東及非控股股東之控股擁有人(統稱金岩和嘉之擔保人)訂立還款協議(「還款協議」)，內容有關執行民事調解協議。根據還款協議，金岩和嘉須於二零一六年十二月三十一日前分期償還人民幣31,000,000元(相等於36,500,000港元)，並自二零一七年一月起分期每月償還人民幣6,000,000元(相等於7,100,000港元)，直至全數償還未償還金額為止(包括應計及其後累計利息)。

於二零一八年十二月三十一日，金岩和嘉結欠山西物流之總額為人民幣57,877,000元(相等於65,123,000港元)。

本集團一直與山西物流商討有關重新調整還款協議之付款時間。就本公司董事所知，直至財務報表審批日期，山西物流並無作出進一步法律訴訟。本公司董事認為，於截至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止年度之財務報表已作出適當撥備。



# 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

### 35. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

### 35. 與關連人士之交易

- (a) 除此等財務報表其他地方所詳述之交易及結餘外，本集團於年內與關連人士有下列交易：

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
With the non-controlling shareholder:	與非控股股東：			
Sales of electricity	出售電力	<i>i</i>	1,142	264
Purchases of refined coal	採購精煤	<i>i</i>	-	169
Purchases of sundry materials	採購雜項物料	<i>i</i>	-	382
Rental expense	租金開支	<i>ii</i>	1,189	1,150
Disposal of items of property, plant and equipment	出售物業、廠房及設備項目	<i>iii</i>	-	702
With a related company which is a subsidiary of the non-controlling shareholder:	與關連公司 (為非控股股東之附屬公司)：			
Sales of electricity	出售電力	<i>i</i>	971	411
Transportation income	運輸收入	<i>i</i>	-	1,051
With related companies which are associates of the non-controlling shareholder:	與關連公司 (為非控股股東之聯營公司)：			
Sales of electricity	出售電力	<i>i</i>	-	1,145
Purchases of raw coal	採購原煤	<i>i</i>	-	115
With a related company which is held by a close family member of the beneficial owner of the non-controlling shareholder:	與關連公司 (由非控股股東實益擁有人之直系親屬持有)：			
Sales of raw coal	出售原煤	<i>i</i>	35,884	-
Sales of coke	出售焦炭	<i>i</i>	44,238	-
Sales of by-products	出售副產品	<i>i</i>	4,063	-
Purchases of refined coal	採購精煤	<i>i</i>	45,558	29,616
With a company which is owned by a member of key management personnel of the Group:	與本集團主要管理人員擁有之公司：			
Sales of by-products	出售副產品	<i>i</i>	-	112

# 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. RELATED PARTY TRANSACTIONS

#### (a) (continued)

Notes:

- (i) The transactions were conducted on bases mutually agreed by the respective parties, with reference to prevailing market rates or prices similar to those transacted with the Group's third party customers/suppliers.
- (ii) The rental expense was charged based on terms mutually agreed between the contractual parties.
- (iii) The consideration was determined with reference to the carrying amount of the property, plant and equipment.

#### (b) Outstanding balances with related parties

- (i) Balances with the non-controlling shareholder at the end of the reporting period are set out in note 21 to the consolidated financial statements.
- (ii) A summary of the Group's balances (before loss allowance) with other related companies is set out below.

### 35. 與關連人士之交易 (續)

#### (a) (續)

附註：

- (i) 交易乃按有關訂約方共同協定之基礎進行，並經參考當時市場利率或與本集團第三方客戶／供應商之交易之相若價格而定。
- (ii) 租金開支乃按訂約方共同協定之條款收取。
- (iii) 代價乃參考物業、廠房及設備之帳面值釐定。

#### (b) 與關連人士之未償還結餘

- (i) 於報告期末與非控股股東之結餘載於綜合財務報表附註21。
- (ii) 本集團與其他關連公司之結餘(扣除虧損撥備前)之概述載列於下。

		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
Trade receivables from related companies	關連公司之貿易應收帳款 19	86,683	40,462
Prepayments, deposits, and other receivables from related companies	關連公司之預付款項、按金及其他應收帳款 20	11,464	6,419
		<b>98,147</b>	46,881

These related companies are affiliates of the non-controlling shareholder.

該等關連公司為非控股股東之聯屬公司。

# 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

### 35. RELATED PARTY TRANSACTIONS (continued)

#### (b) Outstanding balances with related parties (continued)

##### (ii) (continued)

With respect to the balances as at 31 December 2016, the Group and the non-controlling shareholder entered into an indemnity agreement on 1 March 2017, pursuant to which the non-controlling shareholder undertook that if any amounts were not settled by the respective parties at 31 December 2016, it would settle the amounts on their behalf by monthly instalments of RMB10,000,000 after its new coking plant started operation in October 2017.

The Group and the non-controlling shareholder renewed the indemnity agreement on 6 March 2018 to cover the balances outstanding from affiliates of the non-controlling shareholder of HK\$46,881,000 at 31 December 2017 under the renewed repayment and asset pledge agreement as detailed in note 21(iii). On 31 December 2018, the Group entered into the Debt Assignment as detailed in note 21(iv). Upon effective of the Debt Assignment, HK\$41,044,000 will be taken up by the Debt Assignee.

- (iii) As at 31 December 2018, included in other borrowings were loans from a former director of the Company of HK\$1,751,000 (2017: HK\$1,751,000) and a director of GRG Huscoke of HK\$3,195,000 (2017: HK\$3,195,000). Details of the terms of these balances are set out in note 25 to the financial statements.

As at 31 December 2018, included in other payable was loan from a former director of the Company of HK\$509,000 (2017: HK\$509,000). Details of the terms of these balances are set out in note 24 to the financial statements.

### 35. 與關連人士之交易 (續)

#### (b) 與關連人士之未償還結餘 (續)

##### (ii) (續)

就二零一六年十二月三十一日之結餘而言，本集團及非控股股東於二零一七年三月一日訂立彌償協議，據此，非控股股東承諾，倘任何金額於二零一六年十二月三十一日未由各自訂約方結算，其將於二零一七年十月新焦炭廠開始營運後替彼等代為按月以每期人民幣10,000,000元結算該金額。

本集團及非控股股東於二零一八年三月六日續訂彌償協議以涵蓋經續訂償還及資產抵押協議（誠如附註21(iii)所詳述）項下於二零一七年十二月三十一日非控股股東之聯屬公司之未償還結餘46,881,000港元。於二零一八年十二月三十一日，本集團訂立債務轉讓書（誠如附註21(iv)所詳述）。於債務轉讓書生效後，41,044,000港元將由債務受讓人承擔。

- (iii) 於二零一八年十二月三十一日，計入其他借貸為本公司一名前董事之貸款1,751,000港元（二零一七年：1,751,000港元）及金岩和嘉一名董事之貸款3,195,000港元（二零一七年：3,195,000港元）。該等結餘之條款詳情載於財務報表附註25。

於二零一八年十二月三十一日，計入其他應付帳款為本公司一名前董事之貸款509,000港元（二零一七年：509,000港元）。該等結餘之條款詳情載於財務報表附註24。

# 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. RELATED PARTY TRANSACTIONS (continued)

#### (c) Commitments with a related party

On 30 May 2010, GRG Huscoke entered into a 10-year operating lease arrangement ending 29 May 2020 with the non-controlling shareholder to lease the land for the Group's production plants. Total rental expenses paid to the non-controlling shareholder for the year are included in note (a) above. The total operating lease commitments due within one year and in the second to fifth years as at 31 December 2018 were approximately HK\$1,125,000 (2017: HK\$1,181,000) and HK\$459,000 (2017: HK\$1,673,000), respectively.

#### (d) Compensation of key management personnel of the Group:

The remuneration of directors and other members of key management during the year was as follows:

### 35. 與關連人士之交易 (續)

#### (c) 與關連人士之承擔

於二零一零年五月三十日，金岩和嘉與非控股股東訂立10年經營租賃安排（直至二零二零年五月二十九日為止），以就本集團生產廠租賃土地。本年度付予非控股股東之租金開支總額載於上文附註(a)。於二零一八年十二月三十一日，於一年內及第二至第五年到期之經營租賃承擔總額分別約為1,125,000港元（二零一七年：1,181,000港元）及459,000港元（二零一七年：1,673,000港元）。

#### (d) 本集團主要管理人員之薪酬：

董事及其他主要管理層人員於年內之酬金如下：

		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 benefits in kind	薪金、津貼及實物福利	6,135	5,479
Pension scheme contributions	退休福利計劃供款	29	36
		<b>6,164</b>	<b>5,515</b>

Further details of directors' emoluments are included in note 8 to the consolidated financial statements.

董事酬金之進一步詳情載於綜合財務報表附註8。

# 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. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Change in liabilities arising from financing activities

		<b>Other borrowings</b>	<b>Convertible bonds</b>	<b>Total</b>
		其他借貸	可換股債券	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 January 2017	於二零一七年一月一日	25,813	36,835	62,648
Net cash flows	現金流量淨額	-	-	-
Non-cash flows:	非現金流量：			
Gain from debt restructuring	債務重組收益	(7,669)	-	(7,669)
Interest accrued	應計利息	44	5,842	5,886
Transfer of interest expenses to other payable	利息開支轉撥至其他應付帳款	-	(1,083)	(1,083)
Loss on extinguishment of the 2016 convertible bonds	因消除二零一六年可換股債券所產生之虧損	-	1,362	1,362
Extinguishment of the 2016 convertible bonds	已消除之二零一六年可換股債券	-	(42,904)	(42,904)
Recognition of 2017 convertible bonds	已確認之二零一七年可換股債券	-	41,375	41,375
<b>As at 31 December 2017 and as at 1 January 2018</b>	於二零一七年十二月三十一日及於二零一八年一月一日	<b>18,188</b>	<b>41,427</b>	<b>59,615</b>
<b>Net cash flows</b>	現金流量淨額	-	-	-
<b>Non-cash flows:</b>	非現金流量：			
<b>Interest accrued</b>	應計利息	-	<b>2,099</b>	<b>2,099</b>
<b>As at 31 December 2018</b>	於二零一八年十二月三十一日	<b>18,188</b>	<b>43,526</b>	<b>61,714</b>

### 36. 綜合現金流量表附註

#### (a) 融資活動所產生之負債變動

# 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

### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

#### (b) Major non-cash transactions

- (a) As disclosed in note 15 to the consolidated financial statements, 129,831,263 ordinary shares of the Company were issued to acquire the issued shares of EDB at the market price of HK\$0.26 per share during the year ended 31 December 2018.
- (b) In addition, the Group also subscribed for 10.5% issued shares of EDB at cash consideration of approximately HK\$68,048,000 (equivalent to approximately RMB60,000,000), approximately HK\$45,008,000 (equivalent to RMB40,000,000) remained unsettled and was included in other payable as at 31 December 2018 (Note 24).
- (c) During the year ended 31 December 2018, the GRG Huscoke declared a dividend of approximately HK\$56,260,000 (equivalent to RMB50,000,000). The dividend payable to the non-controlling Shareholder of approximately HK\$5,626,000 (equivalent to RMB5,000,000) was included in other payable as at 31 December 2018.

### 36. 綜合現金流量表附註(續)

#### (b) 重大非現金交易

- (a) 誠如綜合財務報表附註15所披露，截至二零一八年十二月三十一日止年度，本公司以市價每股股份0.26港元發行129,831,263股普通股以收購EDB之已發行股份。
- (b) 此外，本集團亦以現金代價約68,048,000港元(相等於約人民幣60,000,000元)認購EDB之10.5%已發行股份，約45,008,000港元(相等於人民幣40,000,000元)並未支付且計入於二零一八年十二月三十一日之其他應付帳款(附註24)。
- (c) 截至二零一八年十二月三十一日止年度，金岩和嘉宣派股息約56,260,000港元(相等於人民幣50,000,000元)。應派付予非控股股東之股息約5,626,000港元(相等於人民幣5,000,000元)計入於二零一八年十二月三十一日之其他應付帳款。

# 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

### 37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting periods are as follows:

2018

Financial assets

		Financial assets at amortised cost 按攤銷成本 列帳之金融資產 HK\$' 000 千港元	Financial assets at FVPL 按公允值計入 損益之金融資產 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	–	1,508	1,508
Trade receivables	貿易應收帳款	367,083	–	367,083
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收帳款之金融資產	283,101	–	283,101
Cash and bank balances	現金及銀行結存	18,894	–	18,894
		<b>669,078</b>	<b>1,508</b>	<b>670,586</b>

Financial liabilities

### 37. 按類別劃分之金融工具

於報告期末，各類金融工具之帳面值如下：

二零一八年

金融資產

	Financial liabilities at amortised cost 按攤銷成本列帳 之金融負債 HK\$' 000 千港元
Trade payables	貿易應付帳款
Financial liabilities included in other payables and accruals	計入其他應付帳款及應計款項之金融負債
Other borrowings	其他借貸
Convertible bonds	可換股債券
	<b>237,326</b>
	<b>339,795</b>
	<b>18,188</b>
	<b>43,526</b>
	<b>638,835</b>

# 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. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2017

Financial assets

		Loans and receivables 貸款及應 收帳款 HK\$'000 千港元	Available- for-sale financial assets 可供出售 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale financial assets	可供出售金融資產	–	1,115	1,115
Trade receivables	貿易應收帳款	267,037		267,037
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收帳款之 金融資產	158,983	–	158,983
Cash and bank balances	現金及銀行結存	69,655	–	69,655
Cash and bank balances	現金及銀行結存	495,675	1,115	496,790

Financial liabilities

			Financial liabilities at amortised cost 按攤銷成本列帳 之金融負債 HK\$'000 千港元
Trade payables	貿易應付帳款		158,188
Financial liabilities included in other payables and accruals	計入其他應付帳款及應計款項 之金融負債		228,722
Other borrowings	其他借貸		18,188
Convertible bonds	可換股債券		41,427
			446,525

### 37. 按類別劃分之金融工具 (續)

二零一七年

金融資產

		Loans and receivables 貸款及應 收帳款 HK\$'000 千港元	Available- for-sale financial assets 可供出售 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale financial assets	可供出售金融資產	–	1,115	1,115
Trade receivables	貿易應收帳款	267,037		267,037
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收帳款之 金融資產	158,983	–	158,983
Cash and bank balances	現金及銀行結存	69,655	–	69,655
Cash and bank balances	現金及銀行結存	495,675	1,115	496,790

金融負債

			Financial liabilities at amortised cost 按攤銷成本列帳 之金融負債 HK\$'000 千港元
Trade payables	貿易應付帳款		158,188
Financial liabilities included in other payables and accruals	計入其他應付帳款及應計款項 之金融負債		228,722
Other borrowings	其他借貸		18,188
Convertible bonds	可換股債券		41,427
			446,525



# 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

### 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2018

Financial assets mandatorily measured at FVPL

強制按公允值計入損益計量之金融資產

Quoted prices in active markets (Level 1) (第一層)	Significant observable inputs (Level 2) (第二層)	Significant unobservable inputs (Level 3) (第三層)	Total (總計)
HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)
1,508	–	–	1,508

Assets measured at fair value:

As at 31 December 2017

### 38. 金融工具之公允值及公允值等級架構

#### 公允值等級架構

下表載列本集團之金融工具之公允值計量等級架構：

按公允值計量之資產：

於二零一八年十二月三十一日

Fair value measurement using 採用下列各項之公允值計量

Quoted prices in active markets (Level 1) (第一層)	Significant observable inputs (Level 2) (第二層)	Significant unobservable inputs (Level 3) (第三層)	Total (總計)
HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)
1,508	–	–	1,508

按公允值計量之資產：

於二零一七年十二月三十一日

Fair value measurement using 採用下列各項之公允值計量

Quoted prices in active markets (Level 1) (第一層)	Significant observable inputs (Level 2) (第二層)	Significant unobservable inputs (Level 3) (第三層)	Total (總計)
HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)	HK\$'000 (千港元)
1,115	–	–	1,115

Available-for-sale financial assets

可供出售金融資產

1,115 – – 1,115

**38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

**Fair value hierarchy (continued)**

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

**Financial assets at fair value through profit or loss: Private club debentures**

The fair value of private club debentures is valued with reference to the market price quoted on active market.

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise other borrowings and convertible bonds. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, cash and bank balances, trade payables, other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

**Foreign currency risk**

The Group's monetary assets, liabilities and transactions are principally denominated in RMB, US\$ and HK\$. The Group is exposed to foreign currency risk arising from the monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities.

Certain of the Group's liabilities are denominated in US\$. The Group is exposed to foreign exchange risk arising from the exposure of US\$ against HK\$. The Group considered the impact on the equity and profit before tax from the change in US\$, exchange rate was nominal at the end of the reporting period since HK\$ is pegged to US\$.

The Group does not have any hedging instruments outstanding. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider appropriate hedging measures in the future as may be necessary.

**38. 金融工具之公允值及公允值等級架構(續)**

**公允值等級架構(續)**

本年度內，就金融資產及金融負債而言，第一層與第二層之間並無公允值計量轉移，及第三層並無轉入或轉出之情況(二零一七年：無)。

**按公允值計入損益之金融資產：私人會所債券**

私人會所債券之公允值乃參考於活躍市場之市場報價估值。

**39. 金融風險管理目標及政策**

本集團之主要金融工具包括其他借貸及可換股債券。該等金融工具之主要目的為籌集資金作本集團經營所需。本集團有若干其他不同金融資產及負債，例如貿易應收帳款、按金及其他應收帳款、現金及銀行結存、貿易應付帳款、其他應付帳款及應計款項，均直接來自其經營業務。

本集團金融工具之主要風險為外幣風險、信貸風險及流動資金風險。董事會檢討及協定管理各項有關風險之政策，並概述如下。

**外幣風險**

本集團之貨幣資產、負債及交易均主要以人民幣、美元及港元計值。本集團因貨幣資產及負債以相關集團實體之功能貨幣以外貨幣計值而承受外幣風險。

本集團若干負債以美元計值。本集團因美元兌港元所產生之風險而承受外匯風險。本集團認為，由於港元與美元掛鈎，故於報告期末美元匯率變動對股權及除稅前溢利之影響輕微。

本集團並無任何未行使對沖工具。本集團將持續觀察經濟情況及其外幣風險組合，並於日後有需要時考慮採取適當之對沖措施。

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

*(continued)*

**Credit risk**

The Group's credit risk is primarily attributable to cash and bank balances, trade and other receivables and deposits and amount due from the non-controlling shareholder and its affiliates. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of loss allowance, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

**Cash and bank balances**

The Group has limited credit risk with its deposits in financial institutions, which are leading and reputable and are assessed as having low credit risk. The Group has not suffered any significant losses arising from the non-performance by these parties in the past and management does not expect this position to change in the future.

**Trade receivables**

The Group trades only with recognised and creditworthy third parties and related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing maximum payment period.

The Group's trading terms with its customers are mainly on credit. The credit period is generally 120 days. Each customer has a maximum credit limit. Advances are required for certain customers. The Directors consider that these arrangements enable the Group to limit its credit risk exposure. As at 31 December 2018, approximately 46% (2017: 66%) and 80% (2017: 96%) of the Group's trade receivables were due from the Group's largest and the five largest customer respectively, there was a significant concentration of credit risk. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances due from customers other than the non-controlling shareholder (Note 21). Overdue balances are reviewed regularly by senior management.

**39. 金融風險管理目標及政策(續)**

**信貸風險**

本集團信貸風險主要來自現金及銀行結存、貿易及其他應收帳款及按金及應收非控股股東及其聯屬公司款項。管理層已設立信貸政策，並對該等信貸風險持續監察。

於綜合財務狀況表確認之金融資產之帳面值(扣除虧損撥備)指本集團面臨之信貸風險，並無考慮所持有之任何抵押品價值或其他信用增強措施。

**現金及銀行結存**

本集團存放於領先、知名及據評估信貸風險低之金融機構之存款之信貸風險有限。本集團過往並無因該等人士不履約而蒙受任何重大損失，而管理層預期未來該狀況不會變動。

**貿易應收帳款**

本集團僅與已確認及信譽良好之第三方及關連人士進行貿易。本集團之政策為所有希望以信貸條款進行貿易之客戶均須接受信貸核證程序。本集團藉設立最長付款期，以限制其承受來自貿易應收帳款之信貸風險。

本集團主要以信貸方式與其客戶進行貿易。信貸期通常為120日。每位客戶設有最高信用限額，並要求若干客戶墊付款項。本公司董事認為該等安排可使本集團限制其信貸風險。於二零一八年十二月三十一日，本集團約46% (二零一七年：66%) 及80% (二零一七年：96%) 之貿易應收帳款乃分別來自本集團最大客戶及五大客戶，且存在信貸風險重大集中情況。本集團一直嚴格控制未收回應收帳款，務求將信貸風險減至最低。本集團並無就其應收非控股股東以外客戶之貿易應收帳款結餘持有任何抵押品或其他信用增強措施(附註21)。高級管理人員定期檢查逾期結餘。

# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

**Credit risk** (continued)

**Trade receivables** (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix as at 31 December 2018 is summarised below.

		Expected loss rate 預期虧損率	Gross carrying amount 總帳面值 HK\$' 000 千港元	Loss allowance 虧損撥備 HK\$' 000 千港元	Credit- impaired 信貸減值
Not past due	未逾期	–	172,137	–	No 無
Less than 6 months past due	逾期少於6個月	2%	7,997	171	No 無
More than 6 months past due	逾期超過6個月	22%	239,825	52,705	No 無
			<b>419,959</b>	<b>52,876</b>	

### 39. 金融風險管理目標及政策 (續)

**信貸風險** (續)

**貿易應收帳款** (續)

本集團之信貸風險主要受各客戶個別特徵影響。客戶之信貸質素乃根據廣泛信貸評級及個別信貸限額評估作出評估，而個別信貸限額評估則主要基於本集團本身之交易記錄作出。

本集團之客戶基礎包含眾多客戶，而貿易應收帳款按共同風險特徵，即代表客戶根據合約條款支付所有到期款項之能力進行分類。本集團於計算貿易應收帳款之預期信貸虧損時採用簡化方法，於各報告日期根據全期預期信貸虧損確認虧損撥備及已根據其過往信貸虧損經驗建立撥備矩陣，並就債務人之特定前瞻性因素及經濟環境作出調整。撥備矩陣所採用之預期虧損率乃基於過去三年就各類別進行計算，並就當前及前瞻性因素作出調整以反映收集歷史數據期間之經濟狀況、當前狀況以及本集團於應收帳款預期年期內對未來經濟狀況之估計間之差異。年內估算技術或作出之重大假設並無變動。

有關信貸風險及於二零一八年十二月三十一日採用撥備矩陣就貿易應收帳款作出之預期信貸虧損之資料概述如下。

# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

**Credit risk** (continued)

**Trade receivables** (continued)

The ageing analysis of trade receivables (net of loss allowance) as at 31 December 2017 which were neither individually nor collectively considered to be impaired was as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	並無逾期亦無減值	21,699
Less than 6 months past due	逾期少於6個月	594
More than 6 months past due	逾期超過6個月	215,768
		238,061

Included in the Group's trade receivables balance as at 31 December 2017 were debtors with a carrying amount of HK\$216,362, which were past due but which the Group had not impaired as there had not been any significant changes in credit quality and the Directors believed that the amounts would be fully recoverable.

Receivables that were neither past due nor impaired as at 31 December 2017 related to a wide range of customers for whom there was no history of default.

The Group does not hold any collateral over trade receivables as at 31 December 2018 (2017: Nil), except for trade receivables from the non-controlling shareholder.

As at 31 December 2018, the Group recognised loss allowance of HK\$52,876,000 (2017: HK\$55,331,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

### 39. 金融風險管理目標及政策(續)

**信貸風險**(續)

**貿易應收帳款**(續)

於二零一七年十二月三十一日，並非個別或共同視為減值之貿易應收帳款(扣除虧損撥備)之帳齡分析如下：

	2017 二零一七年 HK\$'000 千港元
本集團於二零一七年十二月三十一日之貿易應收帳款結餘包括已逾期但本集團並無作出減值之帳面值為216,362港元之應收帳款，原因是信貸質素並無任何重大變動，而本公司董事認為該等款項將可全數收回。	21,699
於二零一七年十二月三十一日並無逾期亦無減值之應收帳款與為數眾多之客戶有關，彼等並無拖欠記錄。	594
於二零一八年十二月三十一日，本集團並無就貿易應收帳款持有任何抵押品(二零一七年：無)，惟非控股股東之貿易應收帳款除外。	215,768
於二零一八年十二月三十一日，本集團就貿易應收帳款確認虧損撥備52,876,000港元(二零一七年：55,331,000港元)。年內，貿易應收帳款之虧損撥備變動概述如下。比較金額指根據香港會計準則第39號確認之減值虧損之虧損撥備。	238,061

本集團於二零一七年十二月三十一日之貿易應收帳款結餘包括已逾期但本集團並無作出減值之帳面值為216,362港元之應收帳款，原因是信貸質素並無任何重大變動，而本公司董事認為該等款項將可全數收回。

於二零一七年十二月三十一日並無逾期亦無減值之應收帳款與為數眾多之客戶有關，彼等並無拖欠記錄。

於二零一八年十二月三十一日，本集團並無就貿易應收帳款持有任何抵押品(二零一七年：無)，惟非控股股東之貿易應收帳款除外。

於二零一八年十二月三十一日，本集團就貿易應收帳款確認虧損撥備52,876,000港元(二零一七年：55,331,000港元)。年內，貿易應收帳款之虧損撥備變動概述如下。比較金額指根據香港會計準則第39號確認之減值虧損之虧損撥備。

# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

**Credit risk** (continued)

**Trade receivables** (continued)

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the reporting period	於報告期初	55,331	52,266
Increase in allowance	撥備增加	6,429	1,323
Reversal of loss allowance	撥回虧損撥備	(6,275)	(912)
Exchange realignment	匯兌調整	(2,609)	2,654
At the end of the reporting period	於報告期末	52,876	55,331

#### **Other receivables and deposits**

The Group considers that the other receivables and deposits have low credit risk based on the debtors' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience on the debtors historical utilisation pattern of deposits paid and the financial position of the counterparties by reference to, among others, their management or audited accounts, and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

### 39. 金融風險管理目標及政策 (續)

**信貸風險** (續)

**貿易應收帳款** (續)

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the reporting period	於報告期初	55,331	52,266
Increase in allowance	撥備增加	6,429	1,323
Reversal of loss allowance	撥回虧損撥備	(6,275)	(912)
Exchange realignment	匯兌調整	(2,609)	2,654
At the end of the reporting period	於報告期末	52,876	55,331

#### **其他應收帳款及按金**

本集團認為，其他應收帳款及按金擁有低信貸風險，依據為債務人有強大能力於短期履行其合約現金流量責任且違約風險低。其他應收帳款之減值乃按十二個月預期信貸虧損計量並反映所承受風險之期限短。

於估計預期信貸虧損時及於釐定信貸風險是否自初步確認起大幅增加及金融資產是否出現信貸減值時，本集團已考慮對債務人之已付按金以往動用模式之以往實際信貸虧損經驗及交易對手之財務狀況，並參考(其中包括)其管理或經審核帳目，並就債務人特定之前瞻性因素及交易對手營運所在之行業之一般經濟情況作出調整，以估計該等金融資產之違約概率以及各情況下之違約虧損。經考慮交易對手之財務狀況及信貸質素後，本集團管理層認為，該等金融資產之預期信貸虧損並不重大。

# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

#### Credit risk (continued)

##### Amounts due from the non-controlling shareholder and its affiliates

In estimating the ECL and in determining whether there is significant increase in credit risk since initial recognition and whether the amount due from the non-controlling shareholder and its affiliates is credit-impaired, the Group has taken into account the historical actual credit loss experience on the non-controlling shareholder and its affiliates and their financial position with reference to their management accounts and adjusted for forward-looking factor, the Debt Assignment and the fair value of the Assigned Debt and the Conversion Right received mentioned in note 21 to the consolidated financial statements, in estimating the probability of default of the amounts from the non-controlling shareholder and its affiliates, as well as the loss upon default. The management of the Group considers that the credit risk on the amounts is significant, however, their ECL is considered to be insignificant after taking into consideration of the above factors.

There was no change in the estimation techniques or significant assumptions made during the year.

#### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of convertible bonds and other borrowings.

The maturity profile of the financial liabilities of the Group as at the end of the reporting periods, based on the contractual undiscounted payments, is as follows:

		On demand	3 to less	1 to 5 years	Total
		or less than	12 months		
		3 months	3 to less		
		按要求或	3至少於		
		少於3個月	12個月	1至5年	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>2018</b>	<b>二零一八年</b>				
Trade payables	貿易應付帳款	121,344	115,982	–	237,326
Financial liabilities included in other payables, accruals and deposits received	計入其他應付帳款、應計款項及已收按金之金融負債	338,032	–	1,763	339,795
Other borrowings	其他借貸	–	–	18,188	18,188
Convertible bonds	可換股債券	–	45,608	–	45,608
		<b>459,376</b>	<b>161,590</b>	<b>19,951</b>	<b>640,917</b>

### 39. 金融風險管理目標及政策(續)

#### 信貸風險(續)

##### 應收非控股股東及其聯屬公司款項

於估計預期信貸虧損時及於釐定信貸風險是否自初步確認起大幅增加及應收非控股股東及其聯屬公司款項是否出現信貸減值時，本集團已考慮非控股股東及其聯屬公司之以往實際信貸虧損經驗及其財務狀況，並參考其管理帳目、已就前瞻性因素作出之調整、債務轉讓以及轉讓債務及所收取之兌換權之公允值(如綜合財務報表附註21所述)，以估計應收非控股股東及其聯屬公司款項之違約概率以及違約虧損。本集團管理層認為，該等金額之信貸風險屬重大，然而，經計及以上因素後，其預期信貸虧損被認為並不重大。

年內，估算技術或作出之重大假設並無變動。

#### 流動資金風險

本集團之目標為透過使用可換股債券及其他借貸而在集資之持續性與靈活度兩者之間取得平衡。

於報告期末，基於已訂約但未貼現付款之本集團金融負債到期情況如下：

# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

#### Liquidity risk (continued)

		On demand or less than 3 months 按要求或 少於3個月 HK\$'000 千港元	3 to less 12 months 3至少於 12個月 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2017	二零一七年				
Trade payables	貿易應付帳款	112,146	46,042	–	158,188
Financial liabilities included in other payables, accruals and deposits received	計入其他應付帳款、應計款項及已收按金之金融負債	226,959	–	1,763	228,722
Other borrowings	其他借貸	–	–	19,813	19,813
Convertible bonds	可換股債券	–	1,082	44,172	45,254
		339,105	47,124	65,748	451,977

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

### 39. 金融風險管理目標及政策 (續)

#### 流動資金風險 (續)

#### 資本管理

本集團資本管理之首要目標，為確保本集團具備持續經營之能力，且維持穩健之資本比率，以支持其業務運作，爭取最大之股東價值。

本集團根據經濟情況之變動及相關資產之風險特質，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能調整向股東派發之股息、向股東派回之資本或發行新股。截至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止年度，並無更改管理資本之目標、政策或程序。



# 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

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

#### Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade payables, other payables, accruals and deposits received, other borrowings convertible bonds and tax payable, net of cash and bank balances. Capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the respective reporting periods were as follows:

### 39. 金融風險管理目標及政策 (續)

#### 資本管理 (續)

本集團採用債務淨額除以資金加負債淨額計算之資產負債比率監察資本狀況。債務淨額包括經扣除現金及銀行結存後之貿易應付帳款、其他應付帳款、應計款項及已收按金、其他借貸、可換股債券及應付稅項。資本包括本公司擁有人應佔股權。於各自之報告期末之資產負債比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付帳款	237,326	158,188
Other payables, accruals and deposits received	其他應付帳款、應計款項及已收按金	629,124	477,343
Other borrowings	其他借貸	18,188	18,188
Convertible bonds	可換股債券	43,526	41,427
Tax payable	應付稅項	5,150	-
Less: Cash and bank balances	減：現金及銀行結存	(18,894)	(69,655)
Net debt	債務淨額	914,420	625,491
Capital – Equity attributable to owners of the Company	資本 – 本公司擁有人應佔股權	513,001	376,868
Capital and net debt	資本及債務淨額	1,427,421	1,002,359
Net gearing ratio	淨資產負債比率	64%	62%

# 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

### 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 40. 本公司之財務狀況表

於報告期末有關本公司財務狀況表之資料如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	152,122	104,247
CURRENT ASSETS	流動資產		
Prepayment, deposit and other receivables	預付款項、按金及其他應收帳款	424	413
Bank balances	銀行結存	13,909	66,171
Total current assets	流動資產總值	14,333	66,584
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付帳款及應計款項	4,904	4,325
Convertible bonds	可換股債券	43,526	-
Total current liabilities	流動負債總額	48,430	4,325
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨值	(34,097)	62,259
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	118,025	166,506
NON-CURRENT LIABILITIES	非流動負債		
Amount due to subsidiaries	應付附屬公司款項	167,420	188,402
Other payables and accruals	其他應付帳款及應計款項	666	666
Convertible bonds	可換股債券	-	41,427
Total non-current liabilities	非流動負債總額	168,086	230,495
Net liabilities	負債淨額	(50,061)	(63,989)
EQUITY	權益		
Share capital	股本	27,264	25,966
Reserves	儲備	(77,325)	(89,955)
Total deficit	虧絀總額	(50,061)	(63,989)

Approved and authorised for issued by the Board on 28 March 2019 and signed on its behalf by:

於二零一九年三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

Director

董事

**Mr. ZHAO Xu Guang**

趙旭光先生

Director

董事

**Mr. SO Chiu Fung**

蘇晁鋒先生

# 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

### 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

A summary of the Company's reserves is as follows:

		Share premium	Contributed surplus	Special reserve	Capital redemption reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	特別儲備	資本 贖回儲備	購股期權 儲備	債券儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note i) (附註i)	(Note ii) (附註ii)					
At 1 January 2017	於二零一七年一月一日	341,361	1,141,727	17,275	85	3,585	550,200	(2,094,968)	(40,735)
Loss for the year and total comprehensive loss for the year	本年度虧損及本年度全面虧損總額	-	-	-	-	-	-	(47,645)	(47,645)
Conversion of convertible bonds	兌換可換股債券	-	548,120	-	-	-	(550,050)	-	(1,930)
Extinguishment of the 2016 Convertible Bonds	已消除之二零一六年可換股債券	-	-	-	-	-	(13)	-	(13)
Transfer of equity component to accumulated losses upon extinguishment	消除後權益部分轉撥至累計虧損	-	-	-	-	-	(137)	137	-
Recognition of the 2017 Convertible Bonds	已確認之二零一七年可換股債券	-	-	-	-	-	368	-	368
Lapsed share options	已失效之購股期權	-	-	-	-	(1,076)	-	1,076	-
At 31 December 2017 and at 1 January 2018	於二零一七年十二月三十一日及於二零一八年一月一日	341,361	1,689,847	17,275	85	2,509	368	(2,141,400)	(89,955)
Loss for the year and total comprehensive loss for the year	本年度虧損及本年度全面虧損總額	-	-	-	-	-	-	(19,828)	(19,828)
Share allotment	股份配發	32,458	-	-	-	-	-	-	32,458
At 31 December 2018	於二零一八年十二月三十一日	373,819	1,689,847	17,275	85	2,509	368	(2,161,228)	(77,325)

Notes:

- (i) The contributed surplus represents the excess of value of shares converted upon conversion of the 2008 Convertible Bonds over the previous nominal amount of the ordinary shares issued pursuant to Section 40(1) of the Bermuda Companies Act 1981 and the credit arising from the Capital Reorganisation.
- (ii) The Company's special reserve represents the excess of the combined net assets of the subsidiaries acquired over the nominal amount of the Company's shares issued for the acquisition.

### 40. 本公司之財務狀況表 (續)

本公司儲備之概要如下：

附註：

- (i) 根據百慕達一九八一年公司法第40(1)條，繳入盈餘指兌換二零零八年可換股債券時兌換之股份價值超出已發行普通股以往面值之差額及資本重組產生之進帳。
- (ii) 本公司特別儲備指所收購之附屬公司之合併資產淨值與本公司就收購發行之股份面值之差額。

# 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

### 41. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) In February 2019, the Group and Rontac Resources Company Limited as the holder of the 2017 Convertible Bonds in the principal amount of HK\$43,277,093 entered into a conditional extension letter. Pursuant to extension letter, the maturity date of the 2017 Convertible Bonds be further extended for one year to 31 August 2020.
- (b) On 24 December 2018, the Group entered into the non-legally binding memorandum of understanding with Energy Technology in respect of a possible investment in the Energy Technology through acquisition or subscription of not more than 30% of its share capital.

On 31 December 2018, the GRG Huscoke has entered into the agreement with the Energy Technology, 孝義市金岩電力煤化工有限公司(“**Jinyan Electricity**”), Xiaoyi ILNG and 温克忠, pursuant to which the Energy Technology shall replace Jinyan Electricity to repay all outstanding indebtedness owned by Jinyan Electricity to the GRG Huscoke. The outstanding indebtedness shall be the outstanding sums which amount RMB402,303,023 as at 30 June 2018. Under the agreement, the conversion right is granted to the GRG Huscoke. Upon full exercise of the conversion right, the GRG Huscoke shall be entitled to convert the indebtedness into not more than 12% of the enlarged issued share capital of the Energy Technology. The Group will seek the required shareholder approval at the SGM in accordance with Rule 14.76(2) of the Listing Rules for the exercise of the conversion rights of the GRG Huscoke.

On 18 March 2019, the Group entered into a framework agreement with the GRG Huscoke and the Energy Technology, pursuant to which the Group, the GRG Huscoke and/or designated company within the Group intend to gradually invest in the Energy Technology through a series of acquisition or subscription such that the Group will be interested in not less than 51% of the enlarged share capital of the Energy Technology or having significant control of the Energy Technology.

### 41. 報告期末後事項

- (a) 於二零一九年二月，本集團與融泰資源有限公司(作為本金額43,277,093港元之二零一七年可換股債券持有人)訂立有條件延長函件。根據延長函件，二零一七年可換股債券之到期日將進一步延長一年至二零二零年八月三十一日。
- (b) 於二零一八年十二月二十四日，本公司與能源科技訂立無法律約束力之諒解備忘錄，內容有關以收購或認購能源科技不多於30%股本之可能投資。

於二零一八年十二月三十一日，金岩和嘉與能源科技、孝義市金岩電力煤化工有限公司(「金岩電力」)、愛路恩濟及温克忠訂立協議，據此，能源科技將代替金岩電力償還金岩電力欠付金岩和嘉之全部未償還債務。截至二零一八年六月三十日，未償還債務為人民幣402,303,023元未償還金額。根據協議，兌換權將授予金岩和嘉。金岩和嘉全面行使兌換權時，有權將債務兌換為不超過能源科技經擴大已發行股本之12%。本集團將根據上市規則第14.76(2)條就金岩和嘉行使兌換權於股東特別大會上尋求所需之股東批准。

於二零一九年三月十八日，本集團、金岩和嘉及能源科技訂立一份框架協議，據此，本集團、金岩和嘉及/或本集團內之指定公司有意逐步通過一系列收購或認購以投資能源科技，使本集團將擁有能源科技經擴大後股本不少於51%之權益或擁有能源科技之重大控制權。

**PARTICULARS OF PROPERTIES**  
物業詳情

<b>Name/location</b> 名稱／地點	<b>Lease term</b> 租期	<b>Type</b> 類別	<b>Gross floor area</b> 建築面積 (sq.m.) (平方米)	<b>Attributable interest</b> 應佔權益
<b>Properties Held for the Group's Own Use</b>				
本集團持有作自用之物業				
<b><i>The People's Republic of China</i></b>				
<b>中華人民共和國</b>				
山西省孝義市經濟開發區金岩路1號	Medium term lease 中期租賃	C and I C及I	29,148	90%
<i>C Commercial</i>		<i>C 商業</i>		
<i>I Industrial</i>		<i>I 工業</i>		

**FIVE-YEAR FINANCIAL SUMMARY**  
**五年財務概要**

		Year ended 31 December 截至十二月三十一日止年度				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>CONTINUING OPERATIONS</b>	持續經營業務					
Revenue	收入	<b>1,478,049</b>	1,330,791	792,518	461,384	598,618
Cost of sales	銷售成本	<b>(1,232,228)</b>	(1,117,808)	(658,103)	(494,878)	(715,756)
Gross profit/(loss)	毛利/(毛損)	<b>245,821</b>	212,983	134,415	(33,494)	(117,138)
Other income and gains, net	其他收入及收益，淨額	<b>44,953</b>	45,419	58,891	94,152	36,812
Selling and distribution costs	銷售及分銷成本	<b>(137,637)</b>	(146,429)	(55,949)	(23,094)	(43,263)
Administrative expenses	管理費用	<b>(103,301)</b>	(83,804)	(79,608)	(97,155)	(85,399)
Finance costs	財務費用	<b>(2,200)</b>	(8,015)	(1,582)	(23,964)	(21,862)
Other operating income/(expenses), net	其他經營收入/(開支)，淨額	<b>29,243</b>	21,528	12,758	(41,152)	(28,193)
Reversal/(provision) impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回/(撥備)	<b>99,053</b>	84,977	–	(14,760)	(448,545)
Impairment of goodwill	商譽減值	<b>–</b>	–	–	–	(388,544)
Profit/(loss) before tax	除稅前溢利/(虧損)	<b>175,932</b>	126,659	68,925	(139,467)	(1,096,132)
Income tax (expense)/credit	所得稅(開支)/抵免	<b>(29,951)</b>	5,254	(8,544)	8,732	190
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>本年度溢利/(虧損)</b>	<b>145,981</b>	131,913	60,381	(130,735)	(1,095,942)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	<b>128,391</b>	117,898	55,663	(110,474)	(989,409)
Non-controlling interests	非控股權益	<b>17,590</b>	14,015	4,718	(20,261)	(106,533)
		<b>145,981</b>	131,913	60,381	(130,735)	(1,095,942)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		Year ended 31 December 截至十二月三十一日止年度				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>TOTAL ASSETS</b>	資產總額	<b>1,511,118</b>	1,116,534	955,267	905,285	1,487,467
<b>TOTAL LIABILITIES</b>	負債總額	<b>(949,630)</b>	(700,565)	(687,662)	(893,941)	(1,329,453)
<b>NET ASSETS</b>	資產淨值	<b>561,488</b>	415,969	267,605	11,344	158,014
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔股權	<b>513,001</b>	376,868	244,610	1,142	124,994
<b>NON-CONTROLLING INTERESTS</b>	非控股權益	<b>48,487</b>	39,101	22,995	10,202	33,020
		<b>561,488</b>	415,969	267,605	11,344	158,014

In this report, unless the context otherwise requires, the following terms shall have the following meanings:

於本報告內，除文義另有所指外，下列詞彙具有下列涵義：

“AGM” 「股東週年大會」	the annual general meeting of the Company 本公司舉行之股東週年大會
“Annual Report” 「年報」	This annual report of the Group prepared for the year ended 31 December 2018 本集團所編製截至二零一八年十二月三十一日止年度之本年報
“associate(s)” 「聯繫人士」	has the meaning ascribed to it under the Listing Rules 具上市規則所賦予之涵義
“Board” 「董事會」	board of Directors of the Company 本公司董事會
“Bye-Laws” 「公司細則」	the bye-laws from time to time adopted by the Company 本公司不時採納之公司細則
“CG Report” 「企業管治報告」	the corporate governance report contained in this Annual Report from pages 41 to 57 本年報第41至57頁所載之企業管治報告
“Company” 「本公司」	Huscoke Holdings Limited (formerly known as Huscoke Resources Holdings Limited), a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange 和嘉控股有限公司(原名為和嘉資源控股有限公司)，於百慕達註冊成立之有限公司，其已發行股份於聯交所主板上市
“Companies Ordinance” 「公司條例」	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 香港法例第622章《公司條例》
“Director(s)” 「董事」	the directors of the Company 本公司董事
“ESG Report” 「環境、社會及管治報告」	the environmental, social and governance report contained in this Annual Report from pages 58 to 74 本年報第58至74頁所載之環境、社會及管治報告
“Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司



## DEFINITIONS 釋義

“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the People's Republic of China 中華人民共和國香港特別行政區
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 香港現時之法定貨幣港元
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Memorandum of Association” 「組織章程大綱」	the memorandum of association of the Company 本公司之組織章程大綱
“PRC” 「中國」	the People's Republic of China, excludes Hong Kong and Macau in this Annual Report 中華人民共和國，就本年報而言，不包括香港及澳門
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國現時之法定貨幣人民幣
“SFO” 「證券及期貨條例」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章《證券及期貨條例》
“Share(s)” 「股份」	ordinary share(s) of HK\$0.01 each in the capital of the Company 本公司股本中每股面值0.01港元之普通股
“Shareholder(s)” 「股東」	holder(s) of the Share(s) 股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“subsidiaries” 「附屬公司」	a subsidiary (within the meaning of the Companies Ordinance or section 86 of the Companies Act) for the time being and from time to time of the Company 本公司當時及不時之附屬公司(按公司條例或公司法第86條之定義)
“US\$” 「美元」	United States dollars, the lawful currency of United States 美國現時之法定貨幣美元
“%” 「%」	per cent 百分比



HUSCOKE HOLDINGS LIMITED  
和嘉控股有限公司