



APAC Resources Limited 亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

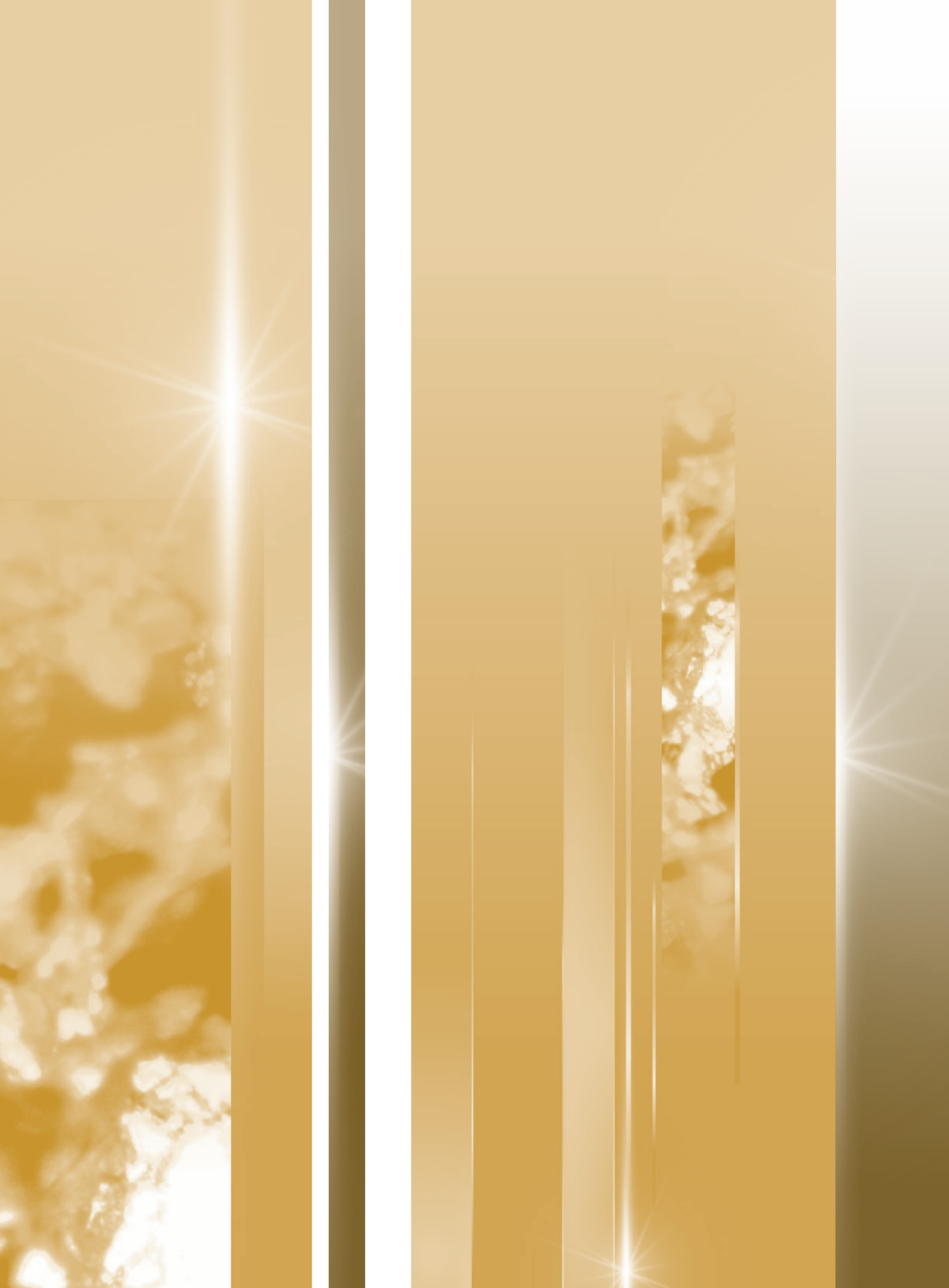
Stock Code 股份代號 : 1104

2019

ANNUAL REPORT

年報





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Charles Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*)
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Lee Seng Hui
Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian

AUDIT COMMITTEE

Dr. Wong Wing Kuen, Albert (*Chairman*)
Mr. Arthur George Dew
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian

REMUNERATION COMMITTEE

Dr. Wong Wing Kuen, Albert (*Chairman*)
Mr. Arthur George Dew
(*Mr. Wong Tai Chun, Mark as his alternate*)
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian

NOMINATION COMMITTEE

Mr. Arthur George Dew (*Chairman*)
(*Mr. Wong Tai Chun, Mark as his alternate*)
Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian

COMPANY SECRETARY

Ms. Lau Tung Ni

AUDITOR

Deloitte Touche Tohmatsu

STOCK CODE

1104

LEGAL ADVISERS

Addisons
Conyers Dill & Pearman
P. C. Woo & Co.

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
OCBC Wing Hang Bank Limited

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CEO'S MESSAGE

Dear Shareholder,

I would like to thank you for your ongoing support and am pleased to announce that APAC Resources generated a net profit of HK\$608,432,000 in the year ended 30 June 2019 ("FY 2019"). Key drivers are gains arising from share of results of associates of HK\$273,750,000, and a reversal of impairment loss on the carrying value of the Group's investment in Mount Gibson Iron Limited of HK\$656,390,000, which benefitted by a strong iron ore price during FY 2019 due to production outages in Brazil. This was partially offset by a tough economic environment which dragged down commodity prices and as a result our core business segments generated a loss of HK\$43,083,000.

The "Trade War" between China and US continues to drive global economic headlines. Another round of US tariffs came into effect in early September on US\$110 billion of Chinese consumer goods with another US\$160 billion of goods expected to be affected in December, and China responding with its own tariffs against roughly US\$75 billion of US goods. However, China indicated in late August that it would not immediately retaliate to a tweet from President Trump stating that the US would increase existing 25% tariffs to 30% on 1 October. This has been interpreted by the markets as an attempt to de-escalate the situation with face to face talks suggested for September. While this appears to be positive, we remain cautious in our outlook given the ongoing US-China talks have not yielded results so far, and expect market sentiment to be linked to the outcome of the Trade War.

Tension between Japan and South Korea is also putting pressure on the global economy, with Japan removing South Korea from a list of trusted trading partners, following Japan's decision to restrict exports of specialized products to South Korea, impacting South Korea's key technology industry.

Brexit remains an overhang on the UK and European economies, the UK appears on track for a "hard Brexit" by 31 October, which will result in new tariffs between UK and the EU, as they revert to WTO terms.

The general deterioration in the global economy is clearly reflected in global PMIs, with almost all countries showing a steady downward trend in manufacturing PMIs. In China, the manufacturing PMI for August fell to 49.5 marking a fourth month of contraction. Furthermore, the US yield curve inverted in August, generally seen as a signal for a recession.

In an attempt to counteract weakness, we are seeing central banks and governments considering measures to prop up their economies including fiscal stimulus, tax cuts, interest rate cuts and QE. The US Fed has already cut interest rates in July, and markets are expecting another interest rate cut in September.



CEO'S MESSAGE (CONTINUED)

This overall weakness in the global economy directly impacts metals and energy, resulting in weakness across almost all commodities except gold which is seen as a safe haven. Base metals and oil prices are particularly affected. The outlook is challenging, but we remain confident of our ability to find investment opportunities in select commodities and companies.

It is our long held belief that Shareholders should receive a return, and given the strong results, we are pleased to declare an interim dividend of HK10 cents per share for FY 2019. We will continue to reassess our dividend policy based on our expectations of the economic outlook. As ever, I would like to thank you all for your continued faith in APAC Resources.

Andrew Ferguson

Chief Executive Officer

25 September 2019

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

APAC Resources Limited (“**APAC**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) reported a net profit attributable to shareholders of the Company of HK\$608,432,000 for the year ended 30 June 2019 (“**FY 2019**”), compared with a net profit attributable to shareholders of the Company of HK\$328,115,000 for the year ended 30 June 2018 (“**FY 2018**”). We generated HK\$273,750,000 from our share of results of associates, and HK\$656,390,000 from a reversal of impairment loss on the carrying value of the Group’s investment in Mount Gibson Iron Limited (“**Mount Gibson**”) which was partially offset by HK\$319,356,000 loss from changes in fair value of financial assets at fair value through profit or loss, majority of which came from our investment in Metals X Limited (“**Metals X**”) and in our business segments we generated a loss of HK\$43,083,000.

PRIMARY STRATEGIC INVESTMENTS

Our Primary Strategic Investment is in Mount Gibson which is listed and operating in Australia and in FY 2018 we also acquired an investment in Tanami Gold NL (“**Tanami Gold**”). The net attributable profit from our Primary Strategic Investment for FY 2019 was HK\$271,659,000 (FY 2018: Net profit of HK\$178,306,000). Mount Gibson reported a FY 2019 net profit after tax of A\$133 million.

Mount Gibson

Mount Gibson is an Australian producer of high quality direct shipping grade iron ore products. Mount Gibson owns the Extension Hill/Iron Hill operations in the Mount Gibson Range south east of Geraldton in Western Australia, and the high grade Koolan Island mine off the Kimberley coast in the remote north-west of the State. Mining of Direct Shipping Ore from its Mid West mines ended in FY 2019 although sale of low grade material from Extension Hill is expected to continue into the year ending 30 June 2020 (“**FY 2020**”).

Importantly, ore sales at the Koolan Island Restart Project started in April 2019, achieved commercial production in the June quarter 2019. The project has 21 million tonnes of 65.5% Fe reserves and the net present value of the project is A\$252 million assuming Platts 62% Fe of US\$55/dry metric tonne (“**dmt**”) and A\$ of 0.75.

Mount Gibson reported a net profit after tax of A\$133 million for FY 2019 from sales of 3.2 million tonnes.

Mount Gibson costs increased in the second half of 2019 due to the ramp up at Koolan Island and it reported all in cash cost of A\$53 per tonne for FY 2019. Although costs will remain high in FY 2020 due to an initial high strip ratio, it is forecast to progressively decline over the mine life. Impressively, the Koolan Island mine was able to generate positive cash flow in its first month of commercial production despite it still being in ramp up mode.

Mount Gibson still boasts an impressive cash reserve, including term deposits and tradable investments, ending FY 2019 with A\$385 million or an equivalent of A\$0.34 per share, despite development spending on Koolan Island and paying a dividend in October 2018.

Mount Gibson sales guidance for the year ending 30 June 2020 is 3.7 million tonnes to 4.0 million tonnes at an all in group cash cost of A\$70-75/wet metric tonne (wmt) FOB.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Platts IODEX 62% CFR China index was very strong during FY 2019, as it increased from US\$60/dmt to US\$110/dmt by the end of FY 2019 as Vale was ordered to halt up to 70Mtpa of production after a tailings dam collapse in June 2019. Since the end of the year, iron ore prices have fallen sharply as Vale has been given the green light to restart production and the high prices incentivized additional production from other producers. The iron ore price in late August has fallen to around US\$80/dmt and given weakness in the global economies, it is difficult to see strong steel demand. We continue to expect average iron ore prices to remain capped in the medium term given weak non-China steel demand and a continuing recovery in Brazil.

Tanami Gold

We currently own 43.55% of Tanami Gold.

Tanami Gold's principal business activity is gold exploration. It holds 60% of the Central Tanami Project and has a cash balance of A\$28 million, after it exercised its first put option in July 2018 to sell 15% of the Project to Northern Star Resources Limited ("**Northern Star**") for A\$20 million cash. The remaining 40% is owned by Northern Star. Under the terms of the joint venture, Northern Star will sole fund all expenditure until commercial production is achieved at the Central Tanami Project. After commercial production is reached, Northern Star can earn an additional 35% of the Central Tanami Project and Tanami Gold has a second put option to sell its remaining 25% of the project to Northern Star for A\$32 million. Northern Star continues exploration in the Central Tanami Project at various prospects.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss mainly comprise the Group's investments in Metals X and Westgold Resources Limited ("**Westgold Resources**") and Resource Investment. As at 30 June 2019, none of these investments represents 5% or more of the Group's total assets.

Metals X and Westgold Resources

Name of investee company	Number of shares held	Investment cost HK\$'000	For the Year Ended 30 June 2019				As at 30 June 2019	
			Dividend received HK\$'000	Realised loss HK\$'000	Unrealised loss HK\$'000	Fair value loss HK\$'000	Carrying value HK\$'000	% of carrying value to the Group's total assets
Metals X Limited	65,407,571	265,650	—	—	195,693	195,693	87,748	2.2%
Westgold Resources Limited	18,953,786	167,982	—	10,652	8,843	19,495	194,597	4.8%
		433,632	—	10,652	204,536	215,188	282,345	

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Brief description of principal business of the respective investee companies.

Name of investee company	Principal business
Metals X Limited	Operation of tin and copper mines; exploration and development of base metals
Westgold Resources Limited	Exploration, development and operation of gold mines

Following the first application of the HKFRS 9: Financial Instruments in the current year, the Group's equity investments in Metals X and Westgold Resources were reclassified from available-for-sale investments at fair value through other comprehensive income to financial assets at fair value through profit or loss. The carrying values of Metals X and Westgold Resources as at 30 June 2019 amounted to HK\$87,748,000 (As at 30 June 2018: HK\$259,497,000) and HK\$194,597,000 (As at 30 June 2018: HK\$300,042,000) respectively and represented approximately 2.2% (As at 30 June 2018: 8.3%) and 4.8% (As at 30 June 2018: 9.6%) of the total assets of the Group. In FY 2019, our investment in Metals X generated an unrealised loss of approximately HK\$195,693,000 (FY 2018: Gain of HK\$34,739,000) and our investment in Westgold Resources reported a loss of approximately HK\$19,495,000 (FY 2018: Loss of HK\$8,581,000) which were accounted for in profit or loss.

Westgold Resources produced 255,221 ounces of gold in FY 2019 up 1% year-on-year (“YoY”) despite the sale of the South Kalgoorlie project and driven by a strong ramp up at the Cue Gold Project (CGO). Westgold Resources forecasts that production will reach 275,000 to 300,000 ounces in FY 2020 as its growth projects continue to ramp up.

The gold price has fluctuated around expectations for Fed tightening or loosening, but has recently strengthened after the Fed cut its benchmark rate by 25 basis points in July 2019. The weakness in global economies and concerns about recession has led to expectations for further loosening in global economies. The gold price is now trading around US\$1,500 per ounce and we expect the gold price to remain linked to sentiment around the pace of interest rate cuts and the economic outlook.

The Group's strategy is to capture returns on its investment portfolio at opportune times subject to prevailing share prices and market sentiment. The “Trade War” between China and US, international political turmoil and rising risk aversion have led the Group to reconsider the investment value of gold. The board of directors (the “Board”) of the Company has decided that the current environment represents an appropriate time to include the Group's interest in Westgold Resources in the resource investment portfolio. As a result of this decision, the classification of Westgold Resources in the consolidated statement of financial position will change from non-current assets to current assets subsequent to 30 June 2019.

At Metals X, the Renison mine produced 3,562 tonnes of tin (net 50% basis) up 6% YoY, while the average realised tin price of A\$27,920 per tonne was up 5% YoY. Metals X has commissioned the ore sorter, which removes waste feed before it enters the processing circuit.

In May 2019, Metals X has announced a “reset plan” for the Nifty mine which targets production of 35ktpa by March 2021. In the June 2019 quarter production was running at a disappointingly low annualized rate of 12,288 tonnes per annum.

In September 2019, APAC gave notices to Metals X requesting the directors of Metals X to call a general meeting of Metals X given the destruction of shareholder value since the acquisition of the Nifty Copper Mine. At the time of the notice, APAC called the board of Metals X to remove Mr. Peter Newton, Chairman of Metals X, and Mr. Milan Jerkovic, Non-Executive Director of Metals X, from their position as directors of Metals X and to appoint Mr. Brett Smith as a director of Metals X. Metals X intends to hold its annual general meeting in October 2019.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Tin prices traded around US\$19,000 per tonne to US\$20,000 per tonne range for the 1H of FY 2019 and then ran briefly traded up to nearly US\$22,000 in 2H of FY 2019 before falling back to US\$19,000 per tonne at year end. Since then, tin prices have fallen notably to below US\$16,000 per tonne, driven by weakness in the semiconductor sector. We remain bullish on the medium term outlook for tin due to the lack of significant supply growth. During FY 2019 copper prices traded in a range of US\$5,800 per tonne to US\$6,600 per tonne, moving along with sentiment related to the trade war.

Resource Investment

The investments in this division comprise mostly minor holdings in various natural resource companies listed on major stock exchanges including Australia, Canada, Hong Kong, the United Kingdom and the US. Our investments focus on select commodities within several commodity segments, namely energy, bulk commodities, base metals, and precious metals. Some of our positions are exploration or development stage companies and this section of the market is particularly sensitive to risk aversion, lower commodity prices, and the difficult financing markets.

Resource Investment posted a fair value loss of HK\$89,953,000 in FY 2019 (FY 2018: Gain of HK\$69,224,000), which after accounting for segment related dividend and other investment income and expenses, resulted in a segment loss of HK\$86,646,000 (FY 2018: Profit of HK\$65,575,000).

Our Resource Investment division includes the results of the two new resource portfolios which were announced in August 2016. In general, the metals sector has been subdued in FY 2019, dragged down by the concerns relating to the trade war, although the gold sector retains its safe haven status and along with iron ore, were bright spots in the commodity complex. During FY 2019 the average performance from a number of small cap resources indices averaged -12% (includes the Dow Jones US Mining Index, FTSE AIM Basic Resources Index, ASX Small Resources Index and the TSX Venture Composite Index among others). Oil prices have been volatile during FY 2019 and WTI fell 21% during the year as it has similarly been impacted by concerns of weakening demand given the slowdown in the global economy. US and Canadian gas prices have also remained weak. The average performance of several small cap oil and gas indices has averaged -32% in FY 2019 (includes the S&P TSX Small Cap Energy Index and S&P 500 Energy Sector among others).

Precious

Precious metals (majority gold exposure) generated a net fair value gain of HK\$7,487,000 in FY 2019 while the gold price was up 13%. As at 30 June 2019, the carrying value of the Precious segment was HK\$80,468,000 (As at 30 June 2018: HK\$73,130,000). Our largest gold investment in the Resource Investment division is in Prodigy Gold (ASX: PRX) which generated a fair value loss of HK\$2,000,000 with carrying value as at 30 June 2019 of HK\$27,817,000. This was comfortably offset by gains in a number of smaller positions including Roxgold (TSX: ROXG) which generated a fair value gain of HK\$3,069,000 and Eldorado Gold (TSX: EGO) which generated a fair value gain of HK\$3,706,000.

Prodigy Gold is a gold exploration company listed on the Australian Securities Exchange. Its exploration portfolio is located in the Tanami Gold district in Northern Territory with resource of 15.7Mt at 2g/t. It is focused on drilling out several prospective areas including Bluebush and Suplejack and has farmed out acreage to Independence Group, Newcrest and Gladiator Resources. Its major shareholders include two reputable ASX listed gold companies, St Barbara and Independence Group. At 30 June 2019 Prodigy Gold has A\$6.4 million cash and no debt, and in August 2019 it raised an additional A\$12 million cash, with funds to be used for its ongoing exploration program.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Bulk

Bulk commodities (predominantly iron ore) generated a fair value gain of HK\$8,432,000 as iron ore prices steadily trended upwards during FY 2019. As at 30 June 2019, the carrying value was HK\$72,784,000 (As at 30 June 2018: HK\$11,010,000). Within this segment, our significant investments include Shougang Fushan (HKEX: 639) which generated a fair value gain of HK\$383,000 with carrying value as at 30 June 2019 of HK\$72,784,000 and IRC (HKEX: 1029), which generated a fair value gain of HK\$4,175,000 in FY 2019.

Shougang Fushan is a coking coal producer listed on the Hong Kong Stock Exchange. It has 3 mines located in China with reserves of 84Mt of raw coking coal at 31 December 2018 and during six months ended 30 June 2019 Shougang Fushan produced 2.2Mt raw coking coal. The market cap of Shougang Fushan in early September 2019 is around HK\$9.0 billion, while its working capital reported at 30 June 2019 is HK\$4.6 billion and it generated EBITDA of HK\$1.2 billion in six months ended 30 June 2019.

Base Metals

Base Metals segment (a mix of copper, nickel, aluminium and cobalt companies) delivered a fair value loss of HK\$97,489,000 in FY 2019 as the copper, aluminium and cobalt prices fell by 9%, 18% and 65% respectively. The Base Metals segment includes our investment in Cobalt 27 (TSX: KBLT) which generated a fair value loss of HK\$24,884,000 in FY 2019 and had a carrying value of HK\$27,125,000 as at 30 June 2019 (As at 30 June 2018: HK\$45,484,000), and China Molybdenum (HKEX: 3993) which generated a fair value loss of HK\$7,861,000 in FY 2019 and had a carrying value as at 30 June 2019 of HK\$22,221,000 (As at 30 June 2018: Nil).

Energy

The Energy segment (mainly oil and uranium exposure) had a fair value loss of HK\$7,743,000 in FY 2019 driven by an oil price drop of 21%. Our significant Energy investments include Carnarvon Petroleum (ASX: CVN), which generated a fair value gain of HK\$8,873,000 and had a carrying value as at 30 June 2019 of HK\$6,571,000 (As at 30 June 2018: HK\$3,646,000) and Global Atomic Corp (TSX: GLO), which generated a fair value gain of HK\$4,247,000 and had a carrying value as at 30 June 2019 of HK\$12,220,000 (As at 30 June 2018: Nil).

Others

We also have a fair value loss of HK\$640,000 from the remaining commodity (diamonds, manganese and mineral sands among others) and non-commodity investments in FY 2019 and had a carrying value as at 30 June 2019 of HK\$28,556,000 (As at 30 June 2018: HK\$67,786,000). This segment includes our investment in Alibaba Pictures (HKEX: 1060), which generated a fair value gain of HK\$8,200,000 and had a carrying value as at 30 June 2019 of HK\$16,800,000.

COMMODITY BUSINESS

Our iron ore offtake at Koolan Island recommenced as the mine restarted operations, although commercial production was only reached in late FY 2019. We continue to look for new offtake opportunities across a range of commodities. For FY 2019, our Commodity Business generated a loss of HK\$3,808,000 (FY 2018: Profit of HK\$8,778,000).

PRINCIPAL INVESTMENT AND FINANCIAL SERVICES

The Principal Investment and Financial Services segment, which covers the income generated from loans receivable, loan notes, convertible notes and other financial assets. For FY 2019, this segment generated a profit of HK\$47,371,000 (FY 2018: Profit of HK\$31,198,000).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MONEY LENDING

The Group engaged in money lending activities under the Money Lenders Ordinance of Hong Kong. For FY 2019, the revenue and profits generated from money lending formed part of results of the Principal Investment and Financial Services segment.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2019, our non-current assets amounted to HK\$2,264,877,000 (As at 30 June 2018: HK\$1,921,554,000) and net current assets amounted to HK\$1,749,610,000 (As at 30 June 2018: HK\$1,130,770,000) with a current ratio of 135.2 times (As at 30 June 2018: 20.1 times) calculated on the basis of its current assets over current liabilities. Included in non-current assets and current assets are loan notes of HK\$51,168,000 (As at 30 June 2018: HK\$51,420,000) and loans receivable of HK\$401,418,000 (As at 30 June 2018: HK\$399,276,000).

As at 30 June 2019, we had no borrowings (As at 30 June 2018: HK\$43,500,000) and had undrawn banking facilities amounting to HK\$321,824,000 secured against certain term deposits of the Group. As at 30 June 2019, we had a gearing ratio of nil (As at 30 June 2018: 0.01), calculated on the basis of total borrowings over equity attributable to owners of the Company.

As announced on 11 March 2019, the Company decided to implement the rights issue (the **"Rights Issue"**) on the basis of one rights share for every two existing shares in issue by issuing 406,297,971 rights shares, with aggregate nominal value of HK\$406,297,971, at the subscription price of HK\$1.10 per rights share raising gross proceeds of approximately HK\$447 million and net proceeds of approximately HK\$438 million (approximately HK\$1.08 per share). The Rights Issue was completed in April 2019. The subscription price represented a discount of approximately 14.73% to the closing price of HK\$1.29 per share as quoted on the Stock Exchange of Hong Kong Limited on 11 March 2019. The Directors considered the Rights Issue would provide an opportunity to raise capital for the Company whilst strengthening the capital base and the financial position of the Company. As at 30 June 2019, details of use of proceeds from the rights issue were as follows:

Intended use of proceeds	Actual use of proceeds
(i) Approximately HK\$244 million will be used for enhancing the Group's capacity to further invest in companies involved in the resources sector	Approximately HK\$6.8 million was used. The Company will continue to find investment opportunities to apply unused proceeds in investments in the resources sector
(ii) Approximately HK\$150 million will be used for repayment of the Group's existing outstanding loans and other related expenses owed to a bank and a related company	Approximately HK\$150 million was used
(iii) Approximately HK\$44 million for general working capital for the Group	Approximately HK\$44 million was used
(iv) Approximately HK\$9 million will be used for expenses of the rights issue	Approximately HK\$8.3 million was used. The unused amount of approximately HK\$0.7 million was used for general working capital for the Group

FOREIGN EXCHANGE EXPOSURE

For the year under review, the Group's assets were mainly denominated in Australian Dollars while the liabilities were mainly denominated in United States Dollars and Hong Kong Dollars. There would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange for long term investments. In additions, the Group is required to maintain foreign currency exposure to cater for its present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. In light of this, the Group did not actively hedge for the risk arising from the Australian Dollars denominated assets. However, the Group will closely monitor this risk exposure as required.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PLEDGE OF ASSETS

As at 30 June 2019, the Group's bank deposits of HK\$74,711,000 (As at 30 June 2018: HK\$29,325,000) were pledged to banks to secure various trade and banking facilities granted to the Group.

EMPLOYEES AND EMOLUMENT POLICY

The Group ensures that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Company's benefit plans including medical insurance and pension fund schemes including the Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the PRC for its employees in the PRC).

As at 30 June 2019, the Group, including its subsidiaries but excluding associates, had 14 (As at 30 June 2018: 14) employees. Total remuneration together with pension contributions incurred for the year ended 30 June 2019 amounted to HK\$11,333,000 (FY 2018: HK\$10,681,000).

PRINCIPAL RISKS

The Group adopts a comprehensive risk management framework. Policies and procedures are developed, regularly reviewed and updated to enhance risk management and react to changes in market conditions and the Group's business strategy. The audit committee of the Company reviews the Group's policies and scrutinises that management has performed its duty to have effective risk management and internal control systems necessary for monitoring and controlling major risks arising from the Group's business activities, changing external risks and the regulatory environment, and reports to the Board on the above.

FINANCIAL RISK

Financial risk includes market risk, credit risk and liquidity risk. Market risk concerns that the value of an investment will change due to movements in market factors and which can be further divided into foreign currency risk, interest rate risk and other price risk. Credit risk is the risk of losses arising from clients or counterparties failing to make payments as contracted. Liquidity risk concerns that a given security or asset cannot be traded readily in the market to prevent a loss or make the required profit. Further discussion on financial risk management is outlined in note 34 to the consolidated financial statements.

OPERATIONAL RISK

The Group faces various operational risks which are concerned with possible losses caused by human factors, inadequate or failed internal processes, systems or external events. Operational risk is mitigated and controlled through establishing robust internal controls, proper segregation of duties and effective internal reporting.

The business and operating line management are responsible for managing the operational risks of their business units on a day-to-day basis. Each department head has to identify risks, evaluate the effectiveness of key controls in place and assess whether the risks are effectively managed. Independent monitoring and reviews are conducted by the internal audit team which reports regularly to the respective senior management and the audit committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, during the year ended 30 June 2019, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures. Save as disclosed in this report, as at 30 June 2019, the Group did not have any plan for material investments or capital assets.

CAPITAL COMMITMENTS

As at 30 June 2019 and 30 June 2018, the Group had no material capital commitments contracted but not provided for.

CONTINGENT LIABILITIES

As at the date of this report and as at 30 June 2019, the Board is not aware of any material contingent liabilities.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE END OF THE FINANCIAL YEAR

There are no important events affecting the Group which have occurred after the end of the financial year and up to the date of this report.

COMPANY STRATEGY

The commodity market has been volatile during the year. Looking forward, the Board believes that the performance of the equity investments at fair value through profit or loss will be dependent on market sentiment which is affected by factors such as commodity prices, interest rate movements, geo-political conditions and performance of the macro economy. In order to mitigate the associated risks, the Group will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in market situation. In addition, the Group will also seek potential investment opportunities with an aim to maximize value for the shareholders.

FORWARD LOOKING OBSERVATIONS

The outlook for the global economy is tenuous, and the trade war between the US and China provides ongoing pressure on the two largest economies in the world. Against this difficult backdrop, we remain defensive and selective with our investments in the near term, and continue to look for high quality opportunities which will generate attractive returns over the long run. Our mining and energy investment portfolios are the platform for future mining and energy investments. Our largest investment is in Mount Gibson which is underpinned by a large cash reserve, and its Koolan Island mine reached commercial production in June and has already generated a robust cash flow given the current relative strength in iron ore prices.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Brett Robert Smith, aged 58, was appointed as the Deputy Chairman and an Executive Director of the Company on 18 May 2016. Mr. Smith graduated from Melbourne University, Australia with a Bachelor's Degree in Chemical Engineering with Honours. He has also obtained a Master's Degree in Business Administration from Henley Management College, the United Kingdom and a Master's Degree in Research Methodology from Macquarie University, Australia. Mr. Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr. Smith has served on the board of private mining and exploration companies and has over 33 years international experience in the engineering, construction and mineral processing businesses. He is currently an executive director of Dragon Mining Limited ("**Dragon Mining**") (Stock Code: 1712) and a non-executive director of each of Prodigy Gold NL ("**Prodigy Gold**", formerly known as ABM Resources NL) (Stock Code: PRX) and Tanami Gold NL ("**Tanami Gold**") (Stock Code: TAM). Dragon Mining is a company listed on the main board of The Stock Exchange of Hong Kong Limited. Prodigy Gold and Tanami Gold are companies listed on the Australian Securities Exchange.

Mr. Andrew Charles Ferguson, aged 46, was appointed as an Executive Director and the Chief Executive Officer of the Company on 12 January 2010. Mr. Ferguson holds various directorships in subsidiaries of the Company. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 90's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd.. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 24 years of experience in the finance industry specialising in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. He is currently an alternate director to Mr. Lee Seng Hui in Mount Gibson Iron Limited ("**Mount Gibson**") (Stock Code: MGX), a company listed on the Australian Securities Exchange.

NON-EXECUTIVE DIRECTORS

Mr. Arthur George Dew, aged 77, was appointed as the Chairman and a Non-Executive Director of the Company on 1 March 2016. Mr. Dew graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is currently the chairman and a non-executive director of each of Allied Group Limited ("**AGL**") (Stock Code: 373) and Allied Properties (H.K.) Limited ("**APL**") (Stock Code: 56), both are substantial shareholders of the Company, and Dragon Mining (Stock Code: 1712); a non-executive director of SHK Hong Kong Industries Limited ("**SHK HK IND**") (Stock Code: 666); a non-executive director of Tian An Australia Limited ("**Tian An Australia**") (Stock Code: TIA); and the chairman and a non-executive director of Tanami Gold (Stock Code: TAM). AGL, APL, Dragon Mining and SHK HK IND are companies listed on the main board of The Stock Exchange of Hong Kong Limited. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. Lee Seng Hui (李成輝), aged 50, was appointed as a Non-Executive Director of the Company on 2 October 2009. Mr. Lee graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Mr. Lee is currently the chief executive and an executive director of each of AGL (Stock Code: 373) and APL (Stock Code: 56), both are substantial shareholders of the Company, and the chairman and a non-executive director of Tian An China Investments Company Limited (“**Tian An**”) (Stock Code: 28). AGL, APL and Tian An are companies listed on the main board of The Stock Exchange of Hong Kong Limited. He is also the non-executive chairman of Mount Gibson (Stock Code: MGX), a company listed on the Australian Securities Exchange. He was the chairman and a non-executive director of Asiasec Properties Limited (Stock Code: 271), a company listed on the main board of The Stock Exchange of Hong Kong Limited, between 2016 and January 2018.

Mr. So Kwok Hoo (蘇國豪), aged 65, was appointed as a Non-Executive Director of the Company on 20 October 2009. Mr. So has extensive experience in the coal industries, trading of iron ore and coking coal resources, sales and marketing of electrochemical and industrial products, and property investment. Mr. So holds Bachelor degrees in Applied Science with major in Chemical Engineering and Business Administration obtained in Canada. He is currently an executive director and deputy managing director of Shougang Fushan Resources Group Limited (Stock Code: 639), a company listed on the main board of The Stock Exchange of Hong Kong Limited and a substantial shareholder of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Wing Kuen, Albert (王永權), aged 68, has been appointed as an Independent Non-Executive Director of the Company since 6 July 2004. Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Association of International Accountants and Society of Registered Financial Planners. He is a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators and The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Dr. Wong is currently the principal consultant of KND Associates CPA Limited. He is also an independent non-executive director of each of Solargiga Energy Holdings Limited (Stock Code: 757), China Merchants Land Limited (Stock Code: 978), China VAST Industrial Urban Development Company Limited (Stock Code: 6166), China Medical & HealthCare Group Limited (Stock Code: 383) and Dexin China Holdings Company Limited (Stock Code: 2019). These five companies are listed on the main board of The Stock Exchange of Hong Kong Limited. He is also an independent non-executive director of each of China Wan Tong Yuan (Holdings) Limited (Stock Code: 8199) and Capital Finance Holdings Limited (Stock Code: 8239). These two companies are listed on GEM of The Stock Exchange of Hong Kong Limited.

Mr. Chang Chu Fai, Johnson Francis (鄭鑄輝), aged 65, was appointed as an Independent Non-Executive Director of the Company on 6 July 2007. Mr. Chang obtained a Bachelor’s Degree in Commerce from Concordia University in Montreal, Canada in 1976 and a Master’s Degree in Business Administration from York University in Toronto, Canada in 1977. He has over 41 years of experience in banking, corporate finance, investment and management and has held various executive positions at financial institutions and directorships of listed companies. Mr. Chang is currently the Managing Director of Ceres Consultancy Limited and an independent non-executive director of Tian An (Stock Code: 28), a company listed on the main board of The Stock Exchange of Hong Kong Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. Robert Moyse Willcocks, aged 70, was appointed as an Independent Non-Executive Director of the Company on 27 July 2007. Mr. Willcocks holds a Bachelor's Degree in Arts and a Bachelor's Degree in Laws from the Australian National University in Australia and a Master's Degree in Laws from the University of Sydney in Australia. He has been an advisor to companies in the mining and resources industry for more than 36 years. He is a former partner with the law firm now called King & Wood Mallesons. He is a former director of Ban-Pu Australia Pty Ltd, Oakbridge Pty Ltd and Bond University Limited and was a member of the Australian Government's International Legal Advisory Committee for the term of its programme. He has held directorships in a number of companies listed on the Australian Securities Exchange, including Emperor Mines Limited, RIMCapital Limited (Chairman), eStar Online Trading Limited, Energy World Corporation Limited, CBH Resources Limited, Orion Petroleum Limited (Chairman) and Mount Gibson (Alternate Director). He is currently an independent director of Living Cell Technologies Limited (Stock Code: LCT). He was a non-executive director of Cyprium Metals Limited (formerly known as ARC Exploration Limited) (Stock Code: CYM) between July 2008 and September 2017. These two companies are listed on the Australian Securities Exchange. He is an independent non-executive chairman of Trilogy Funds Management Limited, a Responsible Entity under Australian Law.

Mr. Wang Hongqian (王宏前), aged 60, was appointed as an Independent Non-Executive Director of the Company on 24 May 2019. Mr. Wang graduated from Xi'an Institute of Metallurgy and Construction Engineering (now known as Xi'an University of Architecture and Technology) with a Bachelor's Degree in General Layout and Transportation Design in 1982 and holds a Master's Degree of Business Administration in Finance from The Chinese University of Hong Kong. He is a senior engineer (professor level) and national registered architect (Class A). Mr. Wang is currently a part-time adviser (industry mentor) of Master of Business Administration in Finance in School of Economics and Management of Tsinghua University, vice managing director of Expert Committee of China Association of International Engineering Consultants and commissioner of Committee on Foreign Investment. Mr. Wang worked as the secretary, team leader, deputy director, director and vice-president of Planning and Design Research Institute under the former Ministry of Coal Industry of China, vice-president of Beijing Coal Design and Research Institute (Group) (now known as Beijing Huayu Engineering Co., Ltd.), chairman and president of NFC Real Estate Development Co., Ltd, and chief engineer of China Nonferrous Metal Mining (Group) Co., Ltd.. He was the president and a director of the board of China Nonferrous Metal Industry's Foreign Engineering & Construction Co., Ltd. (Stock Code: 758), a company listed on the Shenzhen Stock Exchange, between November 2002 and October 2018.

ALTERNATE DIRECTOR TO MR. ARTHUR GEORGE DEW

Mr. Wong Tai Chun, Mark (王大鈞), aged 55, was appointed as an alternate director to Mr. Arthur George Dew on 1 March 2016. Mr. Wong holds various directorships in subsidiaries of the Company. Mr. Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Institute of Chartered Secretaries. Mr. Wong was the financial controller of other listed companies in Hong Kong. He is currently an executive director of each of APL (Stock Code: 56), a substantial shareholder of the Company, and SHK HK IND (Stock Code: 666), the director of investment of AGL (Stock Code: 373), a substantial shareholder of the Company, and an alternate director to Mr. Arthur George Dew in Dragon Mining (Stock Code: 1712), Tanami Gold (Stock Code: TAM) and Tian An Australia (Stock Code: TIA). APL, SHK HK IND, AGL and Dragon Mining are companies listed on the main board of The Stock Exchange of Hong Kong Limited. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

SENIOR MANAGEMENT

Hong Kong

Mr. Brett Robert Smith

Deputy Chairman

Biographical details of Mr. Brett Robert Smith are set out on page 14 of this Annual Report.

Mr. Andrew Ferguson

Chief Executive Officer

Biographical details of Mr. Andrew Ferguson are set out on page 14 of this Annual Report.

Ms. Tam Kit Ling (譚潔玲)

Chief Financial Officer

Ms. Tam Kit Ling, aged 53, joined the Company in July 2016 as the Chief Financial Officer. Ms. Tam is also a supervisor of certain subsidiaries of the Company. She has over 29 years of experience in finance and accounting with international businesses and listed companies in Hong Kong. Ms. Tam holds a Bachelor's Degree in Laws and is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

OTHER MANAGEMENT

Hong Kong

Mr. John Ellis

Investment Manager

Mr. Ellis joined the Company in July 2010 as Investment Manager. Prior to joining APAC, he was Portfolio Manager — Global Resources with Colonial First State in Sydney, and Director — Mining Research Sales with the Royal Bank of Canada in Sydney and London. Mr. Ellis has over 19 years of experience in resources investments and holds a Bachelor of Arts degree as well as a number of industry accreditations including the Canadian Securities Course, the ASX/ACH Responsible Executive, and the Finsia Graduate Certificate of Applied Finance and Investment.

Ms. Jenny Wong (黃靜琳)

Vice President, Corporate and Investment

Ms. Wong joined the Company in February 2012 as Vice President of Corporate and Investment. Prior to joining APAC, she was an Oil & Gas Research Analyst at Renaissance Capital Hong Kong, and prior to that, was at Credit Suisse Melbourne for over 4 years also as an Oil & Gas Analyst. Ms. Wong is a Chartered Financial Analyst and completed a Bachelor of Commerce and Bachelor of Information Systems degrees at the University of Melbourne.

BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT (CONTINUED)

Mr. To Yung Kan, Kenneth (杜容根)

Financial Controller

Mr. To joined the Company as Financial Controller and Company Secretary in January 2007. He resigned in July 2008 and joined China Medical & HealthCare Group Limited (formerly known as COL Capital Limited) (Stock Code: 383), a company listed on The Stock Exchange of Hong Kong Limited. Mr. To then re-joined the Company in January 2011 as Financial Controller. Mr. To also holds various directorships in subsidiaries of the Company. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. To has extensive experience in corporate finance, financial management, accounting and auditing.

Shanghai, the PRC

Mr. Zhou Luyong (周魯勇)

General Manager, Shanghai Commodity Business

Mr. Zhou joined the Company in July 2007 and is currently the General Manager, Shanghai Commodity Business. Mr. Zhou has more than 26 years experience within the natural resource sector, including commodity trading and bulk carrier chartering. Prior to APAC, Mr. Zhou was the Manager of Baosteel's overseas subsidiaries (in both Hong Kong and Europe), and worked as the General Manager of Coal & Coke Department at Shanghai Baosteel International Economic and Trading Co., Ltd. from 2002, responsible for coal & coke purchase and sales for Baosteel Group. He also established Shanghai Baoding Energy Co., Ltd., a subsidiary of Baosteel Group.

DIRECTORS' REPORT

The directors of the Company (the “**Directors**”) present their report and the consolidated financial statements of the Group for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 30 June 2019 are set out in the consolidated statement of profit or loss on page 99.

DIVIDEND

The board of Directors (the “**Board**”) has declared an interim dividend of HK10 cents per share (in lieu of a final dividend) for the year ended 30 June 2019 (2018 interim dividend (in lieu of a final dividend): HK6 cents per share), payable on or around Thursday, 31 October 2019 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 16 October 2019.

CLOSURE OF REGISTER OF MEMBERS

(1) For determining the entitlement to the interim dividend

For determining the entitlement to the interim dividend (in lieu of a final dividend) for the year ended 30 June 2019, the register of members of the Company is closed from Monday, 14 October 2019 to Wednesday, 16 October 2019, both days inclusive, during which period no transfer of shares of the Company is effected. In order for a shareholder of the Company to qualify for the interim dividend (in lieu of a final dividend), all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 11 October 2019.

(2) For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company

The annual general meeting of the Company (“**AGM**”) is scheduled to be held on Friday, 22 November 2019. For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 19 November 2019 to Friday, 22 November 2019, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2019 AGM, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Monday, 18 November 2019.

DIRECTORS' REPORT (CONTINUED)

BUSINESS REVIEW

Schedule 5 of the Companies Ordinance of Hong Kong (the “**Companies Ordinance**”) requires companies to include a business review in the directors’ report. Specifically, the Companies Ordinance requires a business review to cover a number of areas which are also approved by the Board and included in the sections headed “Management Discussion and Analysis” and “Corporate Governance Report” of this Annual Report, the discussion of which forms part of this Directors’ Report, as follows:

- | | |
|---|--------------------------------------|
| 1. A fair review of the Group’s business | Pages 6 to 13 of this Annual Report |
| 2. Principal risks and uncertainties facing the Group | Pages 4 to 13 of this Annual Report |
| 3. Indication of likely development of the Group | Page 13 of this Annual Report |
| 4. Key relationships with shareholders | Pages 41 to 42 of this Annual Report |

The Company’s environmental policies and performance, an account of the Company’s relationship with other stakeholders that have a significant impact of the Group including the community and our staff can be found in the “Environmental, Social and Governance Report”.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is highly committed to comply with applicable laws and regulations that govern our businesses from time to time. Being a company listed in Hong Kong, the Company has to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Our money lending business segment is governed by the Money Lenders Ordinance of Hong Kong.

SEGMENT INFORMATION

An analysis of the Group’s turnover and contribution to results by business activities for the year ended 30 June 2019 is set out in notes 5 and 6 respectively to the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in share capital of the Company during the year ended 30 June 2019 are set out in note 28 to the consolidated financial statements.

DEBENTURES

The Group has not issued any debentures during the year ended 30 June 2019.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

RESERVES

Details of movements in reserves of the Company and of the Group during the year ended 30 June 2019 are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity on page 103 respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year ended 30 June 2019 are set out in note 15 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 30 June 2019 and up to the date of this report were:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*)
Mr. Wong Tai Chun, Mark (*alternate to Mr. Arthur George Dew*)
Mr. Lee Seng Hui
Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian (*appointed on 24 May 2019*)

DIRECTORS' REPORT (CONTINUED)

In accordance with Bye-law 87 of the Bye-laws of the Company (the “**Bye-laws**”), Mr. Brett Robert Smith, Mr. So Kwok Hoo and Mr. Robert Moyse Willcocks will retire by rotation at the forthcoming AGM. Mr. Robert Moyse Willcocks will not offer himself for re-election at the forthcoming AGM while the two other retiring Directors, being eligible, offer themselves for re-election.

In accordance with Bye-law 86(2) of the Bye-laws, Mr. Wang Hongqian shall hold office until the forthcoming AGM and, being eligible, offers himself for re-election.

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the “**SFO**”) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity in which interests are held	Number of shares/ underlying shares held		Approximate percentage of shareholding
		Interests in shares	Total interests	
Mr. Lee Seng Hui	Other interests	437,872,014 (Note 1)	437,872,014	35.92%

Note:

1. Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.95% of the total number of issued shares of Allied Group Limited (“**AGL**”) (inclusive of Mr. Lee Seng Hui’s personal interests) and was therefore deemed to be interested in 437,872,014 shares of the Company in which AGL was deemed to be interested through a wholly-owned subsidiary of Allied Properties (H.K.) Limited (“**APL**”), its 74.99%-owned subsidiary.

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 30 June 2019 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, the following Directors (not being the Independent Non-Executive Directors ("INEDs")) are considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

- (i) Mr. Arthur George Dew is a director of each of AGL and APL and Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of APL. AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
- (ii) Mr. Lee Seng Hui is a director of each of AGL, APL, Tian An China Investments Company Limited ("**Tian An**") and a non wholly-owned subsidiary of Sun Hung Kai & Co. Limited ("**SHK**"), and also one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL, SHK, SHK Hong Kong Industries Limited ("**SHK HK IND**"), Tian An and Dragon Mining Limited ("**Dragon Mining**") which, through their subsidiaries, are partly engaged in the businesses as follows:
 - AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
 - SHK, through certain of its subsidiaries, is partly engaged in the business of money lending;
 - SHK HK IND, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds;
 - Tian An, through certain of its subsidiaries, is partly engaged in the business of money lending; and
 - Dragon Mining, through certain of its subsidiaries, is involved in the exploration for, and mining and processing gold ores and is partly involved in the investment and trading in listed securities in the resources and related industries;
- (iii) Mr. Lee Seng Hui is a director of Mount Gibson Iron Limited ("**Mount Gibson**") and Mr. Andrew Ferguson is an alternate director to Mr. Lee Seng Hui in Mount Gibson which, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries;

DIRECTORS' REPORT (CONTINUED)

- (iv) Mr. Arthur George Dew and Mr. Wong Tai Chun, Mark are both directors of SHK HK IND which, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds; and
- (v) Mr. Arthur George Dew is a non-executive director of each of Tanami Gold NL ("**Tanami Gold**") and Dragon Mining. Mr. Wong Tai Chun, Mark is an alternate director to Mr. Arthur George Dew in each of Tanami Gold and Dragon Mining. Mr. Brett Robert Smith is a director of Dragon Mining and was appointed as a director of Tanami Gold with effect from 27 November 2018. Tanami Gold and Dragon Mining, through certain of their subsidiaries, are involved in the exploration for, and mining and processing gold ores and are partly involved in the investment and trading in listed securities in the resources and related industries.

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the shareholders of the Company and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

1. As disclosed in the announcements of the Company dated 24 May 2016 and 1 September 2017, on 24 May 2016 and 1 September 2017, APAC Resources Treasury Management Limited, a wholly-owned subsidiary of the Company, subscribed for US\$4.0 million of the five-year guaranteed 4.75% note due 31 May 2021 (the "**SHK Loan Note I**") and US\$2.5 million of the five-year guaranteed 4.65% note due 8 September 2022 (the "**SHK Loan Note II**") respectively both issued by Sun Hung Kai & Co. (BVI) Limited ("**SHK BVI**") and guaranteed by SHK. SHK BVI is a wholly-owned subsidiary of SHK.
2. As disclosed in the announcements of the Company dated 23 May 2019, 14 June 2019 and 9 July 2019, and the circular of the Company dated 20 June 2019, on 23 May 2019, Ultra Effort Limited ("**Ultra Effort**", a wholly-owned subsidiary of the Company) as the lender entered into the loan agreement (the "**Loan Agreement**") with Best Advantage Limited ("**Best Advantage**") as the borrower and Tian An as the guarantor, pursuant to which, Ultra Effort agreed to, among other things, make available to Best Advantage a revolving loan (the "**Loan Facility**") in the amount not exceeding HK\$235,000,000 (or an amount equivalent to HK\$235,000,000 in such alternative currency as acceptable to and agreed by Ultra Effort) at an interest rate of 5.5% per annum, secured by a guarantee and indemnity provided by Tian An and repayable on 24 months from the date of first drawdown. Best Advantage is a wholly-owned subsidiary of Tian An.

Mr. Lee Seng Hui, a Non-Executive Director, is the chairman and a non-executive director of Tian An, and also one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controlled approximately 74.95% interests in the total number of issued shares of AGL, which in turn owns approximately 74.99% of the total number of issued shares of APL, and which in turn indirectly owns approximately 35.92% of the total number of issued shares of the Company as at 30 June 2019. Since APL indirectly owns approximately 61.70% and 48.66% interests in the total number of issued shares of SHK and Tian An respectively as at 30 June 2019, Mr. Lee is deemed to be interested in (i) the subscriptions of the SHK Loan Note I and the SHK Loan Note II; and (ii) the transaction contemplated under the Loan Agreement.

Mr. Chang Chu Fai, Johnson Francis, an Independent Non-Executive Director, is also an independent non-executive director of Tian An, has also subscribed for certain notes in the SHK Loan Note I programme in his own personal capacity and was therefore interested in (i) the subscription of the SHK Loan Note I; and (ii) the transaction contemplated under the Loan Agreement.

Save as disclosed above, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 30 June 2019.

MANAGEMENT CONTRACTS

Save for employment contracts and the sharing of administrative services and management services agreement and the sharing of management services agreement as detailed below under "Continuing Connected Transactions", no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 30 June 2019.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors, Secretary and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. The Company accordingly maintains appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

DIRECTORS' REPORT (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in more than 5% of the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in shares and underlying shares of the Company

Name of Shareholders	Capacity in which interests are held	Number of shares/ underlying shares held		Approximate percentage of shareholding
		Interests in shares	Total interests	
Shougang Fushan Resources Group Limited	Interest of a controlled corporation (Note 1)	143,400,000	143,400,000	17.64%
APL	Interest of controlled corporations (Note 2)	437,872,014	437,872,014	35.92%
AGL	Interest of controlled corporations (Note 4)	437,872,014	437,872,014 (Note 3)	35.92%
Lee and Lee Trust	Interest of controlled corporations (Note 5)	437,872,014	437,872,014 (Note 3)	35.92%

Notes:

1. These shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan Resources Group Limited ("**Shougang Fushan**"). Accordingly, Shougang Fushan was deemed to have an interest in the shares in which Benefit Rich was interested.
2. The interests include 437,872,014 shares of the Company held by Allied Properties Investments (1) Company Limited ("**API(1)**"), a wholly-owned subsidiary of Allied Properties Overseas Limited which in turn is a wholly-owned subsidiary of APL. APL was therefore deemed to have an interest in the shares in which API(1) was interested.
3. This represents the same interests of APL in 437,872,014 shares.
4. APL is a non wholly-owned subsidiary of AGL. AGL was therefore deemed to have an interest in the shares in which APL was interested.
5. Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to have an interest in the shares in which AGL was interested through APL.

Save as disclosed above and in the section headed "Directors' Interests in Shares, Underlying Shares and Debentures", as at 30 June 2019, the Company was not notified of any other persons having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2019.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2019, the Group's five largest customers in aggregate accounted for 91% of the turnover of the Group and the largest customer accounted for approximately 47% of the total turnover of the Group.

For the year ended 30 June 2019, the entire purchases of the Group were attributable to the sole supplier.

Mr. Lee Seng Hui, a Non-Executive Director, is also one of the trustees of Lee and Lee Trust which is a substantial shareholder of the Company. Lee and Lee Trust is deemed to have interests in one of the five largest customers of the Group. Shougang Fushan, a substantial shareholder of the Company, is deemed to have interests in the sole supplier of the Group.

Save as disclosed above and to the best of the Directors' knowledge, at no time during the year ended 30 June 2019 did a Director, a close associate of a Director or a shareholder of the Company, which to the knowledge of the Directors owns more than 5% of the total number of issued shares of the Company, have a beneficial interest in any of the five largest customers and the sole supplier of the Group.

EMOLUMENT POLICY

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the Directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the Directors and senior management and prevailing market conditions when determining their remuneration.

RELATED PARTY TRANSACTIONS

During the year ended 30 June 2019, the Group entered into transactions with related parties, details of which are set out in note 31 to the consolidated financial statements. Certain of these related party transactions constitute a connected transaction or a continuing connected transaction of the Group as defined in and required to be disclosed under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' REPORT (CONTINUED)

CONTINUING CONNECTED TRANSACTIONS

1. As disclosed in the announcement of the Company dated 7 February 2017 and the 2018 Annual Report of the Company, the Company entered into the following agreements:

- (i) a renewed sharing of administrative services and management services agreement with AGL on 7 February 2017 (the "**Services Agreement I**"), pursuant to which the Company agreed to renew and extend the term of the sharing of administrative services and management services agreement dated 30 June 2016 entered into between the Company and AGL for a period of three years which commenced from 1 January 2017 and expiring on 31 December 2019 and engaged AGL for the provision of, (i) the administrative services, which included the corporate secretarial services, provision of registered office address, utilities services including water, electricity, telephone (including international telephone services) and internet, photocopying, postal, courier, delivery and other services ancillary to the day-to-day administration and operation of the Group provided by AGL to the Group (the "**Administrative Services**"), and shall reimburse AGL the actual costs incurred; and (ii) the management services, which included the management, consultancy, strategic, internal audit, management information system consultancy and business advice services provided by the senior management and selected staff of AGL (the "**Management Staff I**") to the Group (the "**Management Services I**"), and shall reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of the Management Staff I providing the Management Services I.

The annual caps in respect of the Management Services I under the Services Agreement I were set at HK\$2,400,000, HK\$2,650,000 and HK\$2,900,000 for each of the three years ending 31 December 2019 respectively. The aggregate fees payable by the Group to AGL in respect of the Management Services I under the Services Agreement I for the year ended 31 December 2018 and for the six months ended 30 June 2019 were HK\$1,856,000 and HK\$1,020,000 respectively which did not exceed the annual cap of HK\$2,650,000 and HK\$2,900,000 for the respective year ended 31 December 2018 and year ending 31 December 2019.

- (ii) a renewed sharing of management services agreement with APL on 7 February 2017 (the "**Services Agreement II**"), pursuant to which the Company agreed to renew and extend the term of the sharing of management services agreement dated 30 June 2016 entered into between the Company and APL for a period of three years which commenced from 1 January 2017 and expiring on 31 December 2019 and engaged APL for the provision of the management services provided by the senior management and selected staff of APL and its wholly-owned subsidiaries (the "**Management Staff II**") to the Group as stipulated in the Services Agreement II (the "**Management Services II**"), and shall reimburse a portion of the actual costs of the services incurred by APL by reference to a specified percentage of the remuneration of the Management Staff II providing the Management Services II.

The annual caps in respect of the Management Services II under the Services Agreement II were set at HK\$330,000, HK\$360,000 and HK\$396,000 for each of the three years ending 31 December 2019 respectively. The aggregate fees payable by the Group to APL in respect of the Management Services II under the Services Agreement II for the year ended 31 December 2018 and for the six months ended 30 June 2019 were HK\$337,000 and HK\$198,000 respectively which did not exceed the annual cap of HK\$360,000 and HK\$396,000 for the respective year ended 31 December 2018 and year ending 31 December 2019.

DIRECTORS' REPORT (CONTINUED)

As (i) Mr. Lee Seng Hui, by being a Non-Executive Director, and also one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controlled approximately 74.95% interests in the total number of issued shares of AGL, which is directly and indirectly interested in an aggregate of approximately 74.99% of the total number of issued shares of APL as at 30 June 2019; (ii) Mr. Arthur George Dew, by being the Chairman and a Non-Executive Director and a member of the Management Staff I providing the Management Services I under the Services Agreement I; and (iii) Mr. Wong Tai Chun, Mark, by being an alternate to Mr. Arthur George Dew and a member of the Management Staff I providing the Management Services I under the Services Agreement I, all of them are deemed to be interested in the Services Agreement I and/or the Services Agreement II.

2. As disclosed in the announcements of the Company dated 23 May 2019, 14 June 2019 and 9 July 2019, and the circular of the Company dated 20 June 2019, on 23 May 2019, Ultra Effort as the lender entered into the Loan Agreement with Best Advantage (a wholly-owned subsidiary of Tian An) as the borrower and Tian An (a 48.66%-owned company of APL) as the guarantor, pursuant to which, Ultra Effort agreed to, among other things, make available to Best Advantage the Loan Facility. The transaction contemplated under the Loan Agreement was subsequently approved by the shareholder of the Company at the special general meeting of the Company held on 9 July 2019.

The annual caps in respect of the Loan Facility under the Loan Agreement were set at HK\$249,900,000, HK\$249,900,000 and HK\$236,300,000 for each of the three financial years ending 30 June 2022 respectively. As the loan was drawn down by Best Advantage after 30 June 2019, the aggregate amounts for the principal loan outstanding and the interest due under the Loan Agreement payable by Best Advantage to Ultra Effort for the year ended 30 June 2019 was nil.

Since APL is a substantial shareholder of the Company, and AGL, Tian An and Best Advantage are all associates of APL, each of AGL, APL, Tian An and Best Advantage is a connected person of the Company and the transactions contemplated under the Services Agreement I (other than the sharing of the Administrative Services), the Services Agreement II and the Loan Agreement constituted continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules. The transactions contemplated under the Services Agreement I (other than the sharing of the Administrative Services) and the Services Agreement II (collectively the “**Continuing Connected Transactions**”) are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders’ approval requirements under the Listing Rules. Whereas the transaction contemplated under the Loan Agreement is subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs have reviewed the Continuing Connected Transactions and have confirmed that the Continuing Connected Transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain agreed upon procedures in respect of the above Continuing Connected Transactions and the auditor has reported its conclusion on these procedures to the Board, confirming the matters set out in Rule 14A.56 of the Listing Rules. The auditor of the Company was engaged to report on the above Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants.

DIRECTORS' REPORT (CONTINUED)

DONATION

During the year ended 30 June 2019, the Group made donations of total HK\$3,320.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws, or the Companies Act 1981 of Bermuda (the "Act"), which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of its Directors.

AUDITOR

The consolidated financial statements of the Group for the year ended 30 June 2019 were audited by Messrs. Deloitte Touche Tohmatsu. Messrs. Deloitte Touche Tohmatsu will retire and a resolution for re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming AGM.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The Group's final results for the year ended 30 June 2019 have been reviewed by the audit committee of the Company.

On behalf of the Board

Arthur George Dew
Chairman

Hong Kong, 25 September 2019

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the light of the Corporate Governance Code and Corporate Governance Report ("**CG Code**") contained in Appendix 14 of the Listing Rules, the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company has applied the principles of, and fully complied with, the applicable code provisions of the CG Code during the year ended 30 June 2019. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

THE BOARD

The Board currently comprises nine Directors in total, with two Executive Directors, three Non-Executive Directors ("**NEDs**") and four Independent Non-Executive Directors ("**INEDs**"). The composition of the Board during the year ended 30 June 2019 and up to the date of this report is set out as follows:

Executive Directors:

Mr. Brett Robert Smith (*Deputy Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors:

Mr. Arthur George Dew (*Chairman*)
Mr. Wong Tai Chun, Mark (*alternate to Mr. Arthur George Dew*)
Mr. Lee Seng Hui
Mr. So Kwok Hoo

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Wang Hongqian (*appointed on 24 May 2019*)

The brief biographical details of the Directors are set out in the Biographical Details of Directors and Management on pages 14 to 18 of this Annual Report.

Board Process

During the year, the NEDs (four of whom are independent) provided the Group with a wide range of expertise and experience. Their active participation in the Board and committee meetings brought independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company ("**Shareholders**").

Throughout the year and up to the date of this report, the Company has had at least three INEDs representing not less than one-third of the Board. At least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. During the year, five Board meetings were held and the individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee and general meeting during the year ended 30 June 2019 are set out below:

Name of Directors	Number of meetings attended/held			General Meeting
	Board	Remuneration Committee	Audit Committee	
Executive Directors:				
Mr. Brett Robert Smith (<i>Deputy Chairman</i>)	5/5	—	—	1/1
Mr. Andrew Ferguson (<i>Chief Executive Officer</i>)	4/5	—	—	1/1
Non-Executive Directors:				
Mr. Arthur George Dew (<i>Chairman</i>) (<i>Mr. Wong Tai Chun, Mark as his alternate</i>)	5/5 (<i>Note 1</i>)	1/1 (<i>Note 1</i>)	2/2 (<i>Note 1</i>)	1/1 (<i>Note 1</i>)
Mr. Lee Seng Hui	4/5	—	—	1/1
Mr. So Kwok Hoo	5/5	—	—	1/1
Independent Non-Executive Directors:				
Dr. Wong Wing Kuen, Albert	5/5	1/1	2/2	1/1
Mr. Chang Chu Fai, Johnson Francis	4/5	1/1	2/2	1/1
Mr. Robert Moyse Willcocks	5/5	1/1	2/2	1/1
Mr. Wang Hongqian (<i>appointed on 24 May 2019</i>)	—	—	—	—

Note:

- All meetings were attended by himself.

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual and interim results, approval of Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalised and set out in writing and will be reviewed and updated by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary of the Company ("**Company Secretary**") assists the Chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

CORPORATE GOVERNANCE REPORT (CONTINUED)

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The Bye-laws also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his close associates has a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure has been established to enable the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

Directors' Continuous Professional Development

For continuous professional development, in addition to Directors' attendance at meetings and review of papers and circulars sent by the management of the Company, Directors participated in the activities including the following:

Participation in Continuous Professional Development Activities

Name of Directors	Reading Regulatory Updates	Attending trainings/ briefings/seminars/ conference relevant to Directors' duties
Executive Directors:		
Mr. Brett Robert Smith (<i>Deputy Chairman</i>)	✓	✓
Mr. Andrew Ferguson (<i>Chief Executive Officer</i>)	✓	✓
Non-Executive Directors:		
Mr. Arthur George Dew (<i>Chairman</i>)	✓	✓
Mr. Wong Tai Chun, Mark (<i>alternate to Mr. Arthur George Dew</i>)	✓	✓
Mr. Lee Seng Hui	✓	✓
Mr. So Kwok Hoo	✓	✓
Independent Non-Executive Directors:		
Dr. Wong Wing Kuen, Albert	✓	✓
Mr. Chang Chu Fai, Johnson Francis	✓	✓
Mr. Robert Moyse Willcocks	✓	✓
Mr. Wang Hongqian (<i>appointed on 24 May 2019</i>)	✓	✓

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board Diversity

The Company has adopted the Board Diversity Policy in September 2013 which sets out the objectives and principles regarding board diversity to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. Board nomination and appointments will be made on merit basis based on the Company's business needs from time to time while taking into account diversity.

Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural background, educational background, skills, knowledge and professional experience.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Arthur George Dew, being the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the chief executive are performed by Mr. Andrew Ferguson, the Chief Executive Officer of the Company, who is responsible for the day-to-day management of the Group's business. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed Director will receive an induction package from the Company Secretary on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

All NEDs (including INEDs) of the Company were appointed for a specific term not more than 3 years which shall continue until 31 May 2021, but subject to the relevant provisions of the Bye-Laws or any other applicable laws whereby the Directors shall vacate or retire from their offices but eligible for re-election.

According to the Bye-laws, at each annual general meeting of the Company ("**AGM**"), one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Further, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company whilst for those appointed as an addition to the Board shall hold office until the next following AGM and in both cases, those Directors shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 30 June 2019 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, a Remuneration Committee, an Audit Committee and an Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

Nomination Committee

The Nomination Committee has been established since March 2012 and is chaired by the Chairman of the Board and comprises a majority of INEDs. Currently, the Nomination Committee consists of five members, including Mr. Arthur George Dew (Chairman of the Nomination Committee) (Mr. Wong Tai Chun, Mark as his alternate), being a NED, and Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian, all being the INEDs. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Nomination Committee has formulated and set out the nomination policy (“**Nomination Policy**”) in its terms of reference. The objective of the Nomination Policy is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. During the year ended 30 June 2019, no Nomination Committee meeting was held while the Nomination Committee dealt with matters by way of circulation. During the year ended 30 June 2019 and up to the date of this report, the Nomination Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board’s approval the proposed resolution for re-election of the retiring Directors at 2018 AGM and 2019 AGM;
- (ii) reviewed the structure, size, composition and diversity of the Board and assessed the independence of each INED;
- (iii) reviewed and recommended for the Board’s approval the revised terms of reference of the Nomination Committee for the relevant amendments to the revised CG Code effective on 1 January 2019;
- (iv) reviewed and recommended for the Board’s approval the renewal of the term of appointment of an Executive Director and the NEDs (including the INEDs) till 31 May 2021; and
- (v) recommended for the Board’s approval the appointment of a new INED.

Remuneration Committee

The Remuneration Committee has been established for more than 10 years and currently consists of five members, including Dr. Wong Wing Kuen, Albert (Chairman of the Remuneration Committee), Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian, all being the INEDs, and Mr. Arthur George Dew (Mr. Wong Tai Chun, Mark as his alternate), being a NED. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company’s policy if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. During the year ended 30 June 2019, one Remuneration Committee meeting was held and the attendance of each member is set out in the section headed “The Board” of this report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during the year ended 30 June 2019. During the year ended 30 June 2019 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed the existing policy and structure for the remuneration of Directors and senior management;
- (ii) reviewed the existing remuneration packages of the Executive Directors and senior management;
- (iii) reviewed the existing remuneration of the NEDs (including the INEDs);
- (iv) reviewed and recommended for the Board's approval the bonus for the year ended 31 December 2017 and the increment in the remuneration for the year 2018 of the Chairman, Executive Directors and senior management;
- (v) reviewed and recommended for the Board's approval the increase in director's fees and the renewal of the term of appointment of an Executive Director and the NEDs (including the INEDs); and
- (vi) recommended for the Board's approval the remuneration of a new INED.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 12 to the consolidated financial statements whereas detailed changes in the emoluments of certain Directors during the interim period and up to the date of the Interim Report were also disclosed in the Interim Report of the Company dated 28 February 2019. Details of the emolument policy of the Group are also set out in the "Emolument Policy" section contained in the Directors' Report on page 27.

Audit Committee

The Audit Committee has been established for more than 10 years and currently consists of five NEDs, four of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Dr. Wong Wing Kuen, Albert (Chairman of the Audit Committee), Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian, all being the INEDs, and Mr. Arthur George Dew (Mr. Wong Tai Chun, Mark as his alternate), being a NED. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. During the year ended 30 June 2019, two Audit Committee meetings were held and the attendance of each member is set out in the section headed "The Board" of this report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the year ended 30 June 2019. During the year ended 30 June 2019 and up to the date of this report, the Audit Committee performed the works as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor;
- (ii) reviewed the reports of findings/independent review report from the external auditor and the management's response in relation to the final audit for the year ended 30 June 2018, the interim results review for the six months ended 31 December 2018 and the final audit for the year ended 30 June 2019 of the Group;
- (iii) reviewed and recommended for the Board's approval the financial reports for the year ended 30 June 2018, for the six months ended 31 December 2018 and for the year ended 30 June 2019 together with the relevant management representation letters and announcements;
- (iv) reviewed and recommended for the Board's annual review the Group's risk management and internal control systems;
- (v) reviewed the Internal Audit Report prepared by the Internal Audit Department ("IAD");
- (vi) reviewed and recommended for the Board's approval the updated report on substantiation of the resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget;
- (vii) reviewed and recommended for the Board's approval the revised terms of reference of the Audit Committee for the relevant amendments to the revised CG Code effective on 1 January 2019 and the updated Procedures for Reporting Possible Improprieties in Financial Reporting, Internal Control or Other Matters; and
- (viii) reviewed and recommended for the Board's annual review the Procedure for Reporting Possible Improprieties in Financial Reporting, Internal Control or Other Matters, Related Party Transaction Policies and Procedures, Procedures for the Identification and Monitoring of Connected Transactions, Policy on the Disclosure of Inside Information, Internal Control Manual and Policy on Risk Management, Compliance and Internal Control Procedures.

Executive Committee

The Executive Committee has been established by the Board with specific terms of reference and currently consists of two Executive Directors, being Mr. Andrew Ferguson (Chairman of the Executive Committee) and Mr. Brett Robert Smith. The Executive Committee is responsible for reviewing and approving, inter alia, any matters arising from the day-to-day activities of the Group and any matters to be delegated by the Board from time to time.

COMPANY SECRETARY

Ms. Lau Tung Ni is the Company Secretary. All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with the Shareholders and management.

Ms. Lau is a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Institute of Chartered Secretaries. During the year ended 30 June 2019, Ms. Lau undertook over 15 hours of relevant professional training to update her skills and knowledge.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 30 June 2019, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis.

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this Annual Report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Risk Management and Internal Control

The Board has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls. During the year, the Board, through the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and manage the risks of different businesses and activities. The annual assessment is performed through the completion by the relevant department heads of their respective responsibility statements as co-ordinated by the IAD. The result and findings are reported by the management to the Chairman of Executive Committee who puts forward the same to the Audit Committee and the Board for review on the effectiveness of the risk management and internal control systems, which have been considered effective and adequate.

A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in note 34 to the consolidated financial statements and in the "Management Discussion and Analysis" section of this Annual Report.

Internal Audit

The Head of Internal Audit reports to the Chairman of the Board and the Audit Committee. The IAD generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems.

The Internal Audit Report was prepared by the IAD and issued to the Audit Committee and the Board for review.

Policy on Disclosure of Inside Information

The Board has adopted the Policy on the Disclosure of Inside Information ("**Policy**") with respect to the procedures and internal controls for the handling and dissemination of inside information. The Policy sets out guidelines and procedures to the Directors and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in timely manner. Directors and relevant officers in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, Part XIVA of the Securities and Futures Ordinance and relevant statutory and regulatory requirements from time to time.

CORPORATE GOVERNANCE REPORT (CONTINUED)

External Auditor's Remuneration

During the year ended 30 June 2019, the remuneration paid or payable to the Company's auditor, Deloitte Touche Tohmatsu is set out below:

Services rendered	Fee paid or payable HK\$'000
Audit services	940
Non-audit services	
– review interim financial information	150
– assurance work on continuing connected transactions	38
– as reporting accountants in respect of rights issue	380
– other professional services	93
	1,601

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with Shareholders. The Chairman actively participates at the AGM and personally chairs the meeting to answer any questions from Shareholders. The chairmen of the Audit Committee, Remuneration Committee and Nomination Committee or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting of Shareholders to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

During the year ended 30 June 2019, the 2018 AGM was held on 22 November 2018. The attendance records of the Directors at the general meeting are set out in the section headed "The Board" of this report.

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of retiring Directors.

The notice to Shareholders is to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in case of all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The Chairman answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to Bye-law 58 of the Bye-laws, Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. Such requisition must state the purposes of the general meeting, signed by the Shareholder(s) concerned and can be addressed to the Board or the Company Secretary in writing by mail to the Company's registered office in Bermuda ("**Registered Office**") and preferably with a copy to its principal office in Hong Kong ("**Head Office**"). Besides, Shareholder(s) may make a proposal at a Shareholders' meeting by submitting it in written form addressed to the Board or the Company Secretary at the Registered Office and preferably with a copy to the Head Office in accordance with the Act and the Bye-Laws where applicable.

The Board established a shareholders' communication policy. Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Board or the Company Secretary in writing by mail to the Registered Office and preferably with a copy to the Head Office.

DIVIDEND POLICY

The Board has adopted the dividend policy effective on 22 November 2018. The Company's dividend policy aims at providing reasonable and sustainable returns to its Shareholders whilst maintaining a position of financial stability which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Board may declare or propose dividends on an annual basis and/or may declare interim dividends or special dividends. Proposal or declaration of dividends by the Board is subject to consideration of the Company's and the Group's operating results, accumulated and future earnings, gearing, liquidity position, capital commitment requirement and future expansion plan as well as general economic conditions and external factors that may have impact on the financial performance and position of the Company and the Group. In addition, as the Company is a holding company, the Board will also consider the dividends received from its subsidiaries and associates as the ability to pay dividends by the Company is dependent on the dividends received from those subsidiaries and associates.

The Board will regularly review the dividend policy and will amend and/or modify the dividend policy if necessary.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but also about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our Shareholders to promote and improve our transparency are also welcome.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH AND STRATEGY

APAC Resources Limited believes in delivering long term, sustainable value creation to our shareholders. In doing so, we recognise that the choices we make will have an impact on the communities in which we carry on business and we should make such impact a positive one. The Company has adopted a Sustainability Policy in September 2017 which covers our principles in the area of employment and labour practices, business integrity, the environment and the community and we shall endeavour to embrace these principles as part of our practice and governance to contribute to the sustainable development of society and the environment.

The Board has overall responsibility for the Company's strategy and reporting in respect of Environmental, Social and Governance ("ESG") issues and has reviewed the effectiveness of the Group's risk management and internal control systems, which are put in place to identify, evaluate and manage the risks of different businesses and activities, including the ESG-related risks. Based upon the assessments made by the Company's senior management, management and the external auditor, the Board considered that such systems are effective and adequate.

This report outlines the Group's sustainability initiatives and selected Key Performance Indicators ("KPI") that are material to the Group and its stakeholders on ESG issues for the year ended 30 June 2019. This report supplements information disclosed elsewhere in this Annual Report.

REPORTING SCOPE

The subject areas and aspects are presented based on the "Environmental, Social and Governance Reporting Guide" for listed issuers published by The Stock Exchange of Hong Kong Limited (the "ESG Reporting Guide").

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Amongst various environmental and social issues based on the ESG Reporting Guide within the scope of sustainability, the following is the list of issues that are considered to be material and relevant to the Group. The priorities are set based on management's view as well as certain conclusions from our stakeholders' engagement. Based on management's view, the aspects and KPIs relevant to this report's disclosure are set out as follows:

Material and relevant issues:

Supply chain management (Aspect B5) general disclosure, KPI B5.1, B5.2
Anti-corruption (Aspect B7) general disclosure, KPI B7.2

Other relevant issues:

Emissions (Aspect A1) general disclosure
Use of resources (Aspect A2) general disclosure, KPI A2.1
The environment and natural resources (Aspect A3) general disclosure, KPI A3.1
Employment (Aspect B1) general disclosure, KPI B1.1, B1.2
Health and safety (Aspect B2) general disclosure
Development and training (Aspect B3) general disclosure
Labour standards (Aspect B4) general disclosure
Product responsibility (Aspect B6) general disclosure, KPI B6.5
Community investment (Aspect B8) general disclosure, KPI B8.1, B8.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

All other KPIs not mentioned above were considered not relevant for detailed disclosure.

The following ESG issues are presented based on the classification of provisions by the ESG Reporting Guide.

A. Environmental Issues

The Group's Sustainability Policy encompasses our general approach towards environmental issues. We endeavour to:

- observe relevant laws and regulations and aim to go beyond minimum requirements;
- prevent/minimise air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste;
- make efficient use of resources, including energy, water and other materials;
- minimise the impact of the Group's activities on the environment and natural resources; and
- engage our staff, customers and partners to promote environmentally sustainable business practices and constantly re-assess our processes to minimise environmental impact.

This report does not include the disclosure of all the environmental KPIs as they are not considered material or relevant. Instead, we have discussed our general approach and effort to reduce the Group's environmental footprint in various aspects.

Emissions (Aspect A1)

The Group is not involved in any manufacturing activities. Emissions produced directly by the Group related to 2 executive vehicles in Hong Kong and mainland China. These are used for senior staff's local travel only. The scale and usage are immaterial. Other emissions produced are mostly on a "second degree" basis as incurred during occasional business travels.

In line with our policy to minimise air and greenhouse gas emissions, major operations are equipped with audio conferencing facilities to minimise the need for face to face meetings and keep business travelling to a minimum.

There are no relevant laws and regulations applicable to our business on this aspect.

Use of Resources (Aspect A2) and The Environment and Natural Resources (Aspect A3)

We place a high priority on the efficient use of resources. With only 14 staff members across the Group, we consume limited amounts of electricity and paper. Water consumption is not material to our business as it relates only to the personal consumption of our staff for their personal hygiene.

Environmental protection guidelines in relation to energy savings, materials recycling and reduction in paper consumption are in place. For instance, staff are encouraged to use duplex printing for internal documents, return used printer toner capsules and coffee capsules to respective suppliers and facilities and procedures are in place for paper waste recycling. Staff are reminded to switch off lights and equipment after work, during lunch break or during the time working outside the office and wherever possible. Electronic communication and storage are promoted and energy efficiency of office equipment is taken into consideration in making purchase decision. During the year ended 30 June 2019, the Group's total electricity consumption was below 36,500 kwh similar to last year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Throughout the Group, the following business processes were implemented whenever possible to improve efficiency and to reduce paper usage:

- Electronic bank and broker statements
- Recycling schemes of office equipment and supplies
- Internal electronic administration and communication platform

Except for the abovementioned, the Group's businesses have no direct impact on the environment and natural resources.

B. Social Issues

Employment, Health and Safety and Labour Standards (Aspect B1, B2, B4)

The Group is an established natural resource investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment; resource investment; and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets. Our people are our most important assets that will drive the long-term development of the Group. The Group's policy on employment is as follows:

- observing relevant laws and regulations;
- being an equal-opportunity employer, implementing fair practices relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for our staff;
- providing a safe, healthy and quality workplace and protecting employees from occupational hazards;
- promoting a good work-life balance for staff;
- investing in training and professional development of our staff for the purpose of improving their knowledge and skills for discharging duties at work;
- maintaining an open dialogue with our staff, facilitating a transparent two way communication; and
- preventing child and forced labour.

In Hong Kong, the Group's employment of staff is governed by the Employment Ordinance, the Minimum Wage Ordinance, as well as the Employees' Compensation Ordinance. In mainland China, staff employment is subject to the Labour Law and the Employment Contract Law of the People's Republic of China ("中華人民共和國勞動法及勞動合同法"). The Group has no known non-compliance with the above relevant regulations. The Group ensured that our compensation and benefits (including working hours, rest periods, welfare) are according to the prevailing manpower market conditions and individual performance. Owing to the nature of our businesses, work related injuries, occupational health issues and the incurrence of child labour are not significant risk factors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The Group endeavours to provide a safe and pleasant working environment for our staff. On top of this, for community service purposes, the Group also encourages our staff to participate in charity and social activities.

Further information on the Group's emolument policy is also included in the Management Discussion and Analysis section of this Annual Report.

As at 30 June 2019, the Group has a total of 14 full time staff, 8 in Hong Kong and 6 in mainland China. By gender, 50% is male and 50% is female. By age group, 43%, 14%, 29% and 14% are between age groups of 30 to 39, 40 to 49, 50 to 59 and over 60 respectively.

There was no employee turnover during the year.

Development and Training (Aspect B3)

The Group is committed to fostering a culture of continuous learning in our organisation. Emphasis is placed on staff training which is tailored to equip our workplace with the necessary knowledge and skills relevant to their work, as well as to build our talent pool. Our Directors are required to participate in training to enhance their knowledge to enable them to discharge their duties and responsibilities more effectively. Management have participated in seminars in relation to anti-money laundering and update of Listing Rules and corporate governance code. The Group has also provided support for our staff in their continuous professional development.

Staff training across the Group amounted to a total of 46 hours in total.

Supply Chain Management (Aspect B5)

The Group has reviewed the sustainability report of our major supplier of commodity trading for its awareness and commitment to its environmental and social responsibilities. As an investment fund, the Group's general business suppliers include providers of financial information, law firms and securities brokers. These are not considered to pose significant social risks for our business and procurement decisions are based on pricing, suitability as well as the reputation of suppliers.

Product Responsibility (Aspect B6)

The Group is dedicated in providing products with good quality and up to the specification to our customers. Customers of commodity trading are provided with quality certifications to prove the product quality. The Group strictly complies with all relevant laws and regulations in relating to health and safety, advertising, labelling and privacy matters relating to products. The Group is involved in money lending activities operating under the Money Lenders Ordinance. Other than that, there are no laws and regulations that has a significant impact on the Group,

Comprehensive policies and procedures have been implemented to facilitate a responsible and efficient investment process. Investment opportunities are subject to stringent screening in line with our procedures by the investment team, comprised of experienced professionals, to ensure our investment decisions are prudent, consistent and impartial.

We strictly protect the confidentiality of non-public material information. All staff members are reminded of the importance of keeping confidential any aspects of the Company's business and the need to comply with the requirements of confidentiality. Non-disclosure agreements are signed with the counterparty where applicable to prevent leakage and loss of confidential information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Anti-Corruption (Aspect B7)

The Group is committed to compliance with applicable anti-corruption laws and regulations. The Group has implemented a whistle blower policy for reporting fraud and corruption. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose. This policy is circulated to employees periodically to facilitate employees' easy access and reporting. For the year ended 30 June 2019, no significant risks relating to corruption had been identified.

Community Investment (Aspect B8)

APAC undertakes the responsibility of a good corporate citizen contributing by encouraging our staff to participate in community and charitable activities and support with sponsorship and donation.

APAC maintains its focus areas of contribution in global issues such as poverty, hunger, health and injustice. During the year, our staff members continued to participate in "Skip a Meal", a fund-raising campaign organised by World Vision.

In January 2019, our staff members joined the Walk for Millions organised by the Community Chest and the Group donated to the Community Chest contributing in the development of a better local community.

Deloitte.

德勤

TO THE MEMBERS OF APAC RESOURCES LIMITED

(incorporated in Bermuda with limited liability)

致：亞太資源有限公司股東

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of APAC Resources Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 99 to 235, which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**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 opinion.

意見

本核數師已審核載於第99頁至235頁亞太資源有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表，當中包括於二零一九年六月三十日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

本核數師認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一九年六月三十日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見之基礎

本核數師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。本核數師於該等準則下之責任在本核數師之報告內核數師就審核綜合財務報表須承擔之責任一節中作進一步闡述。根據香港會計師公會之「**職業會計師道德守則**」(「**守則**」)，本核數師獨立於 貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得之審核憑證能充足及適當地為本核數師之意見提供基礎。

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.

Key audit matter 關鍵審核事項

關鍵審核事項

關鍵審核事項為根據本核數師之專業判斷，對本核數師審核本期綜合財務報表至關重要之事項。本核數師在整體審核綜合財務報表及就此達致意見時處理該等事項，而不會就此等事項單獨發表意見。

How our audit addressed the key audit matter 本核數師在審核中處理該事項之方法

Reversal of impairment loss of the Group's interest in an associate listed on the Australian Securities Exchange ("ASX") 貴集團於澳洲證券交易所(「澳交所」)上市聯營公司之權益之減值虧損撥回

We identified the reversal of impairment loss of the Group's interest in an associate in Australia, namely Mount Gibson Iron Limited ("MGX"), as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant estimation and judgement involved by the management of the Group in determining the recoverable amount of MGX.

本核數師把 貴集團於澳洲聯營公司(即Mount Gibson Iron Limited(「MGX」))之權益之減值虧損撥回列為關鍵審核事項，原因為有關結餘對綜合財務報表整體而言屬重大，且 貴集團管理層於釐定MGX可收回金額時涉及重大估計及判斷。

As set out in note 4 to the consolidated financial statements, the recoverable amount of MGX are determined by the management of the Group with reference to the higher of its value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX. The estimation takes into account the estimated future prices and production volume of hematite iron ores of MGX, a suitable discount rate and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX is determined by reference to the closing price of its shares listed on the ASX as at 30 June 2019.

誠如綜合財務報表附註4所載，MGX之可收回金額乃由 貴集團管理層經參考其使用價值及公平值減出售成本中之較高者而釐定。計算使用價值時， 貴集團管理層需要估計MGX股息預期將產生之未來現金流量之現值，有關估計乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而得出，當中計及MGX赤鐵礦石的估計未來價格及估計產量、合適折現率以及MGX之過往派息率。MGX之公平值減出售成本乃參考其於澳交所上市股份於二零一九年六月三十日之收市價釐定。

Our procedures in relation to the reversal of impairment loss of the Group's interest in MGX included:

本核數師有關 貴集團於MGX權益之減值虧損撥回之審核程序包括：

- Understanding the impairment assessment of the Group's interest in MGX performed by the management of the Group, including the valuation model adopted and key assumptions used;
了解 貴集團管理層就於MGX之權益進行之減值評估，包括所採用之估值模型及所使用之主要假設；
- Evaluating the key assumptions and inputs used by the management of the Group in the value in use calculation, including the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX and the discount rate used, with reference to historical performance and publicly available information;
評估 貴集團管理層於計算使用價值時所採用之主要假設及輸入數據，包括基於MGX經營所得現金流量及最終出售MGX之所得款項以及經參考過往表現及公開可得資料而得出所採用之折現率估計之MGX股息預期將產生之未來現金流量；
- Checking the closing price of the shares of MGX which are listed on the ASX as at 30 June 2019;
核查MGX於澳交所上市股份於二零一九年六月三十日之收市價；
- Comparing the result of the value in use calculation with the fair value less costs of disposal of the Group's interest in MGX, which is determined by reference to the closing price of shares of MGX as at 30 June 2019, when determining the recoverable amount of the Group's interest in MGX;
於釐定 貴集團於MGX之權益之可收回金額時，比較使用價值計算結果與參考MGX股份於二零一九年六月三十日之收市價釐定的 貴集團於MGX之權益之公平值減出售成本；

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter
關鍵審核事項

How our audit addressed the key audit matter
本核數師在審核中處理該事項之方法

As disclosed in note 16 to the consolidated financial statements, the recoverable amount of the Group's interest in MGX, which represents the fair value less costs of disposal, is higher than its carrying amount. Accordingly, a reversal of impairment loss of HK\$656,390,000 in respect of the Group's interest in MGX is recognised in the consolidated statement of profit or loss for the year and it results in the carrying amount of the Group's interest in MGX of HK\$1,738,665,000 as at 30 June 2019.

誠如綜合財務報表附註16所披露，貴集團於MGX之權益之可收回金額(指公平值減出售成本)高於其賬面值。因此，於年度綜合損益表就貴集團於MGX之權益確認減值虧損撥回656,390,000港元，因此，貴集團於MGX之權益於二零一九年六月三十日之賬面值為1,738,665,000港元。

- Comparing the recoverable amount of the Group's interest in MGX with its carrying amount; and 比較貴集團於MGX之權益之可收回金額與其賬面值；及
- Recalculating the reversal of impairment loss of the Group's interest in MGX. 重新計算貴集團於MGX之權益之減值虧損撥回金額。

OTHER INFORMATION

其他資料

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

貴公司董事須對其他資料承擔責任。其他資料包括載於年報之資料，惟綜合財務報表及本核數師之核數師報告除外。

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

本核數師對綜合財務報表作出之意見並無涵蓋其他資料，而本核數師不會對其他資料發表任何形式之鑑證結論。

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

就本核數師審核綜合財務報表而言，本核數師之責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本核數師在審核過程中獲悉之資料存在重大不符，或似乎存在重大錯誤陳述。倘若本核數師基於已進行之工作認為其他資料出現重大錯誤陳述，本核數師須報告有關事實。本核數師就此並無須報告事項。

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 of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 HKSAAs 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.

董事及治理層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真實而公平地反映情況之綜合財務報表，及貴公司董事釐定對編製綜合財務報表屬必要之有關內部監控，以使該等綜合財務報表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，貴公司董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項(如適用)。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行之辦法，否則須採用以持續經營為基礎之會計法。

治理層負責監督貴集團之財務報告流程。

核數師就審核綜合財務報表須承擔之責任

本核數師之目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致之重大錯誤陳述，並發出載有本核數師意見之核數師報告。本核數師按照百慕達公司法第90條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本核數師並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。合理確定屬高層次之核證，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，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

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

核數師就審核綜合財務報表須承擔之責任 (續)

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

在根據香港審計準則進行審核之過程中，本核數師在整個審核中運用專業判斷，保持專業懷疑態度。本核數師亦：

- 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 of the Company.
- 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.
- 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，作為本核數師意見之基礎。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高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部監控，以設計適當之審核程序，惟並非旨在對貴集團內部監控之有效性發表意見。
- 評估貴公司董事所採用會計政策之恰當性及所作出會計估計和相關披露之合理性。
- 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，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中之相關披露。倘有關披露不足，則修訂本核數師意見。本核數師結論乃基於截至核數師報告日期止所取得之審核憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

- 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.

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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Lee Wing Cheong, Wilfred.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 September 2019

核數師就審核綜合財務報表須承 擔之責任(續)

- 就 貴集團內實體或業務活動之財務資料獲取充足及適當之審核憑證，以便對綜合財務報表發表意見。本核數師負責集團審核之方向、監督和執行。本核數師為審核意見承擔全部責任。

本核數師與治理層就(其中包括)審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括本核數師在審核過程中識別之內部監控之任何重大缺失。

本核數師亦向治理層作出聲明，指出本核數師已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響本核數師獨立性之所有關係及其他事宜，以及相關防範措施(如適用)。

從與治理層溝通之事項中，本核數師釐定對本期綜合財務報表之審核至關重要之事項，因而構成關鍵審核事項。本核數師在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在本核數師報告中溝通某事項造成之負面後果超出產生之公眾利益，則本核數師決定不應在報告中傳達該事項。

出具本獨立核數師報告之審核項目合夥人為李永鏘。

德勤•關黃陳方會計師行
執業會計師
香港
二零一九年九月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2019

綜合損益表

截至二零一九年六月三十日止年度

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
Revenue	收益			
Trading of goods	商品貿易		51,099	123,531
Interest income	利息收入		58,128	32,589
Total revenue	收益總額	5	109,227	156,120
Cost of sales	銷售成本		(51,818)	(114,832)
Gross profit	毛利		57,409	41,288
Other gains and losses	其他收益及虧損	7	(341,250)	68,317
Other income	其他收入	8	16,803	23,301
Reversal of impairment loss on interests in associates, net	回撥於聯營公司之權益之減值虧損淨額	16	643,439	50,057
Administrative expenses	行政費用		(38,871)	(40,412)
Finance costs	融資成本	9	(2,020)	(536)
Share of results of associates	分佔聯營公司業績		273,750	179,130
Profit before taxation	除稅前溢利	10	609,260	321,145
Income tax (expense) credit	所得稅(支出)抵免	11	(828)	6,970
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利		608,432	328,115
Earnings per share (expressed in HK cents)	每股盈利(以港仙列示)			(Restated) (經重列)
— basic	— 基本	13	68.04	37.45

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

綜合損益及 其他全面收益表

截至二零一九年六月三十日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year	年度溢利	608,432	328,115
Other comprehensive (expense) income, net of tax Items that may be subsequently reclassified to profit or loss:	其他全面(支出)收益(扣除稅項) 可能於其後重新分類至損益之 項目：		
Exchange difference arising from translation of associates	換算聯營公司時產生之匯兌 差額	(55,017)	(38,695)
Exchange difference arising from translation of other foreign operations	換算其他海外業務時產生之 匯兌差額	(4,731)	4,270
Reversal upon derecognition of deferred tax liability	於終止確認遞延稅項負債後 撥回	—	(1,463)
Fair value changes on available-for-sale investments, net of tax	可供出售投資之公平值變動 (扣除稅項)	—	44,545
Share of other comprehensive income of associates	分佔聯營公司其他全面收益	4,044	2,043
		(55,704)	10,700
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度全面 收益總額	552,728	338,815

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

綜合財務狀況表

於二零一九年六月三十日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,368	767
Interests in associates	於聯營公司之權益	16	1,904,461	1,023,743
Available-for-sale investments	可供出售投資	19	—	598,049
Financial assets at fair value through profit or loss	按公平值於損益賬處理之金融資產	18	307,880	—
Convertible notes	可換股票據	20	—	11,263
Loan notes	貸款票據	22	51,168	51,420
Loans receivable	應收貸款	21	—	236,312
			2,264,877	1,921,554
Current assets	流動資產			
Inventories	存貨	17	53,802	—
Convertible notes	可換股票據	20	—	104,986
Trade and other receivables	貿易及其他應收賬款	23	26,072	28,120
Financial assets at fair value through profit or loss	按公平值於損益賬處理之金融資產	18	392,102	—
Equity investments at fair value through profit or loss	按公平值於損益賬處理之股本投資	24	—	455,863
Loans receivable	應收貸款	21	401,418	162,964
Pledged bank deposits	已抵押銀行存款	25	74,711	29,325
Bank balances and cash	銀行結餘及現金	25	814,547	408,683
			1,762,652	1,189,941
Total assets	資產總值		4,027,529	3,111,495

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2019

綜合財務狀況表(續)

於二零一九年六月三十日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
EQUITY AND LIABILITIES	股權及負債			
Capital and reserves	股本及儲備			
Share capital	股本	28	1,218,894	795,277
Other reserves	其他儲備		287,231	396,798
Accumulated profits	累計溢利		2,508,362	1,860,249
			4,014,487	3,052,324
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	26	12,811	15,671
Bank and other borrowings	銀行及其他借貸	27	—	43,500
Tax payable	應付稅項		231	—
			13,042	59,171
Total liabilities	負債總額		13,042	59,171
Total equity and liabilities	股權及負債總額		4,027,529	3,111,495
Net current assets	流動資產淨值		1,749,610	1,130,770
Total assets less total liabilities	資產總值減負債總額		4,014,487	3,052,324

The consolidated financial statements on pages 99 to 235 were approved and authorised for issue by the Board of Directors on 25 September 2019 and are signed on its behalf by:

董事會已於二零一九年九月二十五日批准及授權刊發載於第99至235頁之綜合財務報表，並由下列人士代為簽署：

Arthur George Dew
DIRECTOR
董事

Andrew Ferguson
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

綜合權益變動表

截至二零一九年六月三十日止年度

		Share capital	Share premium	Special reserve	Investment revaluation reserve	Exchange reserve	Capital redemption reserve	Accumulated profits	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	特別儲備 HK\$'000 千港元 (note (i)) (附註(i))	投資 重估儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	資本 贖回儲備 HK\$'000 千港元 (note (ii)) (附註(ii))	累計溢利 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	919,165	209,248	(14,980)	58,250	91,310	79,436	1,545,921	2,888,350
Profit for the year	年度溢利	—	—	—	—	—	—	328,115	328,115
Other comprehensive income (expense) for the year	年度其他全面收益(支出)	—	—	—	45,125	(34,425)	—	—	10,700
Total comprehensive income (expense) for the year	年度全面收益(支出)總額	—	—	—	45,125	(34,425)	—	328,115	338,815
Repurchase of ordinary shares	購回普通股	(123,888)	(37,166)	—	—	—	—	—	(161,054)
Dividends recognised as distribution (Note 14)	確認為分派的股息(附註14)	—	—	—	—	—	—	(13,787)	(13,787)
At 30 June 2018	於二零一八年六月三十日	795,277	172,082	(14,980)	103,375	56,885	79,436	1,860,249	3,052,324
Adjustments (Note 2)	調整(附註2)	—	—	—	(88,475)	—	—	87,398	(1,077)
At 1 July 2018 (restated)	於二零一八年七月一日(經重列)	795,277	172,082	(14,980)	14,900	56,885	79,436	1,947,647	3,051,247
Profit for the year	年度溢利	—	—	—	—	—	—	608,432	608,432
Other comprehensive income (expense) for the year	年度其他全面收益(支出)	—	—	—	4,044	(59,748)	—	—	(55,704)
Total comprehensive income (expense) for the year	年度全面收益(支出)總額	—	—	—	4,044	(59,748)	—	608,432	552,728
Shares issued under rights issue	根據供股發行股份	406,298	40,630	—	—	—	—	—	446,928
Transaction costs attributable to the rights issue	供股應佔交易成本	—	(8,344)	—	—	—	—	—	(8,344)
Dividends recognised as distribution (Note 14)	確認為分派的股息(附註14)	17,319	2,326	—	—	—	—	(47,717)	(28,072)
At 30 June 2019	於二零一九年六月三十日	1,218,894	206,694	(14,980)	18,944	(2,863)	79,436	2,508,362	4,014,487

Notes:

附註:

- (i) The special reserve represents the difference between the nominal value of aggregate share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition at the time of a group reorganisation in 1998.
- (ii) The capital redemption reserve represents the par value of ordinary shares transferred from accumulated profits upon repurchase of these shares by the Company in previous years.
- (i) 特別儲備指所收購附屬公司之總股本面值與本公司於一九九八年集團重組時就收購而發行之股本面值之間之差額。
- (ii) 資本贖回儲備指本公司於過往年度購回普通股時自累計溢利轉撥之該等股份面值。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

綜合現金流量表

截至二零一九年六月三十日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	609,260	321,145
Adjustments for:	就下列項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	316	364
Loss arising from changes in fair value of financial assets at fair value through profit or loss, net	按公平值於損益賬處理之金融資產公平值變動產生之虧損淨額	319,356	—
Loss arising from deemed disposal of partial interest in an associate	視作出售一間聯營公司部分權益產生之虧損	3,762	—
Gain arising from acquisition of additional interest in an associate	收購一間聯營公司額外權益產生之收益	—	(5,076)
Fair value changes of equity investments at fair value through profit or loss, net	按公平值於損益賬處理之股本投資公平值變動淨額	—	(69,224)
Reversal of impairment loss on loans receivable, net	回撥應收貸款之減值虧損淨額	(602)	—
Loss arising from acquisition of an associate	收購一間聯營公司產生之虧損	—	8,061
Fair value changes of convertible notes	可換股票據公平值變動	—	(5,552)
Interest income	利息收入	(65,068)	(44,384)
Interest expenses	利息支出	2,020	536
Share of results of associates	分佔聯營公司業績	(273,750)	(179,130)
Reversal of impairment loss on interests in associates, net	回撥於聯營公司之權益之減值虧損淨額	(643,439)	(50,057)
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	—	848
Dividend income from available-for-sale investments	可供出售投資之股息收入	—	(3,492)
Foreign exchange loss, net	匯兌虧損淨額	11,410	9,138
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(36,735)	(16,823)
Increase in inventories	存貨增加	(58,623)	—
Decrease (increase) in trade and other receivables	貿易及其他應收賬款減少(增加)	2,048	(1,761)
Decrease in trade and other payables	貿易及其他應付賬款減少	(3,410)	(5,961)
Increase in equity investments at fair value through profit or loss	按公平值於損益賬處理之股本投資增加	—	(103,672)
Increase in financial assets at fair value through profit or loss	按公平值於損益賬處理之金融資產增加	(26,192)	—
Cash used in operations	經營所用現金	(122,912)	(128,217)
Income tax paid	已付所得稅	(597)	(1,378)
Net cash used in operating activities	經營業務所用現金淨額	(123,509)	(129,595)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 30 June 2019

綜合現金流量表(續)

截至二零一九年六月三十日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(917)	(28)
Purchase of available-for-sale investments	購買可供出售投資	—	(2,539)
Investment in convertible notes	投資於可換股票據	—	(110,000)
Investment in loan notes	投資於貸款票據	—	(19,516)
Redemption of loan notes	贖回貸款票據	—	156,209
Purchase of listed equity securities not held within the trading portfolios	購買並非於買賣組合內持有的上市股本證券	(16,961)	—
Proceeds from disposal of listed equity securities not held within the trading portfolios	出售並非於買賣組合內持有的上市股本證券所得款項	85,950	—
Proceeds from disposal of unlisted equity securities	出售非上市股本證券所得款項	3,732	—
Proceed from redemption of convertible notes	贖回可換股票據所得款項	100,000	—
Payments for conversion of convertible notes	轉換可換股票據付款	—	(10,588)
Net proceeds from disposal of equity investments converted from convertible notes	出售可換股票據所轉換股本投資所得款項淨額	—	19,230
New loans granted	獲授新貸款	(229,627)	(375,091)
Repayments of loans receivable	應收貸款獲償還	229,602	202,450
Placements of pledged bank deposits	存於已抵押銀行存款	(173,392)	(23,802)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	128,153	140,079
Investments in associates	投資於聯營公司	(13,443)	(194,060)
Transaction costs paid for acquisition of an associate	就收購一間聯營公司已付交易成本	—	(1,306)
Dividend received from an associate	已收一間聯營公司股息	—	39,652
Dividend received from available-for-sale investments	已收可供出售投資股息	—	3,492
Interest received	已收利息	55,465	35,904
Net cash from (used in) investing activities	投資活動產生(所用)現金淨額	168,562	(139,914)
FINANCING ACTIVITIES	融資活動		
Payments on repurchase of ordinary shares	購回普通股付款	—	(161,054)
Dividend paid	已付股息	(27,459)	(13,633)
Interest paid	已付利息	(2,083)	(473)
Proceeds from rights issue	供股所得款項	446,928	—
Transaction costs in relation to rights issue	供股相關交易成本	(8,344)	—
New bank and other borrowings raised	新增銀行及其他借貸	167,000	62,000
Repayments of bank and other borrowings	償還銀行及其他借貸	(210,500)	(18,500)
Net cash from (used in) financing activities	融資活動產生(所用)現金淨額	365,542	(131,660)
Net increase (decrease) in cash and cash equivalents	現金及等值現金增加(減少)淨額	410,595	(401,169)
Effect of foreign exchange rate changes	匯率變動之影響	(4,731)	4,165
Cash and cash equivalents at beginning of the year	於年初之現金及等值現金	408,683	805,687
Cash and cash equivalents at end of the year, represented by bank balances and cash	於年終之現金及等值現金，代表銀行結餘及現金	814,547	408,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

綜合財務報表附註

截至二零一九年六月三十日止年度

1. GENERAL

APAC Resources Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company and subsidiaries (collectively referred to as the “**Group**”) are principally engaged in primary strategic investment, resource investment, commodity business, and principal investment and financial services.

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

1. 一般資料

亞太資源有限公司(「**本公司**」)根據百慕達一九八一年公司法(經修訂)在百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司(「**聯交所**」)上市。本公司註冊辦事處及主要營業地點之地址已於年報內公司資料一節披露。

本公司為一間投資控股公司，連同其附屬公司(統稱「**本集團**」)主要從事主要策略性投資、資源投資、商品業務以及主要投資及金融服務。

綜合財務報表以港元(「**港元**」)(亦為本公司之功能及呈列貨幣)呈列。除另有指明外，所有數值已捨入至最近之千位數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

2. 應用新訂及經修訂香港財務報告準則

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團已於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒佈的新訂香港財務報告準則及其修訂本以及詮釋：

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	客戶合約收益及相關修訂
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具及香港財務報告準則第4號保險合約
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期的年度改進之一部分
香港會計準則第40號(修訂本)	轉撥投資物業

除下文所述者外，本年度應用香港財務報告準則之修訂本及詮釋對本集團本年度及過往年度之財務表現及狀況及／或載於綜合財務報表之披露並無重大影響。

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.1 HKFRS 15 “Revenue from Contracts with Customers”

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

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

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號「客戶合約收益」

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

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累積影響已於二零一八年七月一日首次應用當日確認，於首次應用日期之一切差異已於期初累積溢利或權益之其他部分(如適用)確認，且並無重列比較資料。再者，根據香港財務報告準則第15號之過渡條文，本集團選擇僅就於二零一八年七月一日尚未完成之合約追溯應用該準則。由於比較資料乃根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋編製，因此，若干比較資料可能無法用作比較。

香港財務報告準則第15號引入確認收益的五個步驟：

- 第1步：識別與一名客戶訂立之合約
- 第2步：識別合約內之履約責任
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合約內之履約責任
- 第5步：當本集團完成履約責任時(或就此)確認收益。

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.1 HKFRS 15 “Revenue from Contracts with Customers” (Continued)

The Group recognises revenue from the following major sources:

- Trading of commodities; and
- Provision of loan financing and investments in loan notes, convertible notes and other financial assets and receiving interest income from these financial assets.

Among the above revenue stream of the Group, interest income from loan financing, loan notes, convertible notes and other financial assets are not applied within the scope of HKFRS 15 and interest income from these financial assets are within scope of HKFRS 9 “Financial Instruments”.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

Summary of effects arising from initial application of HKFRS 15

In the opinion of the directors of the Company, the application of HKFRS 15 has no material impact on the amounts recognised in the consolidated financial statements and classification of items in the consolidated statement of financial position as at 30 June 2019 and opening accumulated profits as at 1 July 2018.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號「客戶合約收益」(續)

本集團確認來自以下主要來源之收益：

- 商品貿易；及
- 提供貸款融資以及投資貸款票據、可換股票據及其他金融資產及自該等金融資產收取利息收入。

於上述本集團收益流中，自貸款融資、貸款票據、可換股票據及其他金融資產收取的利息收入並未適用於香港財務報告準則第15號範圍，而自該等金融資產收取的利息收入在香港財務報告準則第9號「金融工具」範圍內。

有關應用香港財務報告準則第15號引致的本集團履約責任及會計政策的資料分別於附註5及3中披露。

首次應用香港財務報告準則第15號的影響概要

本公司董事認為，應用香港財務報告準則第15號對綜合財務報表內確認之金額、二零一九年六月三十日綜合財務狀況表之項目分類及二零一八年七月一日之期初累計溢利並無重大影響。

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018. The difference between carrying amounts as at 30 June 2018 and the carrying amounts as at 1 July 2018 are recognised in the opening accumulated profits and other components of equity, without restating comparative information.

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

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

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則的相應修訂。香港財務報告準則第9號就(1)金融資產及金融負債的分類及計量，(2)金融資產的預期信貸虧損及(3)一般對沖會計處理引入新規定。

本集團根據香港財務報告準則第9號所載的過渡規定應用香港財務報告準則第9號，即對於二零一八年七月一日(首次應用日期)尚未終止確認的工具追溯應用分類及計量規定(包括預期信貸虧損模型下的減值)，而並未對於二零一八年七月一日已終止確認的工具應用該等規定。於二零一八年六月三十日及二零一八年七月一日的賬面值間差額於期初累計溢利及權益的其他部分確認，比較資料不予重列。

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

應用香港財務報告準則第9號產生的會計政策於附註3披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments” (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 July 2018.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號產生的影響概要

下表列載於首次應用日期(即二零一八年七月一日)根據香港財務報告準則第9號及香港會計準則第39號須評估預期信貸虧損的金融資產及其他項目的分類及計量。

		Equity investments at fair value through profit or loss	Available-for-sale investments	Convertible notes	Financial assets at fair value through profit or loss required by HKFRS 9	Trade receivables at amortised cost (previously classified as loans and receivables)	Loans receivables at amortised cost (previously classified as loans and receivables)	Trade receivables at fair value through profit or loss required by HKFRS 9	Investment revaluation reserve	Accumulated profits
Notes	按公平值於損益賬處理的股本投資	可供出售投資	可換股票據	香港財務報告準則第9號規定按公平值於損益賬處理的金融資產	按攤銷成本計量的貿易應收款項(先前分類為貸款及應收款項)	按攤銷成本計量的應收貸款及應收應收款項	香港財務報告準則第9號規定按公平值於損益賬處理的貿易應收賬款	投資重估儲備	累計溢利	
附註	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	
Closing balances as at 30 June 2018	於二零一八年六月三十日的期末結餘									
– HKAS 39	– 香港會計準則第39號	455,863	598,049	116,249	–	21,432	399,276	–	1,860,249	
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生的影響：									
Reclassification:	重新分類：									
From equity investments at fair value through profit or loss	自按公平值於損益賬處理的股本投資	(455,863)	–	–	455,863	–	–	–	–	
From available-for-sale investments	自可供出售投資	–	(598,049)	–	598,049	–	–	(88,475)	88,475	
From convertible notes	自可換股票據	–	–	(116,249)	116,249	–	–	–	–	
From loans and receivables	自貸款及應收款項	–	–	–	–	(21,432)	–	21,432	–	
Remeasurement:	重新計量：									
Impairment under ECL model	預期信貸虧損模型下的減值	–	–	–	–	–	(1,160)	–	(1,160)	
From cost less impairment to fair value	自成本減減值至公平值	–	–	–	83	–	–	–	83	
Opening balances as at 1 July 2018	於二零一八年七月一日的期初結餘	–	–	–	1,170,244	–	398,116	21,432	1,947,647	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments” (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes:

- (a) Financial assets at fair value through profit or loss (“FVTPL”) and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the convertible notes and for the portfolio of financial assets which is managed and its performance is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under HKFRS 9. As a result, these financial assets with fair value of HK\$116,249,000 were reclassified from convertible notes designated at FVTPL to financial assets at FVTPL.

Remaining investments of HK\$455,863,000 are equity securities held-for-trading which are required to be classified as FVTPL under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號產生的影響概要(續)

附註：

- (a) 按公平值於損益賬處理及/或指定為按公平值於損益賬處理之金融資產

於首次採用日期，本集團不再指定可換股票據及按公平值基準管理及評估表現的金融資產組合按公平值於損益賬處理，原因為該等金融資產根據香港財務報告準則第9號須按公平值於損益賬處理。因此，公平值為116,249,000港元的該等金融資產由指定按公平值於損益賬處理之可換股票據重新分類為按公平值於損益賬處理之金融資產。

餘下455,863,000港元投資為根據香港財務報告準則第9號須分類為按公平值於損益賬處理之持作交易股本證券。應用香港財務報告準則第9號對該等資產之相關確認金額並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments” (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(b) From available-for-sale investments to FVTPL

At the date of initial application of HKFRS 9, the Group's equity investments of HK\$598,049,000 were reclassified from available-for-sale investments to financial assets at FVTPL. The fair value gains of HK\$83,000 relating to those equity investments previously carried at cost less impairment were adjusted to financial assets at FVTPL and opening accumulated profits as at 1 July 2018. The fair value gains of HK\$88,475,000 relating to those investments previously carried at fair value were transferred from investment revaluation reserve to opening accumulated profits as at 1 July 2018.

(c) Trade receivable at amortised cost

Trade receivables arising from provisionally priced sales previously classified as loans and receivables and the embedded commodity derivative component (previously presented in the same line item as the host contract) were reclassified to trade receivables at FVTPL upon the application of HKFRS 9 because the cash flows of these receivables do not meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號產生的影響概要(續)

附註：(續)

(b) 自可供出售的投資重新分類至按公平值於損益賬處理

於首次應用香港財務報告準則第9號當日，本集團為數598,049,000港元的股本投資已自可供出售投資重新分類至按公平值於損益賬處理之金融資產。先前按成本減去減值列賬的股本投資的公平值收益83,000港元已調整至按公平值於損益賬處理之金融資產及於二零一八年七月一日的期初累計溢利。先前按公平值列賬的投資的公平值收益88,475,000港元已自投資重估儲備轉撥至二零一八年七月一日的期初累計溢利。

(c) 按攤銷成本計量的貿易應收賬款

於應用香港財務報告準則第9號後，先前分類為貸款及應收賬款以及嵌入式商品衍生工具部分(先前呈列於與主合約相同之項目)的臨時定價銷售產生的貿易應收賬款重新分類為按公平值於損益賬處理的貿易應收賬款，原因是該等應收賬款的現金流不符合香港財務報告準則第9號關於僅為本金及未償還本金利息付款的標準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments” (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(d) Impairment under ECL model

All loss allowance for financial assets at amortised costs including loans receivable as at 30 June 2018 reconciled to the opening loss allowance as at 1 July 2018 is as follow:

At 30 June 2018 — HKAS 39 Amounts remeasured	於二零一八年六月三十日—香港會計準則第39號 重新計量之金額	— 1,160
At 1 July 2018	於二零一八年七月一日	1,160

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號產生的影響概要(續)

附註：(續)

(d) 預期信貸虧損模式下的減值

於二零一八年六月三十日按攤銷成本計量之金融資產(包括應收貸款)之所有虧損撥備與於二零一八年七月一日之期初虧損撥備之對賬如下：

Loans receivable
應收貸款
HK\$'000
千港元

At 30 June 2018 — HKAS 39 Amounts remeasured	於二零一八年六月三十日—香港會計準則第39號 重新計量之金額	— 1,160
At 1 July 2018	於二零一八年七月一日	1,160

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

New and revised HKFRSs that are mandatorily effective for the current year (Continued)

2.2 HKFRS 9 “Financial Instruments” (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(d) Impairment under ECL model (Continued)

The Group recognises lifetime ECL for the financial assets at amortised costs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on these financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for that financial assets at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 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.

Loss allowances for financial assets at amortised cost (including loans receivable, loan notes, other receivables and deposits, pledged bank deposits and bank balances) and loan commitments were measured on 12-month ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 July 2018, the additional credit loss allowance of HK\$1,160,000 was recognised against opening accumulated profits as at 1 July 2018. The additional loss allowance is charged against the loans receivable. The directors the Company considered the impacts of ECL for other financial assets at amortised cost and loan commitments as at 1 July 2018 were insignificant.

2. 應用新訂及經修訂香港財務報告準則(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號產生的影響概要(續)

附註：(續)

(d) 預期信貸虧損模式下的減值(續)

倘信貸風險自初次確認後顯著增加，本集團將就按攤銷成本計量之金融資產確認全期預期信貸虧損。然而，倘金融資產的信貸風險自初次確認後並無顯著增加，本集團按等同於12個月預期信貸虧損之金額計量該等金融資產之虧損撥備。全期預期信貸虧損指於金融工具的預期年期內所有可能違約事件造成的預期信貸虧損。與之相對，12個月預期信貸虧損指於報告日期後12個月內可能發生的金融工具違約事件預期會造成全期預期信貸虧損的部分。

按攤銷成本計量之金融資產(包括應收貸款、貸款票據、其他應收賬款及按金、已抵押銀行存款及銀行結餘)之虧損撥備及貸款承諾乃按12個月預期信貸虧損基準計量，且其信貸風險於初次確認後並無顯著增加。

於二零一八年七月一日，已就二零一八年七月一日的期初累計溢利確認之額外信貸虧損撥備1,160,000港元。額外虧損撥備自應收貸款中扣除。本公司董事認為於二零一八年七月一日按攤銷成本計量之其他金融資產及貸款承諾之預期信貸虧損之影響屬不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

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

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

2. 應用新訂及經修訂香港財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則及詮釋：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ⁴
香港財務報告準則第9號(修訂本)	提早還款特性及負補償 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 ⁵
香港會計準則第19號(修訂本)	計劃修訂、削減或結算 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進 ¹

- 1 於二零一九年一月一日或以後開始的年度期間生效。
- 2 於二零二一年一月一日或以後開始的年度期間生效。
- 3 於待釐定日期或以後開始的年度期間生效。
- 4 就收購日期為二零二零年一月一日或之後開始的首個年度期間開始或之後的業務合併及資產收購生效。
- 5 於二零二零年一月一日或以後開始的年度期間生效。

除下文所述之新訂及經修訂香港財務報告準則外，本公司之董事預期應用全部其他新訂及經修訂香港財務報告準則及詮釋於可預見未來對綜合財務報表並無重大影響。

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

New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 “Leases”

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用新訂及經修訂香港財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為租賃安排的識別以及出租人及承租人的會計處理引入一套全面模式。香港財務報告準則第16號於生效後將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。

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

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就任何租賃負債的重新計量作出調整。租賃負債初步按租賃付款(非當日支付)的現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量之分類而言，本集團目前呈列經營租賃付款為經營現金流量。應用香港財務報告準則第16號後，有關租賃負債之租賃付款將分配至本金及利息部分，本金及利息部分將由本集團分別呈列為融資及經營現金流量，而預付租賃付款將繼續按情況依據性質呈列為投資或經營現金流量。

此外，香港財務報告準則第16號要求更廣泛的披露資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

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

New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 “Leases” (Continued)

As at 30 June 2019, the Group has non-cancellable operating lease commitments of HK\$5,114,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$536,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments included in the carrying amount of right-of-use assets.

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

2. 應用新訂及經修訂香港財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

如附註30所披露，於二零一九年六月三十日，本集團有不可撤銷的經營租賃承擔5,114,000港元。初步評估顯示該等安排將符合租賃的定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃。

此外，本集團目前將已付可退還租賃按金536,000港元視為香港會計準則第17號適用的租賃下的權利。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與相關資產使用權有關的付款，因此，該等按金的賬面值可能會調整為攤銷成本。已支付的可退還租賃按金的調整將被視作額外租賃付款，計入使用權資產的賬面金額。

應用新規定可能導致上述計量、呈列及披露的變動。本集團選擇實際權益作法，將香港財務報告準則第16號應用於先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定一項安排是否包含租賃」被識別為租賃的合約，而不將該準則應用於先前根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號未被識別為包含租賃的合約。因此，本集團將不會重新評估在首次應用日期之前已存在的合約是否為租賃或包含租賃。此外，本集團選擇就作為承租人應用香港財務報告準則第16號採用經修訂追溯法，將首次應用的累計影響於期初累計溢利(如有)確認，且不重列比較資料。

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

New and revised HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgement. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 July 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

2. 應用新訂及經修訂香港財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號(修訂本)「重大的定義」

修訂本透過在作出重大性判斷時加入額外指導及解釋，對重大的定義進行細微改進。修訂本亦符合所有香港財務報告準則的定義，並將於二零二零年七月一日開始的本集團年度期間強制生效。預期應用修訂本不會對本集團的財務狀況及表現產生重大影響，但可能會影響綜合財務報表的呈列及披露。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所要求之適當披露。

除下文所載會計政策闡釋的若干金融工具按各報告期末公平值計算外，綜合財務報表已按歷史成本法編製。

歷史成本一般基於交易貨物所付代價的公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which is transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

3. 主要會計政策(續)

公平值為市場參與者於計量日期透過有序交易出售資產將收到的價格或轉讓負債將支付之價格，不論該價格為直接可觀察或是以其他估值方法估算。估算資產或負債之公平值時，假若市場參與者於計量日期釐定資產或負債價格時將考慮其特徵，本集團估算時亦會考慮資產或負債之特徵。就此等綜合財務報表的計量及／或披露而言的公平值乃以此基礎而釐定，惟香港財務報告準則第2號「以股份為基礎之付款」範疇內之以股份為基礎之付款交易、香港會計準則第17號「租賃」範疇內之租賃交易及與公平值相近但並非公平值之計量(如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值)除外。

非金融資產公平值之計量則計及市場參與者透過使用資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

對於按公平值轉讓之金融工具，凡於其後期間使用以不可觀察輸入數據計量公平值之估值方法，估值方法應予校正以使估值方法之結果相等於交易價格。

此外，就財務報告而言，公平值計量分為第一、第二或第三級別，此等級別之劃分基於公平值計量所輸入數據的可觀察程度及該等數據對公平值計量的整體重要性而定，概述如下：

- 第一級別輸入數據為實體於計量日期可獲得之相同資產或負債在活躍市場上之報價(未經調整)；
- 第二級別輸入數據為除第一級別所包含之報價外，資產或負債之直接或間接可觀察輸入數據；及

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

3. 主要會計政策(續)

- 第三級別輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

合併基準

綜合財務報表納入本公司及本公司及其附屬公司控制的實體的財務報表。倘本公司達致以下各項，即被投資方的控制權：

- 對被投資方擁有權力；
- 從參與被投資方而承擔可變回報的風險或有權享有可變回報；及
- 有能力行使其權力以影響其回報。

假若事實及情況顯示上述三項控制權元素的一項或多項出現變化，本集團將重新評估其是否控制被投資方。

當本集團獲得對附屬公司之控制權時，即開始對其綜合入賬，而當本集團失去對附屬公司之控制權時，即不再對其綜合入賬。具體而言，年內收購或出售附屬公司的收入及支出，從本集團獲得該附屬公司控制權當日起至本集團不再控制該附屬公司之日計入綜合損益表。

如有需要，會對附屬公司的財務報表作出調整，務使其會計政策與本集團之會計政策一致。

與本集團成員公司間之交易相關之所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合時全數抵銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in 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 over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司之投資

聯營公司指本集團對其擁有重大影響力之實體。重大影響力乃指可參與被投資方的財務及營運決策之權力，惟對該等政策並無控制權或共同控制權。

聯營公司之業績及資產與負債乃按權益會計法納入此等綜合財務報表內。用於權益會計用途之聯營公司財務報表乃按與本集團就於類似情況下之同類交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表確認，其後作調整以確認本集團應佔聯營公司損益及其他全面收益。聯營公司的淨資產變動(損益及其他全面收益除外)不予列賬，除非該等變動導致本集團之擁有權益出現變動。當本集團分佔聯營公司之虧損超過本集團於該聯營公司之權益(包括實質上構成本集團於聯營公司之投資淨額之一部分之任何長期權益)，本集團不再確認其分佔之進一步虧損。僅在本集團已承擔法定或推定責任或代該聯營公司支付款項的情況下，才會確認額外虧損。

自被投資方成為聯營公司當日起，於聯營公司之投資採用權益法入賬。於收購於聯營公司之投資時，投資成本超出本集團分佔被投資方之可識別資產、負債公平淨值之任何金額乃確認為商譽，並計入投資之賬面值。經重估後，本集團分佔之可識別資產及負債公平淨值超出投資成本之任何金額乃即時於購入投資期間在損益賬中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 主要會計政策(續)

於聯營公司之投資(續)

香港會計準則第39號之規定獲應用以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。於需要時，投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」以單一資產的方式進行減值測試，方法是比較其可收回金額(即使用價值與公平值減出售成本的較高者)與其賬面值。任何已確認的減值虧損構成投資賬面值之一部分。倘投資之可收回金額其後增加，則任何減值虧損的撥回根據香港會計準則第36號確認。

當本集團對聯營公司不再有重大影響，則入賬列為出售該被投資方之全數權益，產生之收益或虧損於損益中確認。當本集團保留於前聯營公司的權益及該保留權益為一項香港會計準則第39號範圍內之金融資產，則本集團按於該日的公平值計量該保留權益，而公平值乃視為其初步確認時的公平值。聯營公司賬面值與任何保留權益的公平值及出售聯營公司相關權益所得款項之間的差額，乃計入出售聯營公司收益或虧損之釐定。此外，本集團將先前於其他全面收益確認與該聯營公司有關之所有金額按該聯營公司直接出售相關資產或負債情況下規定應用之相同基準入賬。因此，倘該聯營公司先前於其他全面收益確認的收益或虧損會在相關資產或負債出售時重新分類至損益中，則本集團會在出售/部分出售有關聯營公司時將此收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘一集團實體與其聯營公司交易，與該聯營公司交易所產生之損益僅會在該聯營公司的權益與本集團無關的情況下，才會於本集團之綜合財務報表確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

Acquisition of additional interests in associates

Goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired.

Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Disposal of partial interests in associates

For disposal of partial interests in an associate that does not result in the Group losing significant influence over the associate, the difference between the carrying amount of the associate attributable to the interests disposed of and the consideration is taken into account in the determination of the gain or loss on the disposal of partial interests. In addition, the Group accounts for amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, the proportion of the gain or loss that had previously been recognised in other comprehensive income (i.e. exchange reserve and investment revaluation reserve) relating to that reduction in ownership interest is reclassified to profit or loss as if the associate has disposed of the related assets or liabilities proportionately.

3. 主要會計政策(續)

於聯營公司之投資(續)

收購於聯營公司之額外權益

倘已付代價超逾分佔所收購聯營公司額外權益應佔淨資產賬面值之部分，商譽會於收購日確認。

倘分佔所收購聯營公司額外權益應佔淨資產賬面值之部分超逾已付代價，則超逾部分於收購額外權益期間在損益中確認。

出售聯營公司之部分權益

倘出售一間聯營公司之部分權益並不導致本集團對聯營公司失去重大影響力，則於釐定出售部分權益之收益或虧損時計入所出售權益應佔聯營公司賬面值與代價之差額。此外，本集團將先前於其他全面收益確認與該聯營公司有關之金額按該聯營公司直接出售相關資產或負債情況下規定應用之相同基準入賬。因此，先前於其他全面收益(即匯兌儲備及投資重估儲備)確認並與擁有權權益減少有關之損益部分將會重新分類至損益，猶如聯營公司已按比例出售相關資產或負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

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

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

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

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

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

3. 主要會計政策(續)

收益確認

客戶合約收益(根據附註2之過渡應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，當本集團完成履約責任時(或就此)確認收益，即於特定履約責任相關之貨品或服務的「控制權」轉讓予客戶時。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任的完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確貨品或服務之控制權時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(i) Provisional pricing arrangements in relation to trading of commodities

For trading of commodities, the sales price is determined on a provisional basis at the date of sale, as the final sales price is subject to (a) final assay for the quality and quantity of commodities after discharge and (b) movements in prevailing spot prices up to the date of final pricing, normally within the month at which the commodities are delivered to customers (i.e. quotation period). Revenue on provisionally priced sales is recognised based on the estimated quality and quantity of commodities and fair value of the total consideration receivable.

The Group estimates the amount of the variable consideration of trading of commodities to which it will be entitled using the most likely amount as it better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

3. 主要會計政策(續)

收益確認(續)

(i) 有關商品貿易臨時定價安排

就商品貿易而言，由於在截至最終定價日(通常於商品交付客戶當月內，即報價期)，(a)最終售價會根據卸貨後對商品質量及數量的最終檢測以及(b)通行現貨價格波動作出調整，故售價為銷售日期臨時釐定。臨時定價銷售之收益乃基於估計商品質量及數量以及應收總代價公平值確認。

本集團使用最有可能收取金額(因其能更準確預測本集團將有權收取的代價金額)以估計其將有權收取的商品貿易的變量代價金額。只有於變量代價相關不明朗因素其後得以解決且變量代價計入交易價格很大機會不會導致日後出現大額收入撥回時，估計變量代價金額方會計入交易價格。於各報告期結束時，本集團會更新估計交易價格(包括更新其對估計變量代價是否受限所作出的評估)，以真實反映於報告期結束時的現況及於報告期間的狀況變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(i) Provisional pricing arrangements in relation to trading of commodities (Continued)

Adjustment to the sales price occurs based on movements in prevailing spot prices up to the completion of quotation period and, thus, the revenue adjustment mechanism has the characteristic of a commodity derivative. Accordingly, the fair value of the total consideration receivable subject to the final sales price adjustment is re-estimated continuously by reference to prevailing spot prices and the changes in fair value are recognised in profit or loss. Such fair value adjustments do not form part of the revenue recognised from contracts with customers but included in “other gains and losses” line item in these consolidated financial statements. These trade receivables are governed under HKFRS 9 “Financial Instruments” and are recognised at fair value through profit or loss.

(ii) Principal versus agent

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

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

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

3. 主要會計政策(續)

收益確認(續)

(i) 有關商品貿易臨時定價安排(續)

售價按截至報價期完成時現行現貨價之變動作出調整，因此，收益調整機制具有商品衍生工具的特性。因此，存在最終售價調整的應收總代價之公平值將參照現行現貨價持續重估，而公平值之變動於損益中確認。該等公平值調整並不構成客戶合約確認收益之一部分但計入綜合財務報表「其他收益及虧損」一項。該等貿易應收賬款適用香港財務報告準則第9號「金融工具」並透過損益按公平值入賬。

(ii) 委託人相對代理人

當另一方從事向客戶提供商品或服務，本集團釐定其承諾的性質是否為提供指定商品或服務本身的履約義務(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為委託人。

倘本集團的履行義務為安排另一方提供指定的商品或服務，則本集團為代理人。在此情況下，在將商品或服務轉讓予客戶之前，本集團不控制另一方提供的指定商品或服務。當本集團為代理人時，應就為換取另一方安排提供的指定商品或勞務預期有權取得的任何收費或佣金的金額確認收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue recognition (Prior to 1 July 2018)

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

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

(i) Sales of goods

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

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

3. 主要會計政策(續)

收益確認(續)

收益確認(於二零一八年七月一日前)

收益按已收或應收代價之公平值計量。收益會扣減估計客戶退貨、折扣及其他類似備抵。

收益於收益金額能可靠計量時；當未來經濟利益很可能將流入本集團及當符合本集團各項業務之特定標準時進行確認，詳情載述如下。

(i) 銷售貨品

銷售貨品之收益會在貨品已交付及所有權已轉移且以下條件全部達成時確認：

- 本集團已向買家轉讓貨品擁有權之大部分風險及回報；
- 本集團既無保留一般與擁有權相關之程度之持續管理參與權，亦無保留已出售貨品之實際控制權；
- 有關收益金額能可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 就交易產生或將會產生之成本能可靠地計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue recognition (Prior to 1 July 2018) (Continued)

(ii) Dividend and interest income

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

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Foreign currencies

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

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

3. 主要會計政策(續)

收益確認(續)

收益確認(於二零一八年七月一日前)(續)

(ii) 股息及利息收入

利息收入乃就未償還本金按適用實際利率以時間分配基準計算，有關利率乃於初次確認時將於金融資產預計年期的估計日後現金收入準確折現至該資產賬面淨值之利率。

投資所得股息收入乃於股東收取付款之權利確立時確認(前提為經濟利益很可能流入本集團且收益金額能可靠計量)。

外幣

在編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按交易日期之現行匯率確認。於報告期末，以外幣計值之貨幣項目按該日之現行匯率重新換算。按公平值列賬以外幣計值之非貨幣項目按釐定公平值當日之現行匯率重新換算。按歷史成本以外幣計量之非貨幣項目不作重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於產生期間在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, on a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal of an interest in an associate that includes a foreign operation or which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. For partial disposals (i.e. partial disposal of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Taxation

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

Current tax

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

3. 主要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之現行匯率換算為本集團之列賬貨幣(即港元)。收入及支出項目乃按該年度之平均匯率進行換算。所產生之匯兌差額(如有)乃於匯兌儲備項下之其他全面收益確認及於權益累算。

於出售海外業務(即出售本集團於海外業務之全部權益、涉及喪失對包含海外業務之附屬公司之控制權出售或出售包含海外業務之聯營公司之權益或當中的保留權益成為金融資產)時，就本公司擁有人應佔該業務而言於權益累計之所有匯兌差額乃重新分類至損益。對於部分出售(即出售聯營公司的部分權益而並無導致本集團喪失重大影響力)，則按比例分佔之累計匯兌差額重新分類至損益。

稅項

所得稅開支指現時應繳稅項及遞延稅項之總和。

即期稅項

現時應繳稅項乃按本年度應課稅溢利計算。由於不包括在其他年度之應課稅或可抵扣稅收入或開支項目以及毋須課稅及不可抵扣稅項目，應課稅溢利與除稅前溢利存在差異。本集團即期稅項負債乃採用報告期末前已頒佈或實質頒佈之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

3. 主要會計政策(續)

稅項(續)

遞延稅項

遞延稅項按綜合財務報表之資產及負債賬面值與計算應課稅溢利採用之相應稅基兩者之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常按可能出現可利用可扣稅暫時差額對銷之應課稅溢利而就所有可扣稅暫時差額確認。倘因初始確認一宗交易之其他資產與負債(業務合併除外)而引致之暫時差額既不影響應課稅溢利亦不影響會計溢利,則不會確認該等資產及負債。此外,倘暫時差額產生於初始確認商譽時,則不會確認遞延稅項負債。

遞延稅項負債是就於附屬公司投資及於聯營公司權益相關之應課稅暫時差額而確認,惟倘本集團可控制暫時差額之撥回及暫時差額於可見將來有可能不能撥回則除外。倘若可能有足夠應課稅溢利用於抵銷暫時差額之利益,而且預期於可見未來作出撥回,方會確認與該等於附屬公司投資及於聯營公司權益有關之可扣稅暫時差額產生之遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 主要會計政策(續)

稅項(續)

遞延稅項(續)

於各報告期末會檢討遞延稅項資產之賬面值，並於不再可能有足夠應課稅溢利撥回全部或部分資產時作調減。

遞延稅項資產及負債是根據報告期末已頒佈或實質頒佈之稅率(及稅法)，按預期於清償負債或變現資產期間適用之稅率計算。

計算遞延稅項負債及資產反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式可能產生之稅務後果。

遞延稅項資產及負債於可依法以即期稅項資產與即期稅項負債抵銷時，及於該等遞延稅項資產及負債乃與同一稅務機關徵收的所得稅相關且本集團擬以淨額結清其即期稅項資產及負債時抵銷。

年內即期及遞延稅項

即期及遞延稅項乃於損益中確認，除非其與於其他全面收益確認或直接於權益確認之項目相關，於此情況下，即期及遞延稅項亦分別於其他全面收益確認或直接於權益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

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

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (“MPF Scheme”) and local municipal government retirement scheme in the Peoples’ Republic of China (the “PRC”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Any changes in the liabilities’ carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 主要會計政策(續)

租賃

倘租約條款將所有權之絕大部分風險及回報轉移至承租人時，該等租約分類為融資租約。所有其他租約則列作經營租約。

經營租約租金於相關租賃年內以直線法確認為支出。

退休福利成本

本集團向強制性公積金計劃(「強積金計劃」)及中華人民共和國(「中國」)地方市政府退休計劃支付之款項，均於僱員已提供服務以有權獲取供款時確認為開支。

短期僱員福利

短期僱員福利以預期支付的福利未折現金額及於僱員提供服務時確認。所有短期僱員福利確認為開支，除非香港財務報告準則另有要求或准予納福利入資產成本。

給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付金額後確認為負債。

就短期僱員福利確認之負債乃按預期將就換取有關服務而支付之未貼現福利金額計量。因服務成本、利息及重新計量而導致的任何負債賬面值變動乃於損益中確認，除非香港財務報告準則另有要求或准予納福利入資產成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Impairment losses on assets other than financial assets

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

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

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備乃於綜合財務狀況表按其成本扣除其後之累計折舊及其後之累計減值虧損(如有)列賬。

資產折舊乃以直線法按估計可使用年期撇銷其成本值減其剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末進行審閱，而任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目乃於出售或預期持續使用該資產不會產生未來經濟利益時終止確認。出售或報廢一項物業、廠房及設備項目產生的任何收益或虧損釐定為該資產銷售所得款項與賬面值的差額，並於損益內確認。

金融資產以外之資產減值虧損

於報告期末，本集團會審閱其資產之賬面值，藉以釐定該等資產有否出現任何減值虧損跡象。倘出現任何減值跡象，本集團會估算相關資產之可收回金額，藉以釐定減值虧損之程度(如有)。倘不能估計單一資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。於可識別合理及一貫分配基準之情況下，企業資產亦會被分配到個別之現金產生單位，否則或會被分配到可合理地及按一貫分配基準而識別之最小現金產生單位組別中。

可收回金額為公平值減銷售成本及使用價值之較高者。於評估使用價值時，估計未來現金流量乃按可反映目前市場對貨幣時間值之評估以及該資產(或現金產生單位)之特定風險之除稅前貼現率貼現至其現值，而該資產(或現金產生單位)之估計未來現金流量未作出調整。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on assets other than financial assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Borrowing costs

The borrowing costs, other than those directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the year in which they are incurred.

3. 主要會計政策(續)

金融資產以外之資產減值虧損(續)

倘本集團估計某項資產(或現金產生單位)之可收回金額低於其賬面值,則該項資產(或現金產生單位)之賬面值須減低至其可收回金額。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損即時於損益內確認。

倘某項減值虧損其後撥回,則該項資產(或現金產生單位)之賬面值須增至其可收回金額之經修訂估計數額,惟增加後之賬面值不得超過過往年度該項資產(或現金產生單位)並無確認減值虧損而原應釐定之賬面值。撥回減值虧損即時確認為收入。

存貨

存貨按成本及可變現淨值中的較低者列值。存貨成本按加權平均法計算。可變現淨值指存貨估計售價減完成銷售的全部估計成本及銷售活動所需成本。

借貸成本

借貸成本(因收購、建設或生產合資格資產而直接產生除外)於所招致年度的損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 July 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Effective interest method

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

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

3. 主要會計政策(續)

金融工具

金融資產及金融負債於集團實體訂立工具合約條文時確認。所有常規購買或出售金融資產均在交易日確認及取消確認。常規購買或出售為須在市場規則或慣例所設定的時間範圍內交付資產的購買或出售金融資產。

金融資產及金融負債初始按公平值計量，惟來自客戶合約的貿易應收款項則自二零一八年七月一日起根據香港財務報告準則第15號初始計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)的直接應佔交易成本於初始確認時計入或扣除自金融資產或金融負債的公平值(視適用情況而定)。收購按公平值計入損益的金融資產或金融負債的直接應佔交易成本即時於損益確認。

實際利率法

實際利率法為計算金融資產或金融負債的攤銷成本及按有關期間分配利息收入及利息開支的方法。實際利率為將金融資產或金融負債於其預計年期或(如適用)較短期間的估計未來現金收入及付款(包括已支付或收取並構成實際利率的組成部分的所有費用及點數、交易成本及其他溢價或折讓)確切貼現至於初始確認時的賬面淨值的利率。

本集團日常業務過程中產生的利息收入呈列為收益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is classified as held-for-trading if:

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

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類和其後計量(於根據附註2的過渡條文應用香港財務報告準則第9號後)

符合以下條件的金融資產其後按攤銷成本計量:

- 金融資產於目的為收取合約現金流量的商業模式內而持有;及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

符合以下條件的金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量:

- 金融資產於通過收取合約現金流量及銷售為目的的商業模式內而持有;及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

所有其他金融資產其後按公平值計入損益計量。

倘符合下列條件,金融資產會被分類為持作買賣:

- 所收購的該金融資產主要用於在短期內出售;或
- 於初始確認時,該金融資產是作為本集團整合管理的已識別金融工具組合的一部分,且有近期實現短線套利模式;或
- 該金融資產為衍生工具,但非指定為有效對沖工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

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

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income" line item in the consolidated statement of profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和其後計量(於根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

此外，本集團可不可撤銷地指定須按攤銷成本計量或按公平值計入其他全面收益的金融資產為按公平值計入損益(倘若此舉可消除或顯著減少會計錯配)。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入乃使用實際利率法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量標準的金融資產，按公平值計入損益計量。

按公平值計入損益的金融資產於各報告期末的公平值計量，任何公平值收益或虧損於損益內確認。於損益確認的收益或虧損淨額不包括就金融資產賺取的任何股息或利息，並計入綜合損益表「其他收入」項目。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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

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

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2的過渡條文應用香港財務報告準則第9號後)

本集團就香港財務報告準則第9號下須予減值的金融資產(包括已抵押銀行存款、其他應收款項、按金、應收貸款、貸款票據及銀行結餘)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認以來的變動。

全期預期信貸虧損指相關工具於預計年期內所有可能違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內可能發生的違約事件預計產生的該部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗為基礎，並就債務人特定因素、整體經濟狀況及報告日期當前及未來情況預測的評估作出調整。

對於按攤銷成本計量的金融資產，本集團按12個月預期信貸虧損的相同金額計量虧損撥備，除非自首次確認以來信貸風險顯著上升，則本集團確認全期預期信貸虧損。評估全期預期信貸虧損應否予以確認乃基於自首次確認以來發生違約的可能性或風險顯著上升而釐定。

- (i) 信貸風險顯著上升
- 評估信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及可支持的定量及定性資料，包括過往經驗及毋須付出過多成本及努力獲取之前瞻性資料。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

- (i) Significant increase in credit risk (Continued)
- In particular, the following information is taken into account when assessing whether credit risk has increased significantly:
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
 - significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
 - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

- (i) 信貸風險顯著上升(續)
- 具體而言，評估信貸風險是否顯著上升時會考慮以下資料：
- 金融工具外部(如有)或內部信貸評級的實際或預期顯著惡化；
 - 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
 - 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
 - 債務人經營業績實際或預期顯著惡化；
 - 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還債項的能力顯著下降。

不論上述評估之結果如何，當合約付款逾期超過30天，則本集團會假定信貸風險自初始確認以來已顯著增加，除非本集團具有合理且可支持之資料證明。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

- (i) Significant increase in credit risk (Continued)
- Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor or borrower is unlikely to pay its creditors or lenders, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

- (i) 信貸風險顯著增加(續)
- 儘管有上文所述，倘債務工具於報告日期確定信貸風險為低，則本集團假設自初始確認以來債務工具的信貸風險並未顯著增加。倘i)其違約風險低；ii)借款人有強大能力於短期滿足其合約現金流量責任；及iii)較長期的經濟及商業環境存在不利變動，可能會但未必削弱借款人履行其合約現金流量責任的能力，則債務工具的信貸風險釐定為低。倘債務工具內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險為低。

本集團定期監察用於識別信貸風險是否大幅增加的標準的有效性，並於適當情況下對其進行修訂，以確保該等標準能夠於相關款項逾期前識別信貸風險的顯著上升。

- (ii) 違約之定義
- 就內部信貸風險管理而言，倘內部制定或自外部來源取得的資料顯示債務人或借款人不可能悉數(不計及本集團所持任何抵押品)償還其債權人或放款人(包括本集團)，則本集團視作發生違約事件。

儘管上文所述，倘金融資產逾期超過90天，則本集團視為違約已經發生，惟本集團擁有合理及有依據資料顯示一項更滯後的違約標準更為合適，則另作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

- (iii) Credit-impaired financial assets
- A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (iv) Write-off policy
- The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

- (iii) 信貸減值金融資產
- 當發生一項或多項對金融資產估計未來現金流量有不利影響之違約事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括有關以下事件之可觀察數據：
- (a) 發行人或借款人陷入重大財務困難；
 - (b) 違反合約，如違約或逾期事件；
 - (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；或
 - (d) 借款人有可能破產或進行其他財務重組。
- (iv) 撇銷政策
- 當有資料顯示對手方處於嚴重財務困難，且並無實際預期收回時(例如對手方已清盤或已進入破產程序)，則本集團會撇銷金融資產。已撇銷的金融資產仍可能需要根據本集團的收回程序進行法律行動，惟需於適當時候聽取法律意見。撇銷構成終止確認事件。任何其後收回將於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

- (v) Measurement and recognition of ECL
- The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 July 2018)

The Group's financial assets are classified into one of the three categories, including financial assets at FVTPL, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

- (v) 計量及確認預期信貸虧損
- 計量預期信貸虧損乃違約概率、違約損失率程度(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率程度的評估根據經前瞻性資料調整的歷史數據作出。預期信貸虧損的估算反映以各自發生違約的風險作加權釐定的公正及概率加權金額。

一般而言，預期信貸虧損乃根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量間的差額估計，並按初始確認時釐定的實際利率貼現。

利息收入乃按金融資產之賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入乃按金融資產之攤銷成本計算。

本集團通過調整賬面值於益損中就所有金融工具確認減值收益或虧損。

金融資產的分類和其後計量(於二零一八年七月一日應用香港財務報告準則第9號前)

本集團之金融資產分為三類，包括按公平值於損益賬處理之金融資產、貸款及應收賬款及可供出售金融資產。分類視乎金融資產之性質及目的而定，並於初始確認時釐定。所有常規金融資產買賣於交易日期確認及取消確認。常規買賣指購買或出售須於有關市場規則或慣例設定之時間內交付資產之金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 July 2018)
(Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held-for-trading or (ii) it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和其後計量(於二零一八年七月一日應用香港財務報告準則第9號前)(續)

按公平值於損益賬處理之金融資產

若金融資產乃(i)持作買賣或(ii)被指定為按公平值於損益賬處理，則其被分類為按公平值於損益賬處理之金融資產。

若符合下列情況之一，則金融資產歸類為持作買賣：

- 收購金融資產之目的主要為於近期內出售；或
- 該金融資產於初始確認時為由本集團共同管理之已識別金融工具投資組合之一部分，並且最近有可短期獲利之實際趨勢；或
- 該金融資產並非被指定為有效對沖工具之衍生工具。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 July 2018) (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held-for-trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising from remeasurement recognised directly in profit or loss. The net gain or loss recognised in profit or loss excluding any interest and dividend earned on the financial assets is included in the 'other gains and losses' line item of the consolidated statement of profit or loss. Fair value is determined in the manner described in note 34.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和其後計量(於二零一八年七月一日應用香港財務報告準則第9號前)(續)

按公平值於損益賬處理之金融資產(續)
若符合以下條件，金融資產(持作買賣之金融資產除外)可於初始確認時指定為按公平值於損益賬處理：

- 該指定消除或大幅減少可能出現之計量或確認方面之不一致性；或
- 該金融資產為一組金融資產或金融負債或兩者兼備之組合之一部分，而根據本集團制定之風險管理或投資策略，該項資產之管理及表現評估乃按公平值為基礎進行，而有關分組之資料乃按此基礎向內部提供；或
- 其構成包含一項或多項嵌入衍生工具之合約之一部分，而香港會計準則第39號允許將整個組合合約(資產或負債)指定為按公平值於損益賬處理。

按公平值於損益賬處理之金融資產乃按公平值計量，重新計量之任何盈虧直接於損益中確認。於損益中確認的盈虧淨額不包括就該等金融資產賺取之任何利息及股息，並於綜合損益表中計入「其他收益及虧損」項下。公平值乃按附註34所述方式釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity securities held by the Group that are classified as available-for-sale financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loans receivable, loan notes, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產為指定為或並非分類為按公平值於損益賬處理之金融資產、貸款及應收賬款或持有直至到期投資的非衍生工具。

本集團持有並分類為可供出售金融資產之股本證券乃按於各報告期末之公平值計量，惟其公平值無法可靠計量之無報價股本投資除外。於本集團有權收取股息時可供出售權益工具的股息於損益內確認。可供出售金融資產賬面值的其他變動於其他全面收益確認，並於投資重估儲備累計。當該投資被出售或被釐定出現減值時，先前於投資重估儲備累計之累計收益或虧損，則被重新分類至損益(見下文有關金融資產減值虧損之會計政策)。

於交投活躍之市場上並無市場報價、公平值不能可靠計量之可供出售股本投資，按成本減於各報告期末之任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

貸款及應收賬款

貸款及應收賬款為具有固定或可確定付款且並無在活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收賬款(包括貿易及其他應收賬款、應收貸款、貸款票據、已抵押銀行存款以及銀行結餘及現金)以實際利息法按攤銷成本減任何已識別之減值虧損列賬(見下文有關金融資產減值虧損之會計政策)。

利息收入採用實際利率確認，惟利息微乎其微的短期應收款項則除外。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on of financial assets (before application of HKFRS 9 on 1 July 2018)

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

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

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

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

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值虧損(於二零一八年七月一日應用香港財務報告準則第9號前)

除按公平值於損益賬處理之金融資產外，金融資產於各報告期末評估有否出現減值跡象。倘有客觀證據顯示，投資之估計未來現金流量因金融資產初步確認後發生之一項或多項事件而受到影響，則金融資產視作減值論。

就可供出售股本投資而言，該投資之公平值大幅或持續跌至低於其成本，即被視為客觀減值證據。

就所有其他金融資產而言，客觀減值證據可包括：

- 發行人或交易對手出現重大財困；或
- 違反合約，例如拖欠或欠付利息或本金付款；或
- 借方有可能申請破產或財務重組。

如金融資產按攤銷成本列賬，已確認之減值虧損金額為資產賬面值與採用金融資產之原實際利率貼現的估計未來現金流量現值的差額。

如金融資產按成本列賬，則減值虧損金額是以資產賬面值與估計未來現金流量按同類金融資產之現行市場回報率貼現之現值兩者之差額計算。有關減值虧損將不會於隨後期間撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on of financial assets (before application of HKFRS 9 on 1 July 2018) (Continued)

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

Impairment losses on available-for-sale equity investments previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值虧損(於二零一八年七月一日應用香港財務報告準則第9號前)(續)

除應收貿易賬款、應收貸款及貸款票據之賬面值通過計提撥備削減外，所有金融資產之賬面值均直接按減值虧損削減。撥備賬之賬面值變動於損益中確認。當一項應收貿易賬款、應收貸款及貸款票據被認為不可收回時，則從撥備賬撇銷。先前已撇銷的款項如其後收回，則計入損益賬。

當可供出售金融資產被視為已減值時，過往於其他全面收益確認之累計盈虧將重新分類至期內損益。

就按攤銷成本計量之金融資產而言，如在隨後某一期間減值虧損之金額減少，而有關減少可客觀上與確認減值虧損後發生之某事件有關連，則之前已確認之減值虧損將透過損益撥回，但僅限於該項資產於撥回減值該日之賬面值不超出如並無確認減值之情況下原應有之攤銷成本。

先前於損益確認的可供出售股本投資之減值虧損不會透過損益賬撥回。出現減值虧損後之任何公平值增加於其他全面收益直接確認，並於投資重估儲備項下累計。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Financial liabilities

Financial liabilities including trade and other payables and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires.

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

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

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

由集團實體發行之債務及股本工具按訂約安排之具體內容及金融負債與股本工具之定義分類為金融負債或股本。

金融負債

金融負債(包括貿易及其他應付賬款以及銀行和其他借貸)隨後以實際利息法按攤銷成本計量。

股本工具

股本工具乃任何證明享有本集團於扣除所有負債後之資產之剩餘權益之合約。本公司發行的股本工具已於已收所得款項(扣除直接發行成本)內確認。

購回本公司自有股本工具已直接於權益確認及扣除。概無收益或虧損於購買、出售、發行或註銷本公司自有股本工具時在損益中確認。

取消確認金融資產及金融負債

僅當從資產收取現金流量的合約權利屆滿，本集團方會取消確認該項金融資產。

於取消確認金融資產時，資產賬面值與已收及應收代價總和之間的差額會在損益中確認。

當及僅當本集團的義務解除、取消或到期時，本集團方會取消確認該項金融負債。取消確認的金融負債的賬面值與已付及應付的代價之間的差額會在損益中確認。

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For the year ended 30 June 2019

綜合財務報表附註(續)

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The followings are the key assumptions concerning the 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 amount of assets within the next financial year.

Reversal of impairment loss of the Group's interest in MGX (as defined in note 16)

Determining whether impairment loss recognised in prior periods in relation to interest in MGX should be reversed requires an estimation of the recoverable amount of the interest in MGX which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX taking into account the estimated future prices and production volume of hematite iron ores of MGX, a suitable discount rate and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX has been determined based on the closing price of shares of MGX listed on the Australian Securities Exchange ("ASX"). Where the actual cash flows are more than expected or upon the management's revision of estimated cash flows for the purpose of determining the value in use due to changes in conditions, facts and circumstances, the recoverable amount, which is currently based on fair values less costs of disposal, may change and an additional reversal of impairment loss may arise.

4. 估計不確定因素之主要來源

於應用本集團載述於附註3的會計政策時，本公司董事須對未能輕易從其他來源確定的資產及負債賬面值作出判斷、估計及假設。估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計及相關假設須持續地檢討。倘修訂只影響該年度，會計估計的修訂會於修訂估計之期間內確認；或倘該修訂影響本年度及未來年度，則於修訂年度及未來年度確認。

以下為於報告期末會導致下一財政年度資產賬面值有重大調整之重大風險之有關估計不確定因素之主要來源的關鍵假設。

本集團於MGX(定義見附註16)之權益之減值虧損撥回

在釐定是否應撥回於過往期間就於MGX之權益確認的減值虧損時，需要估計於MGX之權益之可收回金額(即使用價值及公平值減出售成本中之較高者)。計算使用價值時，本集團管理層需要估計預期將自MGX股息產生之未來現金流量之現值，有關估計乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而得出，當中計及MGX赤鐵礦石的估計未來價格及產量以及合適折現率及MGX之過往派息率。MGX之公平值減出售成本乃根據MGX於澳洲證券交易所(「澳交所」)上市股份之收市價釐定。當實際現金流量多於預期，或管理層因環境、事實及情況轉變而就釐定使用價值修改估計現金流量，則可收回金額(現時基於公平值減出售成本)或會改變及可能會產生進一步撥回減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY (Continued)

Reversal of impairment loss of the Group's interest in MGX (as defined in note 16) (Continued)

As at 30 June 2019, the carrying amount of the Group's interest in MGX is HK\$1,738,665,000 (2018: HK\$891,020,000). A reversal of impairment loss of HK\$656,390,000 (2018: HK\$67,506,000) is recognised in profit or loss during the year.

4. 估計不確定因素之主要來源 (續)

本集團於MGX(定義見附註16)之權益之減值虧損撥回(續)

於二零一九年六月三十日，本集團於MGX之權益之賬面值為1,738,665,000港元(二零一八年：891,020,000港元)。本年度，於損益確認撥回減值虧損656,390,000港元(二零一八年：67,506,000港元)。

5. REVENUE

(i) Disaggregation of revenue

5. 收益

(i) 收益分拆

		2019 二零一九年 HK\$'000 千港元
Recognised at a point in time for contracts with customers under HKFRS 15:	根據香港財務報告準則第15號於某一時間點確認客戶合約：	
Trading of goods	商品貿易	
— Commodities (iron ore)	— 商品(鐵礦石)	51,099
Recognised under other HKFRSs:	根據其他香港財務報告準則確認：	
Interest income from	利息收入來自	
— Loans receivable	— 應收貸款	56,011
— Loan notes	— 貸款票據	911
— Convertible notes	— 可換股票據	1,206
		58,128
Total revenue	收益總額	109,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

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5. REVENUE (Continued)

(i) Disaggregation of revenue (Continued)

Geographical markets of the Group's revenue from external customers are presented below:

		Trading of goods 商品貿易 HK\$'000 千港元	Interest income 利息收入 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Hong Kong	香港	—	11,916	11,916
The PRC	中國	51,099	19,279	70,378
Australia	澳洲	—	2,016	2,016
Southeast Asia region	東南亞地區	—	24,917	24,917
Total revenue	收益總額	51,099	58,128	109,227

Revenue from trading of goods is derived from the segment of commodity business and interest income is derived from the segment of principal investment and financial services. Details of the segment information are set out in note 6.

(i) 收益分拆(續)

本集團來自外部客戶收益之地域市場呈列如下：

商品貿易之收益來自商品業務分部及利息收入來自主要投資及金融服務分部。分部資料之詳情載於附註6。

		2018 二零一八年 HK\$'000 千港元
Recognised under HKAS 18:	根據香港會計準則第18號確認：	
Trading of goods	商品貿易	
— Commodities (iron ore)	— 商品(鐵礦石)	123,531
Recognised under other HKFRSs:	根據其他香港財務報告準則確認：	
Interest income from	利息收入來自	
— Loans receivable	— 應收貸款	26,329
— Loan notes	— 貸款票據	741
— Convertible notes	— 可換股票據	5,519
		32,589
Total revenue	收益總額	156,120

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

The Group recognises revenue from the sale of commodities (i.e. iron ore) in the period that the performance obligations are satisfied which refers to delivery of the goods to the destination specified by the customers. The destination may be the destination port or the customer's premises. The quantity of commodities as specified in each sales contract is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the commodities have been transferred to the customers. The customers have obtained control on the commodities through their ability to direct the use of and obtain substantially all the benefits from the commodities.

The sales price of commodities is determined on a provisional basis at the date of sale, as the final sales price is subject to (a) final assay for the quality and quantity of commodities after discharge and (b) movements in prevailing spot prices up to the date of final pricing, normally within the month at which the commodities are delivered to customers (i.e. quotation period). Revenue on provisionally priced sales is recognised based on the estimated quality and quantity of commodities and fair value of the total consideration receivable.

The Group estimates the amount of the variable consideration of trading of commodities to which it will be entitled using the most likely amount as it better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

5. 收益(續)

(ii) 客戶合約之履約責任

本集團於履行責任期間確認商品(即鐵礦石)銷售收益,該等履約責任指貨品交付至客戶指定的目的地。目的地可能是目的地港口或客戶的物業。各銷售合約規定之商品數量為可獨立識別,並指交易價分配的獨特履約責任。一旦商品的控制權轉移給客戶,履約責任就會在某個時間點獲達成。客戶通過指示貨品用途並從商品中獲得商品的絕大部分利益獲得對商品的控制。

由於在截至最終定價日(通常於商品交付客戶當月內,即報價期),最終售價會根據(a)卸貨後對商品質量及數量的最終檢測以及(b)通行現貨價格波動作出調整,故商品售價為銷售日期臨時釐定。臨時定價銷售之收益乃基於估計商品質量及數量以及應收總代價公平值確認。

本集團使用最有可能收取金額(因其能更準確預測本集團將有權收取的代價金額)以估計其將有權收取的商品貿易的變量代價金額。只有於變量代價相關不明朗因素其後得以解決且變量代價計入交易價格很大機會不會導致日後出現大額收入撥回時,估計變量代價金額方會計入交易價格。於各報告期結束時,本集團會更新估計交易價格(包括更新其對估計變量代價是否受限所作出的評估),以真實反映於報告期結束時的現況及於報告期間的狀況變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Adjustment to the sales price occurs based on movements in prevailing spot prices up to the completion of quotation period and, thus, the revenue adjustment mechanism has the characteristic of a commodity derivative. Accordingly, the fair value of the total consideration receivable subject to the final sales price adjustment is re-estimated continuously by reference to prevailing spot prices and the changes in fair value are recognised in profit or loss. Such fair value adjustments do not form part of the revenue recognised from contracts with customers but included in “other gains and losses” line item in these consolidated financial statements. These trade receivables are governed under HKFRS 9 “Financial Instruments” and are recognised at fair value through profit or loss.

6. SEGMENT INFORMATION

Information reported to and reviewed by the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purpose of allocating resources to segments and assessing their performance focuses on nature of the Group’s businesses and operations. The Group’s operating and reportable segments are therefore as follows:

- (i) Commodity business (trading of commodities);
- (ii) Resource investment (trading of and investment in listed and unlisted securities of energy and natural resources companies); and
- (iii) Principal investment and financial services (provision of loan financing and investments in loan notes, convertible notes and other financial assets and receiving interest income from these financial assets).

5. 收益(續)

(ii) 客戶合約之履約責任(續)

售價按截至報價期完成時現行現貨價之變動作出調整，因此，收益調整機制具有商品衍生工具的特性。因此，存在最終售價調整的應收總代價之公平值將參照現行現貨價持續重估，而公平值之變動於損益中確認。該等公平值調整並不構成客戶合約確認收益之一部分但計入綜合財務報表「其他收益及虧損」一項。該等貿易應收賬款適用香港財務報告準則第9號「金融工具」並透過損益按公平值確認。

6. 分部資料

向本公司執行董事(即主要經營決策者，「主要經營決策者」)呈報及供其審閱以分配資源至分部及評估分部表現的資料集中於本集團之業務及營運性質。因此，本集團之營運及可報告分部如下：

- (i) 商品業務(商品貿易)；
- (ii) 資源投資(能源及天然資源公司上市及非上市證券買賣及投資)；及
- (iii) 主要投資及金融服務(提供貸款融資以及投資貸款票據、可換股票據及其他金融資產及自該等金融資產收取利息收入)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

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6. SEGMENT INFORMATION (Continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit (loss) by each segment without allocation of share of results of associates, net reversal of impairment loss on interests in associates, loss arising from deemed disposal of partial interest in an associate, gain arising from acquisition of additional interest in an associate, loss arising from acquisition of an associate, finance costs, net loss arising from changes in fair value of certain financial assets at FVTPL, unallocated income and gains and unallocated expenses and losses which include central administration costs and directors' salaries. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Information regarding the Group's operating and reportable segments is presented as follows:

6. 分部資料(續)

營運及可報告分部之會計政策與附註3所述本集團之會計政策相同。分部業績指各分部在未有分配分佔聯營公司業績、回撥於聯營公司之權益之減值虧損淨額、視作出售於一間聯營公司部分權益而產生之虧損、收購於一間聯營公司額外權益而產生之收益、收購一間聯營公司而產生之虧損、融資成本、按公平值於損益賬處理之若干金融資產公平值變動而產生之虧損淨額、未分配收入及收益及未分配開支及虧損(包括中央行政成本及董事薪金)前所錄得之溢利(虧損)。此乃向主要經營決策者報告以作資源分配及表現評估之方法。

有關本集團營運及可報告分部之資料呈列如下：

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綜合財務報表附註(續)

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6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For year ended 30 June 2019

		Commodity business	Resource investment	Principal investment and financial services	Total
		商品業務 HK\$'000 千港元	資源投資 HK\$'000 千港元	主要投資及 金融服務 HK\$'000 千港元	合計 HK\$'000 千港元
Revenue from contracts with customers	客戶合約收益	51,099	—	—	51,099
Interest income	利息收入	—	—	58,128	58,128
Total revenue	收益總額	51,099	—	58,128	109,227
Gross sales proceeds from resource investment	出售資源投資所得款項總額	—	343,030	—	343,030
Segment results	分部業績	(3,808)	(86,646)	47,371	(43,083)
Share of results of associates	分佔聯營公司業績				273,750
Reversal of impairment loss on interests in associates, net	回撥於聯營公司之權益之減值虧損淨額				643,439
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司部分權益而產生之虧損				(3,762)
Loss arising from changes in fair value of certain financial assets at FVTPL, net	按公平值於損益賬處理之若干金融資產公平值變動而產生之虧損淨額				(229,936)
Finance costs	融資成本				(2,020)
Unallocated income and gains	未分配收入及收益				4,063
Unallocated expenses and losses	未分配開支及虧損				(33,191)
Profit before taxation	除稅前溢利				609,260

6. 分部資料(續)

分部收益及業績

以下為按營運及可報告分部劃分之本集團收益及業績分析：

截至二零一九年六月三十日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For year ended 30 June 2018

		Commodity business 商品業務 HK\$'000 千港元	Resource investment 資源投資 HK\$'000 千港元	Principal investment and financial services 主要投資及 金融服務 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Revenue	收益	123,531	—	32,589	156,120
Gross sales proceeds from resource investment	出售資源投資所得 款項總額	—	474,321	—	474,321
Segment results	分部業績	8,778	65,575	31,198	105,551
Share of results of associates	分佔聯營公司業績				179,130
Reversal of impairment loss on interests in associates, net	回撥於聯營公司之 權益之減值虧損 淨額				50,057
Gain arising from acquisition of additional interest in an associate	收購於一間聯營 公司之額外權益而 產生之收益				5,076
Loss arising from acquisition of an associate	收購一間聯營公司而 產生之虧損				(8,061)
Finance costs	融資成本				(536)
Unallocated income and gains	未分配收入及收益				23,472
Unallocated expenses and losses	未分配支出及虧損				(33,544)
Profit before taxation	除稅前溢利				321,145

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both years.

以上報告之收益指外部客戶產生之收益。兩個年度均無任何分部間銷售。

6. 分部資料(續)

分部收益及業績(續)

截至二零一八年六月三十日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Other segment information

Other segment information included in the consolidated statement of profit or loss for the year ended 30 June 2019 are as follows:

Amounts included in the measure of segment profit or loss:

6. 分部資料(續)

其他分部資料

計入截至二零一九年六月三十日止年度之綜合損益表之其他分部資料如下：

就計算分部損益計入之金額如下：

		Commodity business	Resource investment	Principal investment and financial services	Unallocated	Total
		商品業務	資源投資	主要投資及 金融服務	未分配	合計
		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
Interest income (included in other income)	利息收入(計入其他收入)	2,986	9	1	3,944	6,940
Dividend income from financial assets at FVTPL	按公平值於損益賬處理之金融資產之股息收入	—	9,132	—	—	9,132
(Loss) gain arising from changes in fair value of financial assets mandatorily measured at FVTPL, net	強制性按公平值於損益賬處理之金融資產公平值變動而產生之(虧損)收益淨額	—	(89,953)	533	(229,936)	(319,356)
Reversal of impairment loss on loans receivable, net	回撥應收貸款之減值虧損淨額	—	—	602	—	602
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	有關商品貿易臨時定價安排公平值變動而產生之收益淨額	4,054	—	—	—	4,054
Net foreign exchange loss	外匯虧損淨額	(5,422)	(4,365)	(11,561)	(1,440)	(22,788)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

Other segment information included in the consolidated statement of profit or loss for the year ended 30 June 2018 are as follows:

Amounts included in the measure of segment profit or loss:

		Commodity business	Resource investment	Principal investment and financial services	Unallocated	Total
		商品業務	資源投資	主要投資及 金融服務	未分配	合計
		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
Interest income (included in other income)	利息收入(計入其他收入)	3,407	6	1	8,381	11,795
Fair value changes of equity investments at FVTPL, net	按公平值於損益賬處理之股本投資公平值變動淨額	—	69,224	—	—	69,224
Fair value changes of convertible notes	可換股票據之公平值變動	—	—	5,349	203	5,552
Net foreign exchange gain (loss)	外匯收益(虧損)淨額	1,125	(5,120)	(9,063)	10,432	(2,626)

6. 分部資料(續)

其他分部資料(續)

計入截至二零一八年六月三十日止年度之綜合損益表之其他分部資料如下：

就計算分部損益計入之金額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

An analysis of the Group's assets and liabilities by operating and reportable segment is set out below:

6. 分部資料(續)

分部資產與負債

按營運及可報告分部劃分之本集團資產及負債分析載列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Commodity business	商品業務	541,765	280,443
Resource investment	資源投資	477,278	600,711
Principal investment and financial services	主要投資及金融服務	422,619	524,244
<hr/>			
Total segment assets	分部資產總值	1,441,662	1,405,398
Interests in associates	於聯營公司之權益	1,904,461	1,023,743
Financial assets at FVTPL	按公平值於損益賬處理之金融資產	307,880	—
Available-for-sale investments	可供出售投資	—	559,539
Loan notes	貸款票據	31,360	31,515
Unallocated	未分配	342,166	91,300
<hr/>			
Consolidated assets	綜合資產	4,027,529	3,111,495
<hr/>			
Commodity business	商品業務	6,675	2,237
Resource investment	資源投資	609	9,801
Principal investment and financial services	主要投資及金融服務	231	—
<hr/>			
Total segment liabilities	分部負債總額	7,515	12,038
Unallocated	未分配	5,527	47,133
<hr/>			
Consolidated liabilities	綜合負債	13,042	59,171

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than interests in associates, certain property, plant and equipment, certain loan notes and certain financial assets at FVTPL (i.e. convertible notes) not managed under principal investment and financial services segment, certain financial assets at FVTPL (i.e. unlisted equity investments and listed equity securities not held within the trading portfolios) not managed under resource investment segment, certain other receivables and certain bank balances and cash (2018: interests in associates, certain property, plant and equipment, certain loan notes and convertible notes not managed under principal investment and financial services segment, available-for-sale investments not managed under resource investment segment, certain other receivables and certain bank balances and cash).
- all liabilities are allocated to operating and reportable segments other than certain other payables (2018: certain other payables and other borrowings).

Geographical information

Information about the Group's revenue from commodity business is analysed by the location of customers; the Group's interest income derived from loans receivable in respect of principal investment and financial services is analysed by the location where the loan financing is provided; and the Group's interest income derived from loan notes and convertible notes in respect of principal investment and financial services is analysed by the location where these investments are managed by the Group.

Information about the Group's non-current assets (excluding financial assets) which is presented based on geographical location of assets (where the property, plant and equipment are located and where the associates are incorporated/listed).

6. 分部資料(續)

分部資產與負債(續)

就監察分部表現及於分部間分配資源而言：

- 除於聯營公司之權益、若干物業、廠房及設備、並非按主要投資及金融服務分部管理之若干貸款票據及按公平值於損益賬處理之若干金融資產(即可換股票據)、並非按資源投資分部管理之按公平值於損益賬處理之若干金融資產(即非上市股本投資及並非持作買賣組合之上市股本證券)、若干其他應收賬款以及若干銀行結餘及現金(二零一八年：於聯營公司之權益、若干物業、廠房及設備、並非按主要投資及金融服務分部管理之若干貸款票據及可換股票據、並非按資源投資分部管理之可供出售投資、若干其他應收賬款以及若干銀行結餘及現金)外，所有資產均被分配至各營運及可報告分部。
- 除若干其他應付賬款(二零一八年：若干其他應付賬款及其他借貸)外，所有負債均被分配至各營運及可報告分部。

地區資料

有關本集團來自商品業務之收益資料乃按客戶所在地分析；本集團來自主要投資及金融服務相關應收貸款之利息收入乃按提供貸款融資所在地分析；及本集團來自主要投資及金融服務相關貸款票據及可換股票據之利息收入乃按本集團管理該等投資所在地分析。

有關本集團非流動資產(不包括金融資產)之資料乃根據資產所在地(物業、廠房及設備所在地及聯營公司註冊成立/上市地點)呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

Details about geographical locations of the Group's revenue from external customers and its non-current assets are presented below:

		Revenue from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	11,916	94,555	1,338	501
The PRC	中國	70,378	58,529	39,719	39,498
Australia	澳洲	2,016	3,036	1,864,772	984,511
Southeast Asia region	東南亞地區	24,917	—	—	—
		109,227	156,120	1,905,829	1,024,510

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group of the corresponding year are under segment of commodity business and presented as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	客戶甲	N/A ¹ 不適用 ¹	83,657
Customer B	客戶乙	50,839	N/A ¹ 不適用 ¹
Customer C	客戶丙	N/A ¹ 不適用 ¹	21,432

¹ No revenue attributed from the relevant customer in respective year.

¹ 有關年度並無收益來自相關客戶。

6. 分部資料(續)

地區資料(續)

有關本集團來自外部客戶之收益及其非流動資產所在地之詳情呈列如下：

主要客戶之資料

於相應年度為本集團貢獻逾10%收益總額之客戶收益屬商品業務分部，現載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

6. SEGMENT INFORMATION (Continued)

Information about major customers (Continued)

Revenue from customers contributing over 10% of the total revenue of the Group of the corresponding year are under segment of principal investment and financial services and presented as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer D	客戶丁	24,917	N/A ¹ 不適用 ¹
Customer E	客戶戊	14,967	15,726

¹ No revenue attributed from the relevant customer in respective year.

6. 分部資料(續)

主要客戶之資料(續)

於相應年度為本集團貢獻逾10%收益總額之客戶收益屬主要投資及金融服務分部，現載列如下：

¹ 有關年度並無收益來自相關客戶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (note) (附註)
Loss arising from changes in fair value of financial assets mandatorily measured at FVTPL, net:	強制性按公平值於損益賬處理之金融資產公平值變動而產生之虧損淨額：		
— Listed equity securities held-for-trading	— 持作買賣之上市股本證券	(89,953)	—
— Listed equity securities not held within the trading portfolios	— 並非持作買賣組合之上市股本證券	(214,912)	—
— Convertible notes	— 可換股票據	(999)	—
— Unlisted equity investments	— 非上市股本投資	(13,492)	—
Fair value changes of equity investments at FVTPL, net	按公平值於損益賬處理之股本投資公平值變動淨額	—	69,224
Fair value changes of convertible notes	可換股票據之公平值變動	—	5,552
Gain arising from acquisition of additional interest in an associate	收購於一間聯營公司之額外權益而產生之收益	—	5,076
Reversal of impairment loss on loans receivable, net	回撥應收貸款之減值虧損淨額	602	—
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	—	(848)
Loss arising from acquisition of an associate	收購一間聯營公司而產生之虧損	—	(8,061)
Loss arising from deemed disposal of partial interest in an associate	視作出售於一間聯營公司部分權益而產生之虧損	(3,762)	—
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	有關商品貿易臨時定價安排公平值變動而產生之收益淨額	4,054	—
Net foreign exchange loss	外匯虧損淨額	(22,788)	(2,626)
		(341,250)	68,317

Note: During the year ended 30 June 2019, the net reversal of impairment loss on interests in associates has been separately disclosed in the consolidated statement of profit or loss. Accordingly, the comparative information of this note has been represented to conform with current year's presentation.

附註：於截至二零一九年六月三十日止年度，回撥於聯營公司之權益之減值虧損淨額已於綜合損益表中單獨披露。因此，本附註的比較資料已經重列以符合本年度的呈報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

8. OTHER INCOME

8. 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income from bank deposits	銀行存款之利息收入	4,308	5,210
Interest income from loan notes	貸款票據之利息收入	1,490	5,445
Interest income from convertible notes	可換股票據之利息收入	1,142	1,140
Dividend income from financial assets at FVTPL:	按公平值於損益賬處理之金融資產之股息收入：		
— Listed equity securities held-for-trading	— 持作買賣之上市股本證券	9,132	—
Dividend income from equity investments at FVTPL	按公平值於損益賬處理之股本投資之股息收入	—	3,063
Dividend income from available-for-sale investments	可供出售投資之股息收入	—	3,492
Others	其他	731	4,951
		16,803	23,301

9. FINANCE COSTS

9. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on a bank borrowing	銀行借貸利息	846	—
Interests on other borrowings	其他借貸利息	1,174	536
		2,020	536

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

10. PROFIT BEFORE TAXATION

10. 除稅前溢利

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利經扣除下列各項：		
Staff costs, including directors' emoluments	員工成本(包括董事酬金)		
— salaries and allowances	— 薪金及津貼	18,953	16,900
— staff quarters	— 員工宿舍	1,080	1,056
— retirement benefit schemes contributions	— 退休福利計劃供款	312	318
Total staff costs	員工成本總額	20,345	18,274
Auditor's remuneration	核數師酬金	940	900
Cost of goods recognised as an expense (note)	貨品成本確認為支出(附註)	51,818	114,832
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	316	364

Note: The amount for the year ended 30 June 2019 includes impairment loss of inventories of HK\$3,147,000 (2018: nil).

附註：截至二零一九年六月三十日止年度之金額包括存貨減值虧損3,147,000港元(二零一八年：零)。

11. INCOME TAX (EXPENSE) CREDIT

11. 所得稅(支出)抵免

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅	(231)	—
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	(597)	—
		(828)	—
Overprovision in prior year	過往年度之超額撥備		
Hong Kong Profits Tax	香港利得稅	—	20
		(828)	20
Deferred tax	遞延稅項	—	6,950
		(828)	6,970

11. INCOME TAX (EXPENSE) CREDIT (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of estimated assessable profits of a qualifying group company will be taxed at 8.25%, and estimated assessable profits above HK\$2,000,000 will be taxed at 16.5%. The estimated assessable profits of group companies not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax was made for the year ended 30 June 2018 as the companies of the Group operated in Hong Kong had no assessable profits for the prior year.

Under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate applied to the PRC companies is 25% for both years. No provision for EIT was made for the year ended 30 June 2018 as the companies of the Group operated in the PRC had no assessable profits for the prior year.

11. 所得稅(支出)抵免(續)

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「**該條例草案**」)，該條例草案引入兩級利得稅率體制。該條例草案於二零一八年三月二十八日簽署成為法律，並於翌日於憲報上刊登。根據兩級利得稅率體制，合資格集團公司將按8.25%的稅率就首2,000,000港元估計應課稅溢利繳納稅項，並將按16.5%的稅率繳納2,000,000港元以上估計應課稅溢利之稅項。不符合兩級利得稅率體制的集團公司估計應課稅溢利將繼續按統一稅率16.5%納稅。

截至二零一八年六月三十日止年度，由於本集團於香港經營的公司於過往年度並無產生應課稅溢利，故並未計提香港利得稅撥備。

根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施條例，中國公司於兩個年度適用之稅率為25%。由於本集團旗下公司於中國運營，於過往年度並無產生應課稅溢利，因此並無就截至二零一八年六月三十日止年度計提企業所得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

11. INCOME TAX (EXPENSE) CREDIT (Continued)

Income tax (expense) credit for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

11. 所得稅(支出)抵免(續)

年內之所得稅(支出)抵免可與綜合損益表之除稅前溢利對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	除稅前溢利	609,260	321,145
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%計算之稅項	(100,528)	(52,989)
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	(60,513)	(11,169)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	117,825	37,020
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	(3,058)	(2,377)
Tax effect of utilisation of tax losses previously not recognised	動用過往未確認稅項虧損之稅務影響	140	—
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	45,169	29,556
Overprovision in prior year	過往年度之超額撥備	—	20
Effect of two-tiered profits tax rates regime in Hong Kong	香港兩級利得稅率體制之影響	165	—
Deferred tax on Australian capital gains tax	澳洲資本增值稅之遞延稅項	—	6,950
Others	其他	(28)	(41)
Income tax (expense) credit for the year	年內所得稅(支出)抵免	(828)	6,970

As at 30 June 2019, the Group had unused tax losses of HK\$198,721,000 (2018: HK\$181,036,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

於二零一九年六月三十日，本集團有未動用稅項虧損198,721,000港元(二零一八年：181,036,000港元)可用於抵銷未來溢利。由於未來溢利來源難以估算，故並無就該等虧損確認遞延稅項資產。稅項虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

An analysis of emoluments paid and payable to directors of the Company for the years ended 30 June 2019 and 2018 is set out as follows:

Year ended 30 June 2019

		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit schemes contributions	Total
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Andrew Ferguson (note (a))	Andrew Ferguson 先生(附註(a))	—	4,586	602	18	5,206
Mr. Brett Robert Smith	Brett Robert Smith 先生	—	1,348	1,500	122	2,970
Non-executive directors	非執行董事					
Mr. Lee Seng Hui	李成輝先生	121	—	—	—	121
Mr. So Kwok Hoo	蘇國豪先生	121	—	—	—	121
Mr. Arthur George Dew (note (b))	Arthur George Dew 先生(附註(b))	—	292	387	—	679
Mr. Wong Tai Chun, Mark, alternate director of Mr. Arthur George Dew (note (b))	王大鈞先生 (Arthur George Dew先生之 替任董事) (附註(b))	—	142	126	7	275
Independent non-executive directors	獨立非執行董事					
Dr. Wong Wing Kuen, Albert	王永權博士	191	—	—	—	191
Mr. Chang Chu Fai, Johnson Francis	鄭鑄輝先生	191	—	—	—	191
Mr. Robert Moyse Willcocks	Robert Moyse Willcocks先生	191	—	—	—	191
Mr. Wang Hongqian (note (c))	王宏前先生 (附註(c))	21	—	—	—	21
		836	6,368	2,615	147	9,966

12. 董事及僱員酬金

截至二零一九年及二零一八年六月三十日止年度，本公司已付及應付予各董事之酬金分析載列如下：

截至二零一九年六月三十日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued) 12. 董事及僱員酬金(續)

Year ended 30 June 2018

截至二零一八年六月三十日止年度

		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit schemes contributions	Total
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Andrew Ferguson (note (a))	Andrew Ferguson 先生(附註(a))	—	4,474	750	18	5,242
Mr. Brett Robert Smith	Brett Robert Smith 先生	—	1,423	—	118	1,541
Non-executive directors	非執行董事					
Mr. Lee Seng Hui	李成輝先生	120	—	—	—	120
Mr. So Kwok Hoo	蘇國豪先生	120	—	—	—	120
Mr. Arthur George Dew (note (b))	Arthur George Dew 先生(附註(b))	—	281	385	—	666
Mr. Wong Tai Chun, Mark, alternate director of Mr. Arthur George Dew (note (b))	王大鈞先生 (Arthur George Dew先生之 替任董事) (附註(b))	—	137	92	7	236
Independent non-executive directors	獨立非執行董事					
Dr. Wong Wing Kuen, Albert	王永權博士	190	—	—	—	190
Mr. Chang Chu Fai, Johnson Francis	鄭鑄輝先生	190	—	—	—	190
Mr. Robert Moyse Willcocks	Robert Moyse Willcocks先生	190	—	—	—	190
		810	6,315	1,227	143	8,495

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Notes:

- (a) Mr. Andrew Ferguson is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as a chief executive officer.
- (b) These directors of the Company received certain remuneration from the parent company of the substantial shareholder of the Company which provided management services to the Group and charged the Group a management service fee for services provided by these directors as well as other management personnel who are not the directors of the Company. Details of these management services and the related expenses are set out in note 31 (b).
- (c) Mr. Wang Hongqian was appointed as an independent non-executive director of the Company on 24 May 2019.

The executive directors' emoluments shown above are mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above are mainly for their services as directors of the Company.

The bonus was determined in accordance with the performance of the Group and the individual.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the years ended 30 June 2019 and 2018.

No emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 30 June 2019 and 2018.

The fee for each independent non-executive director and two of the non-executive directors, namely Mr. Lee Seng Hui and Mr. So Kwok Hoo was raised by approximately 5.8% with effect from 1 June 2019.

12. 董事及僱員酬金(續)

附註：

- (a) Andrew Ferguson先生亦為本公司之行政總裁，上述所披露之酬金包括彼擔任行政總裁提供服務之酬金。
- (b) 該等本公司董事向本公司主要股東(其向本集團提供管理服務)之母公司收取若干薪酬，該母公司就該等董事以及並非本公司董事之其他管理人員所提供之服務向本集團收取管理服務費。有關該等管理服務及相關費用的詳情載於附註31(b)。
- (c) 王宏前先生於二零一九年五月二十四日獲委任為本公司獨立非執行董事。

上文所示執行董事之酬金主要就彼等所提供與管理本公司及本集團事務有關之服務而支付。

上文所示非執行董事及獨立非執行董事之酬金主要就彼等擔任本公司董事之職務而支付。

花紅乃根據本集團表現及個人表現釐定。

於截至二零一九年及二零一八年六月三十日止年度，概無任何本公司董事放棄或同意放棄任何酬金之安排。

於截至二零一九年及二零一八年六月三十日止年度，本集團並無向任何本公司董事或本集團五名最高薪人士支付任何酬金，作為吸引其加入或將加入本集團時之獎勵，或作為離職賠償。

自二零一九年六月一日起，各獨立非執行董事及兩名非執行董事李成輝先生及蘇國豪先生之袍金上調約5.8%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2018: two) are directors of the Company whose emoluments are included in the disclosures set out above. The emoluments of the remaining three (2018: three) individuals are set out as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,468	5,344
Discretionary bonus	酌情花紅	1,904	1,279
Retirement benefits schemes contributions	退休福利計劃供款	54	54
		7,426	6,677

Their emoluments are within the following bands:

		2019 二零一九年 No. of employees 僱員人數	2018 二零一八年 No. of employees 僱員人數
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至2,000,000 港元	2	2
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至3,500,000 港元	1	1
		3	3

12. 董事及僱員酬金 (續)

僱員酬金

本集團最高酬金之五名人士中，兩名(二零一八年：兩名)為本公司董事，其酬金已列於上文之披露資料。餘下三名(二零一八年：三名)人士之酬金載列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,468	5,344
Discretionary bonus	酌情花紅	1,904	1,279
Retirement benefits schemes contributions	退休福利計劃供款	54	54
		7,426	6,677

彼等的酬金介乎以下範圍：

		2019 二零一九年 No. of employees 僱員人數	2018 二零一八年 No. of employees 僱員人數
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至2,000,000 港元	2	2
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至3,500,000 港元	1	1
		3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purpose of calculating basic earnings per share:	計算每股基本盈利所採用之盈利：		
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利	608,432	328,115

		2019 二零一九年	2018 二零一八年 (Restated) (經重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	計算每股基本盈利所採用之普通股加權平均數	894,232,466	876,069,282

For the years ended 30 June 2019 and 2018, no separate diluted earnings per share information has been presented as there was no potential ordinary shares of the Company outstanding.

The earnings per share for the year ended 30 June 2018 was restated by adjusting the weighted average number of ordinary shares of the Company in issue for the bonus element in respect of the rights issue of the Company completed in April 2019 and as disclosed in note 28(b).

本公司擁有人應佔每股基本盈利乃根據下列數據計算：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purpose of calculating basic earnings per share:	計算每股基本盈利所採用之盈利：		
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利	608,432	328,115

		2019 二零一九年	2018 二零一八年 (Restated) (經重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	計算每股基本盈利所採用之普通股加權平均數	894,232,466	876,069,282

截至二零一九年及二零一八年六月三十日止年度，由於本公司並無發行在外之潛在普通股，故並無另行呈列每股攤薄盈利資料。

截至二零一八年六月三十日止年度之每股盈利已經重列，方式為就附註28(b)所披露本公司於二零一九年四月完成之供股產生之花紅部分調整本公司已發行普通股之加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

14. DIVIDENDS

Dividends recognised as distribution during the year:

2018 interim dividend declared — HK6 cents with a scrip dividend option (2017 interim dividend declared — HK1.5 cents)

已宣派二零一八年中
期股息 — 6港仙(可選擇以股代息)
(已宣派二零一七
年中
期股息 — 1.5港仙)

During the year ended 30 June 2019, an interim dividend of HK6 cents (2018: HK1.5 cents) per ordinary share, in an aggregate amount of HK\$47,717,000 (2018: HK\$13,787,000), was declared in respect of the year ended 30 June 2018 (2018: year ended 30 June 2017) and an amount of HK\$28,072,000 (2018: HK\$13,787,000) was selected to be settled by cash and the remaining amount of HK\$19,645,000 (2018: nil) was selected to be settled by the issue of 17,318,628 new ordinary shares of the Company. During the year ended 30 June 2019, HK\$27,459,000 (2018: HK\$13,633,000) cash dividend was paid and 17,318,628 (2018: nil) new ordinary shares of the Company were issued.

Subsequent to the end of the reporting period, the directors of the Company declared an interim dividend of HK10 cents per share (in lieu of a final dividend) for the year ended 30 June 2019 (2018: an interim dividend of HK6 cents (in lieu of a final dividend)).

14. 股息

年內確認為分派的股息：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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	47,717	13,787
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截至二零一九年六月三十日止年度，本公司已就截至二零一八年六月三十日止年度(二零一八年：截至二零一七年六月三十日止年度)宣派中期股息每股普通股6港仙(二零一八年：1.5港仙)，總額為47,717,000港元(二零一八年：13,787,000港元)，其中28,072,000港元(二零一八年：13,787,000港元)選擇以現金支付而餘下19,645,000港元(二零一八年：零)選擇透過發行17,318,628股本公司新普通股支付。截至二零一九年六月三十日止年度，本公司已支付27,459,000港元(二零一八年：13,633,000港元)現金股息及發行17,318,628股(二零一八年：零)本公司新普通股。

於報告期末後，本公司董事宣派截至二零一九年六月三十日止年度之中期股息每股10港仙(代替末期股息)(二零一八年：中期股息6港仙(代替末期股息))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold improvements, furniture and fixtures 租賃物業裝修、傢具及裝置	Office equipment 辦公室設備	Computers 電腦	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
COST	成本					
At 1 July 2017	於二零一七年七月一日	3,339	102	1,422	1,789	6,652
Additions	添置	—	14	14	—	28
At 30 June 2018	於二零一八年六月三十日	3,339	116	1,436	1,789	6,680
Additions	添置	—	10	907	—	917
At 30 June 2019	於二零一九年六月三十日	3,339	126	2,343	1,789	7,597
DEPRECIATION	折舊					
At 1 July 2017	於二零一七年七月一日	2,393	102	1,295	1,759	5,549
Charge for the year	年內支出	330	2	31	1	364
At 30 June 2018	於二零一八年六月三十日	2,723	104	1,326	1,760	5,913
Charge for the year	年內支出	222	3	89	2	316
At 30 June 2019	於二零一九年六月三十日	2,945	107	1,415	1,762	6,229
CARRYING AMOUNTS	賬面值					
At 30 June 2019	於二零一九年六月三十日	394	19	928	27	1,368
At 30 June 2018	於二零一八年六月三十日	616	12	110	29	767

The above items of property, plant and equipment are depreciated on a straight-line basis over the following years:

Leasehold improvements, furniture and fixtures	Over the lease terms
Office equipment	5 years
Computers	5 years
Motor vehicles	5 years

以上物業、廠房及設備項目均以直線法於以下年度進行折舊：

租賃物業裝修、傢具及裝置	於租賃年期內
辦公室設備	五年
電腦	五年
汽車	五年

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

16. INTERESTS IN ASSOCIATES

16. 於聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interests in associates before impairment (note)	於聯營公司之權益(減值前) (附註)	1,934,861	1,697,582
Impairment losses recognised	已確認減值虧損	(30,400)	(673,839)
		1,904,461	1,023,743
Fair value of listed investments	上市投資之公平值	1,864,772	984,511

Note: The balance includes cost of interests in associates, after adjustment for sharing of the post-acquisition results and other comprehensive income of associates, dividend received and exchange differences.

附註：結餘包括於聯營公司之權益成本、調整後的應佔聯營公司收購後業績及其他全面收益、已收取股息及匯兌差額。

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16. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associates as at 30 June 2019 and 2018 are set out as follows:

Name of entity 實體名稱	Listed/ unlisted 上市/ 非上市	Country of incorporation/ establishment and operation 註冊成立/ 成立及經營 國家	Class of shares held 所持股份 類別	Proportion of ownership interest and voting power held 所持擁有權權益及 投票權之比例		Principal activities 主要業務
				2019 二零一九年	2018 二零一八年	
平港(上海)貿易有限公司	Unlisted 非上市	The PRC 中國	N/A 不適用	40%	40%	Wholesales, import and export, agency service and relevant service for coal, coke, material for metallurgy, mineral products, chemical engineering products, mechanical and electrical equipment and spare parts, steel and steel products, construction material and related products and technology. 批發、進出口、經紀服務及有關煤、焦煤、冶金料、礦物產品、化學工程產品、機械及電機器材及零件、鋼及鋼產品、建築材料及相關產品及技術之服務。
Mount Gibson Iron Limited ("MGX") (note 附註(a))	Listed 上市	Australia 澳洲	Ordinary 普通股	33.23%	32.20%	Mining of hematite iron ore in Western Australia. 於西澳洲開採赤鐵礦石。
Tanami Gold NL ("Tanami") (note 附註(b))	Listed 上市	Australia 澳洲	Ordinary 普通股	43.55%	38.09%	Gold exploration in Tanami Desert straddling the Western Australian and Northern Territory border. 於Tanami Desert(橫跨西澳洲及北領地邊界)進行黃金勘探。

16. 於聯營公司之權益(續)

於二零一九年及二零一八年六月三十日，本集團聯營公司之詳情如下：

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16. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) During the year ended 30 June 2019, the Group's shareholdings in MGX increased from 32.20% as at 30 June 2018 to 33.23% as at 30 June 2019. Such increase is mainly due to the combined effects of MGX's issuance of 2,998,351 restricted shares to senior management and the Group's reinvestment of its dividends entitled from MGX in exchange of MGX's 21,882,844 new ordinary shares. The Group recognised a loss of HK\$3,762,000 from the deemed disposal of its partial interest in MGX upon MGX's issuance of the restricted shares and the Group recognised a goodwill of HK\$1,076,000, which is included in the Group's interest in MGX, from the reinvestment of its entitled dividends into MGX.

During the year ended 30 June 2018, the Group's shareholdings in MGX increased from 29.53% as at 30 June 2017 to 32.20% as at 30 June 2018 due to acquisition of 29,262,489 shares in MGX. The cash consideration for the acquisition was Australian Dollars ("A\$") 12,285,000 (equivalent to approximately HK\$73,007,000).

- (b) During the year ended 30 June 2019, the Group's shareholdings in Tanami increased from 38.09% to 43.55% due to acquisition of 64,169,922 shares in Tanami. The cash consideration for the acquisition was A\$2,394,000 (equivalent to approximately HK\$13,443,000). The Group recognised a goodwill of HK\$1,424,000, which is included in the Group's interest in Tanami, from its acquisition of additional interest in Tanami.

On 2 February 2018, the Group entered into a share sale agreement with Allied Properties Resources Limited, a subsidiary of Allied Properties (H.K.) Limited ("APL"), which is the substantial shareholder of the Company exercising significant influence over the Company, for acquisition of 38.09% of the total issued share capital of Tanami at a cash consideration of A\$20,142,575. The acquisition was completed on 5 June 2018. The Group recognised a loss of HK\$8,061,000 in respect of the acquisition of Tanami, representing the difference between the consideration paid and the fair value of the Group's interest in Tanami at the date of completion. Such amount was presented as "loss arising from acquisition of an associate" and included in "other gains and losses" in the consolidated statement of profit or loss for the year ended 30 June 2018.

16. 於聯營公司之權益(續)

附註：

- (a) 於截至二零一九年六月三十日止年度，本集團於MGX之股權由二零一八年六月三十日之32.20%增加至二零一九年六月三十日之33.23%。有關增加乃主要由於MGX向高級管理層發行2,998,351股受限制股份及本集團有權自MGX收取的股息再投資於MGX發行的21,882,844股新普通股的合併影響。本集團於MGX發行受限制股份後確認視作出售其於MGX之部分權益產生之虧損3,762,000港元及本集團確認將其所享股息再投資於MGX產生之商譽1,076,000港元(計入本集團於MGX之權益)。

於截至二零一八年六月三十日止年度，由於收購MGX的29,262,489股股份，本集團於MGX之股權由二零一七年六月三十日之29.53%增加至二零一八年六月三十日之32.20%。該收購的現金代價為12,285,000澳元(「澳元」)(相當於約73,007,000港元)。

- (b) 於截至二零一九年六月三十日止年度，由於收購Tanami的64,169,922股股份，本集團於Tanami之股權由38.09%增加至43.55%。該收購的現金代價為2,394,000澳元(相當於約13,443,000港元)。本集團確認其收購Tanami額外權益產生之商譽1,424,000港元(計入本集團於Tanami之權益)。

於二零一八年二月二日，本集團與Allied Properties Resources Limited(對本公司行使重大影響力的本公司主要股東聯合地產(香港)有限公司(「聯合地產」)的附屬公司)訂立售股協議，以收購Tanami全部已發行股本之38.09%，現金代價為20,142,575澳元。該收購已於二零一八年六月五日完成。本集團就收購Tanami確認虧損8,061,000港元，即已付代價與本集團於完成日期於Tanami之權益公平值之間之差額。該款項列為「收購一間聯營公司之虧損」，並計入截至二零一八年六月三十日止年度之綜合損益表之「其他收益及虧損」。

16. INTERESTS IN ASSOCIATES (Continued)

Reversal of impairment loss on the Group's interest in MGX

At the end of the reporting period, in view of increase (2018: increase) in share price of MGX, the management of the Group carried out review on reversal of impairment loss on the carrying amount of its interest in MGX by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. In determining the value in use of MGX, the Group estimated the present value of the future cash flows expected to arise from dividends of MGX which is estimated based on the cash flows from the operations of MGX and the proceeds on the ultimate disposal of MGX. The estimation takes into account the estimated future prices and production volume of hematite iron ores of MGX, a discount rate of 9.4% (2018: 10.0%) and historical dividend payout ratio of MGX. The fair value less costs of disposal of MGX was determined based on the closing price of the shares of MGX listed on the ASX at the end of each reporting period. As at 30 June 2019, the recoverable amount of the Group's interest in MGX, which represents the fair value less costs of disposal of HK\$1,738,665,000 (2018: HK\$891,020,000), is higher than its carrying amount. Accordingly, a reversal of impairment loss of HK\$656,390,000 (2018: HK\$67,506,000) is recognised in profit or loss during the year ended 30 June 2019.

16. 於聯營公司之權益(續)

本集團於MGX之權益之減值虧損撥回

於報告期末，鑒於MGX的股價增加(二零一八年：增加)，本集團管理層將其於MGX之權益之可收回金額(使用價值與公平值減出售成本中之較高者)與其賬面值作比較，對該權益之賬面值進行減值虧損撥回檢討。在釐定MGX之使用價值時，本集團估計MGX股息預期將產生之未來現金流量之現值，此乃根據MGX經營所得現金流量以及最終出售MGX之所得款項而估計。有關估計計及MGX赤鐵礦石的估計未來價格及產量、折現率9.4%(二零一八年：10.0%)以及MGX之過往派息率。MGX之公平值減出售成本乃根據各報告期末MGX於澳交所上市股份之收市價釐定。於二零一九年六月三十日，本集團於MGX之權益之可收回金額(即公平值減出售成本)1,738,665,000港元(二零一八年：891,020,000港元)高於其賬面值。因此，於截至二零一九年六月三十日止年度之損益賬確認撥回減值虧損656,390,000港元(二零一八年：67,506,000港元)。

16. INTERESTS IN ASSOCIATES (Continued)

Impairment assessment on the Group's interest in Tanami

At the end of the reporting period, in view of increase in carrying amount of the Group's interest in Tanami during the year ended 30 June 2019 due to significant increment in the Group's share of results in Tanami (2018: decrease in share price of Tanami since the acquisition of equity interest in Tanami by the Group), the management of the Group carried out review on impairment on the carrying amount of its interest in Tanami by comparing its recoverable amount with its carrying amount. In view of the material uncertainty associated with the exploration for and evaluation of the mineral resources possessed by Tanami, no sufficient information is available for the management of the Group to estimate future cash flows used in the value in use calculation. Therefore, the recoverable amount of the Group's interest in Tanami is based on its fair value less costs of disposal, which has been determined based on the closing price of the shares of Tanami listed on the ASX at the end of the reporting period. As at 30 June 2019, the recoverable amount of the Group's interest in Tanami, which represents the fair value less costs of disposal of HK\$126,107,000 (2018: HK\$93,491,000), is lower than its carrying amount. Accordingly, an impairment loss of HK\$12,951,000 (2018: HK\$17,449,000) is recognised in profit or loss during the year ended 30 June 2019.

16. 於聯營公司之權益(續)

本集團於Tanami之權益之減值評估

於報告期末，鑒於於截至二零一九年六月三十日止年度，由於本集團分佔Tanami的業績大幅增加，本集團於Tanami的權益賬面值有所上升(二零一八年：Tanami的股價自本集團收購Tanami股權後有所下降)，本集團管理層將其於Tanami之權益之可收回金額與其賬面值作比較，對該權益之賬面值進行減值檢討。鑒於勘探及評估Tanami擁有的礦產資源存在重大不確定性，故本集團管理層並無充足資料可用於估計使用價值計算所用的未來現金流量。因此，本集團於Tanami權益之可收回金額乃基於其公平值減出售成本，根據報告期末Tanami於澳交所上市股份之收市價釐定。於二零一九年六月三十日，本集團於Tanami之權益之可收回金額(即公平值減出售成本)126,107,000港元(二零一八年：93,491,000港元)低於其賬面值。因此，於截至二零一九年六月三十日止年度之損益賬確認減值虧損12,951,000港元(二零一八年：17,449,000港元)。

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16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the Group's associates

The summarised consolidated financial information in respect of each of the Group's material associates is set out below:

MGX

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	1,541,667	567,919
Current assets	流動資產	2,451,438	2,854,953
Current liabilities	流動負債	(400,509)	(303,312)
Non-current liabilities	非流動負債	(237,021)	(237,037)
Net assets	資產淨值	3,355,575	2,882,523
Revenue	收益	1,623,077	1,612,663
Profit for the year	年內溢利	747,786	600,376
Other comprehensive income for the year	年內其他全面收益	320	3,458
Total comprehensive income for the year	年內全面收益總額	748,106	603,834
Dividend paid by MGX	MGX所付股息	188,973	133,848
The Group's share of profit of MGX for the year (note (i))	年內本集團分佔MGX溢利(附註(i))	241,167	178,491
The Group's share of other comprehensive income of MGX for the year	年內本集團分佔MGX其他全面收益	669	1,033
The Group's share of total comprehensive income for the year	年內本集團分佔全面收益總額	241,836	179,524
Dividend declared by MGX attributable to the Group (note (iii))	本集團應佔MGX所宣派股息(附註(iii))	60,674	39,652

16. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要

有關本集團各主要聯營公司之綜合財務資料概要載列如下：

MGX

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	1,541,667	567,919
Current assets	流動資產	2,451,438	2,854,953
Current liabilities	流動負債	(400,509)	(303,312)
Non-current liabilities	非流動負債	(237,021)	(237,037)
Net assets	資產淨值	3,355,575	2,882,523
Revenue	收益	1,623,077	1,612,663
Profit for the year	年內溢利	747,786	600,376
Other comprehensive income for the year	年內其他全面收益	320	3,458
Total comprehensive income for the year	年內全面收益總額	748,106	603,834
Dividend paid by MGX	MGX所付股息	188,973	133,848
The Group's share of profit of MGX for the year (note (i))	年內本集團分佔MGX溢利(附註(i))	241,167	178,491
The Group's share of other comprehensive income of MGX for the year	年內本集團分佔MGX其他全面收益	669	1,033
The Group's share of total comprehensive income for the year	年內本集團分佔全面收益總額	241,836	179,524
Dividend declared by MGX attributable to the Group (note (iii))	本集團應佔MGX所宣派股息(附註(iii))	60,674	39,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零一九年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the Group's associates (Continued)

MGX (Continued)

Notes:

- (i) The Group's share of profit of MGX for the year ended 30 June 2019 is after adjustment of the unrealised profit of HK\$4,821,000 (2018: nil) arising from the upstream sales of MGX.
- (ii) The Group reinvested dividend of HK\$60,674,000 (2018: nil) into MGX in return for its ordinary shares.

Reconciliation of the above summarised consolidated financial information to the carrying amount of MGX recognised in the consolidated financial statements:

16. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要(續)

MGX(續)

附註：

- (i) 截至二零一九年六月三十日止年度，本集團分佔MGX溢利乃經調整MGX上游銷售產生之未變現溢利4,821,000港元(二零一八年：零)。
- (ii) 本集團將股息60,674,000港元(二零一八年：零)再投資於MGX以換取其普通股。

上述綜合財務資料概要及於綜合財務報表確認之MGX賬面值的對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of MGX attributable to owners of MGX	MGX擁有人應佔MGX資產淨值	3,355,575	2,872,006
Proportion of the Group's ownership interest in MGX	本集團於MGX擁有權之權益比例	33.23%	32.20%
Shares of net assets of MGX	應佔MGX資產淨值	1,114,965	924,786
Goodwill	商譽	623,700	622,624
Impairment loss recognised	已確認的減值虧損	—	(656,390)
Carrying amount of the Group's interest in MGX	本集團於MGX權益之賬面值	1,738,665	891,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零一九年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the Group's associates (Continued)

Tanami

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	174,984	213,676
Current assets	流動資產	187,302	84,458
Current liabilities	流動負債	(372)	(337)
Non-current liabilities	非流動負債	(5,810)	(6,539)
Net assets	資產淨值	356,104	291,258
Revenue	收益	—	—
Profit (loss) for the year/period*	年/期內溢利(虧損)*	96,405	(478)
Other comprehensive income for the year/period*	年/期內其他全面收益*	8,360	2,611
Total comprehensive income for the year/period*	年/期內全面收益總額*	104,765	2,133
The Group's share of profit (loss) of Tanami for the year/period*	年/期內本集團分佔Tanami之溢利(虧損)*	30,491	(185)
The Group's share of other comprehensive income of Tanami for the year/period*	年/期內本集團分佔Tanami之其他全面收益*	3,375	1,010
The Group's share of total comprehensive income for the year/period*	年/期內本集團分佔之全面收益總額*	33,866	825

* The summarised financial information in respect of the consolidated statement of profit or loss and other comprehensive income of Tanami for the year ended 30 June 2018 represented the results and other comprehensive income from the date of completion of the acquisition of Tanami to 30 June 2018.

16. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要(續)

Tanami

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	174,984	213,676
Current assets	流動資產	187,302	84,458
Current liabilities	流動負債	(372)	(337)
Non-current liabilities	非流動負債	(5,810)	(6,539)
Net assets	資產淨值	356,104	291,258
Revenue	收益	—	—
Profit (loss) for the year/period*	年/期內溢利(虧損)*	96,405	(478)
Other comprehensive income for the year/period*	年/期內其他全面收益*	8,360	2,611
Total comprehensive income for the year/period*	年/期內全面收益總額*	104,765	2,133
The Group's share of profit (loss) of Tanami for the year/period*	年/期內本集團分佔Tanami之溢利(虧損)*	30,491	(185)
The Group's share of other comprehensive income of Tanami for the year/period*	年/期內本集團分佔Tanami之其他全面收益*	3,375	1,010
The Group's share of total comprehensive income for the year/period*	年/期內本集團分佔之全面收益總額*	33,866	825

* 截至二零一八年六月三十日止年度，Tanami的綜合損益及其他全面收益表的財務資料概要指自完成收購Tanami日期起至二零一八年六月三十日的業績及其他全面收益。

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截至二零一九年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the Group's associates (Continued)

Tanami (Continued)

Reconciliation of the above summarised consolidated financial information to the carrying amount of Tanami recognised in the consolidated financial statements:

16. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要(續)

Tanami(續)

上述綜合財務資料概要及於綜合財務報表確認之Tanami賬面值的對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of Tanami attributable to owners of Tanami	Tanami擁有人應佔Tanami資產淨值	356,104	291,258
Proportion of the Group's ownership interest in Tanami	本集團於Tanami擁有權之權益比例	43.55%	38.09%
Share of net assets of Tanami	應佔Tanami資產淨值	155,083	110,940
Goodwill	商譽	1,424	—
Impairment loss recognised	已確認的減值虧損	(30,400)	(17,449)
Carrying amount of the Group's interest in Tanami	本集團於Tanami權益之賬面值	126,107	93,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零一九年六月三十日止年度

16. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the Group's associates (Continued)

The information of an associate that is not individually material

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The Group's share of profit and total comprehensive income	本集團應佔溢利及全面收益總額	2,092	824
The carrying amount of the Group's interest in this associate	本集團於該聯營公司之權益之賬面值	39,689	39,232

16. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要(續)

個別並非屬重大之聯營公司之資料

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

17. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Iron ores, at cost	鐵礦石，按成本	53,802	—

17. 存貨

2019
二零一九年
HK\$'000
千港元

2018
二零一八年
HK\$'000
千港元

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 18. 按公平值於損益賬處理之金融資產

		2019 二零一九年 HK\$'000 千港元
(a) Listed securities held-for-trading:	(a) 持作買賣之上市證券：	
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	130,690
– Equity securities listed in the United Kingdom	– 於英國上市之股本證券	27,785
– Equity securities listed in Australia	– 於澳洲上市之股本證券	86,986
– Equity securities listed in Canada	– 於加拿大上市之股本證券	120,725
– Equity securities listed in the United States of America	– 於美國上市之股本證券	25,916
		392,102
(b) Unlisted equity investments (note (i))	(b) 非上市股本投資(附註(i))	21,369
(c) Listed securities not held within the trading portfolios:	(c) 並非持作買賣組合的上市證券：	
– Equity securities listed in Australia	– 於澳洲上市之股本證券	275,638
(d) Convertible notes (note (ii))	(d) 可換股票據(附註(ii))	10,873
		699,982
The carrying amount of the financial assets at FVTPL is presented as:	按公平值於損益賬處理之金融資產的賬面值呈列為：	
– Non-current assets	– 非流動資產	307,880
– Current assets	– 流動資產	392,102
		699,982

Notes:

- (i) These unlisted equity investments primarily represent investments in unlisted equity securities issued by one private entity incorporated in Bailiwick of Guernsey (the "Private Entity"). These unlisted equity investments are measured at fair values and the details of the fair value measurement are set out in note 34.

The fair value measurement was carried out by Vigers Appraisal & Consulting Limited ("Vigers"), an independent qualified professional valuer not connected to the Group.

附註：

- (i) 該等非上市股本投資主要指投資於一間於根西島行政區註冊成立之私人實體(「私人實體」)所發行之非上市股本證券。該等非上市股本投資按公平值計量，而公平值計量之詳情載於附註34。

公平值計量乃由與本集團並無關連的獨立合資格專業估值師威格斯資產評估顧問有限公司(「威格斯」)進行。

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For the year ended 30 June 2019

綜合財務報表附註(續)

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18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

- (ii) In previous year, the Group subscribed convertible notes, which were designated at FVTPL, with a nominal value of US\$1,200,895 from the Private Entity, which carry 12% coupon interest per annum and will mature on 30 November 2022. The interests, at the Private Entity's option, are payable in cash quarterly or on the maturity date of the convertible notes or settled by the allotment and issue of the conversion shares. The convertible notes are guaranteed by the Private Entity and certain of its related companies. The Group is entitled to convert the convertible notes into preference shares of the Private Entity at a conversion price of US\$0.145 per preference share at any time from the subscription date to the maturity date.

The fair values of these convertible notes as at 30 June 2019 and 2018 are estimated by Vigers using valuation techniques and key inputs as disclosed in note 34.

18. 按公平值於損益賬處理之金融資產(續)

附註：(續)

- (ii) 於過往年度，本集團向私人實體認購面值為1,200,895美元之可換股票據(其被指定為按公平值於損益賬處理)，票面年利率為12%，並將二零二二年十一月三十日到期。私人實體可選擇利息按季或於可換股票據到期日以現金支付，或透過配發及發行轉換股份結付。可換股票據由私人實體及其若干關連公司擔保。本集團有權於認購日至到期日之任何時間按兌換價每股優先股0.145美元將可換股票據轉換為私人實體之優先股。

於二零一九年及二零一八年六月三十日，該等可換股票據之公平值乃由威格斯採用估值技術及關鍵輸入數據(如附註34披露)估計。

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

2018
二零一八年
HK\$'000
千港元

Equity securities:	股本證券：	
Unlisted, at cost (note (i))	非上市，按成本(附註(i))	39,966
Less: impairment losses recognised	減：已確認減值虧損	(35,988)
		3,978
Unlisted, at fair value (note (ii))	非上市，按公平值(附註(ii))	34,532
Listed in Australia, at fair value	於澳洲上市，按公平值	559,539
		598,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

19. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes:

- (i) These unlisted equity investments represented investments in unlisted equity securities issued by five private entities incorporated in the British Virgin Islands (“BVI”), the United Kingdom, the United States of America and Australia. They were measured at cost less impairment at the end of the reporting period because of the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that fair values could not be reliably measured. The Group had neither control nor significant influence on any of these private entities.
- (ii) These unlisted equity investments represented investments in unlisted equity securities issued by the Private Entity. These unlisted equity investments were measured at fair values and the details of the fair value measurement are set out in note 34.

The fair value measurement was carried out by Vigers.

19. 可供出售投資(續)

附註：

- (i) 該等非上市股本投資指投資於五間於英屬處女群島(「英屬處女群島」)、英國、美國及澳洲註冊成立之私人實體所發行之非上市股本證券。該等投資按成本扣減於報告期末之減值計量，乃由於公平值估計的合理範圍十分廣闊，而本公司董事認為該等公平值不能可靠計量。本集團並無控制或對任何該等私人實體有重大影響力。
- (ii) 該等非上市股本投資指投資於私人實體所發行之非上市股本證券。該等非上市股本投資按公平值計量，而公平值計量之詳情載於附註34。

公平值計量乃由威格斯進行。

20. CONVERTIBLE NOTES

20. 可換股票據

2018
二零一八年
HK\$'000
千港元

Convertible notes issued by FDG Kinetic Limited (“FDG”) (note)	五龍動力有限公司(「五龍」)發行之可換股票據(附註)	104,986
Convertible notes issued by the Private Entity (Note 18(ii))	私人實體發行之可換股票據(附註18(ii))	11,263

116,249

The carrying amount of the convertible notes is 可換股票據的賬面值呈列為 presented as

— Non-current assets	— 非流動資產	11,263
— Current assets	— 流動資產	104,986

116,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

20. CONVERTIBLE NOTES (Continued)

Note: On 30 October 2017, the Group acquired the convertible notes issued by FDG, which carry 8% coupon interest per annum with principal amount of HK\$110,000,000 and would mature on 4 August 2018, from an independent third party (the “Vendor”) at a cash consideration of HK\$110,000,000. The convertible notes are guaranteed by the ultimate holding company of the Vendor. The principal activities of FDG are research and development, manufacturing and trading of cathode materials for lithium-ion batteries, and direct investments, including securities trading, loan financing and asset investment. The Group is entitled to convert the convertible notes into ordinary shares of FDG at conversion price of HK\$0.34 per conversion share and by paying an additional amount of HK\$0.36 per conversion share to the Vendor’s guarantor by way of cash at any time from the purchase date (i.e. 30 October 2017) to the maturity date. The Group designated these convertible notes at FVTPL. During the year ended 30 June 2018, HK\$10,000,000 FDG’s convertible notes were converted by the Group into 29,411,764 ordinary shares of FDG. These shares were disposed of by the Group during the year ended 30 June 2019. In the opinion of the directors of the Company, the fair value in relation to the Group’s obligation to pay the Vendor’s guarantor upon conversion of these convertible bonds was minimal due to the market prices of FDG’s share was lower than the amount required to pay as at 30 June 2018. As at 30 June 2018, the fair value of these convertible notes was HK\$104,986,000 taking into account the conversion option which was out of money. During the year ended 30 June 2019, the Group received the remaining principal amount and the outstanding coupon interests of the FDG’s convertible notes.

The fair values of these convertible notes as at 30 June 2018 were estimated by Vigers using valuation techniques and key inputs as disclosed in note 34.

20. 可換股票據(續)

附註: 於二零一七年十月三十日, 本集團以現金代價110,000,000港元向一名獨立第三方(「賣方」)收購五龍發行的可換股票據, 其票面年利率為8%, 本金額為110,000,000港元, 並將於二零一八年八月四日到期。可換股票據由賣方的最終控股公司擔保。五龍主要從事研發、製造及買賣鋰離子電池的正極物料, 以及直接投資, 包括買賣證券、貸款融資及資產投資。本集團有權自收購日期(即二零一七年十月三十日)起至到期日期間隨時透過現金方式以轉換價每股轉換股份0.34港元及通過向賣方的擔保人支付每股轉換股份0.36港元的附加金額將可換股票據轉換為五龍的普通股。本集團指定該等可換股票據為按公平值於損益賬處理。於截至二零一八年六月三十日止年度, 10,000,000港元的五龍可換股票據已由本集團轉換為29,411,764股五龍普通股。本集團已於截至二零一九年六月三十日止年度出售該等股份。本公司董事認為, 於二零一八年六月三十日, 本集團於該等可換股票據獲轉換時向賣方擔保人付款之責任有關之公平值甚微, 因為五龍股份之市價低於須支付金額。於二零一八年六月三十日, 經計及轉換權為價外期權, 該等可換股票據之公平值為104,986,000港元。於截至二零一九年六月三十日止年度, 本集團已收取五龍可換股票據的剩餘本金及尚未償還票息。

該等可換股票據於二零一八年六月三十日之公平值乃由威格斯採用估值技術及關鍵輸入數據(如附註34披露)估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

21. LOANS RECEIVABLE

21. 應收貸款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fixed rate loans receivable, unsecured	應收定息貸款，無抵押	401,418	399,276
The carrying amount of the loans receivable is presented as	應收貸款之賬面值，呈列為		
— Non-current assets	— 非流動資產	—	236,312
— Current assets	— 流動資產	401,418	162,964
		401,418	399,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

21. LOANS RECEIVABLE (Continued)

Fixed rate loans receivable comprises:

21. 應收貸款(續)

應收定息貸款包括：

Principal amount 本金額	Maturity date 到期日	Security 抵押品	Guarantee 擔保	Effective interest rate 實際利率	Carrying amount 賬面值	
					2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Nil (2018: HK\$45,000,000 in aggregate)	Nil (2018: 27 September 2018)	No	No	N/A (2018: 14.5% per annum)	—	48,321
零(二零一八年：合共45,000,000港元)	無(二零一八年：二零一八年九月二十七日)	無	無	不適用 (二零一八年：每年14.5%)		
HK\$31,000,000	28 June 2019 (2018: 28 June 2019) ^(h)	No	No	15.0% (2018: 15.0% per annum)	31,038	31,038
31,000,000 港元	二零一九年六月二十八日 (二零一八年：二零一九年六月二十八日) ^(h)	無	無	每年15.0% (二零一八年：每年15.0%)		
Nil (2018: RMB70,000,000 in aggregate) ^(k)	Nil (2018: 20 December 2018 and 10 January 2019) ^(l)	No	Yes ^(a)	N/A (2018: 6.0% per annum)	—	83,605
零(二零一八年：合共人民幣70,000,000元) ^(k)	無(二零一八年：二零一八年十二月二十日及二零一九年一月十日) ^(l)	無	有 ^(a)	不適用 (二零一八年：每年6.0%)		
RMB109,000,000 (2018: RMB199,000,000) ^(e)	31 March 2020 (2018: 30 September 2019) ^(c)	No	Yes ^(b)	8.0% (2018: 8.0% per annum)	123,652	236,312
人民幣109,000,000元 (二零一八年：人民幣199,000,000元) ^(e)	二零二零年三月三十一日 (二零一八年：二零一九年九月三十日) ^(c)	無	有 ^(b)	每年8.0% (二零一八年：每年8.0%)		
HK\$174,000,000 (2018: Nil)	3 October 2019 (2018: Nil) ⁽ⁱ⁾	Yes ^(d)	No	23.0% per annum ^(f)	191,461	—
174,000,000 港元 (二零一八年：零)	二零一九年十月三日 (二零一八年：無) ⁽ⁱ⁾	有 ^(d)	無	每年23.0% ^(f)		
A\$10,000,000 (2018: Nil)	30 September 2019 (2018: Nil)	Yes ^(g)	Yes ^(g)	11.25% per annum ^(f)	55,267	—
10,000,000 澳元 (二零一八年：零)	二零一九年九月三十日 (二零一八年：無)	有 ^(g)	有 ^(g)	每年11.25% ^(f)		
					401,418	399,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

21. LOANS RECEIVABLE (Continued)

Notes:

- (a) The loans were guaranteed by ultimate holding company of the borrower which is a company incorporated in Taiwan with limited liability and its shares are listed on the Taiwan Stock Exchange Corporation. During the year ended 30 June 2019, the loans were settled in full.
- (b) The loans are guaranteed by the ultimate holding company of the borrower which is a company incorporated in Bermuda and its shares are listed on the Stock Exchange.
- (c) The maturity date of this loan was extended from 30 September 2019 to 31 March 2020 during the year ended 30 June 2019. On 13 September 2019, the Group has entered into the loan agreement with the borrower and its guarantor. Pursuant to the loan agreement, the maturity date of the loan has been further extended to 31 December 2021. Details of the loan agreement are set out in the Company's announcement on 13 September 2019.
- (d) Details of the securities are set out in the Company's announcements dated 29 September 2018 and 19 July 2019.
- (e) The principal amount is equivalent to HK\$123,851,000 (2018: HK\$223,804,000) out of the loan limit of HK\$225,000,000 (2018: HK\$225,000,000).
- (f) The effective interest rate comprises fixed interest rate of 8% per annum, default interest rate of 6% per annum since 3 April 2019 and participation fee of 9% per annum.
- (g) The loan is guaranteed by a director of the borrower and secured by a general security deed over the borrower.

21. 應收貸款(續)

附註：

- (a) 貸款由借款人的最終控股公司(一間於台灣註冊成立之有限公司，其股份於台灣證券交易所上市)擔保。於截至二零一九年六月三十日止年度，貸款已全部清償。
- (b) 貸款由借款人的最終控股公司(一間於百慕達註冊成立之有限公司，其股份於聯交所上市)擔保。
- (c) 截至二零一九年六月三十日止年度，該貸款之到期日由二零一九年九月三十日延長至二零二零年三月三十一日。於二零一九年九月十三日，本集團與借款人及其擔保人訂立貸款協議。根據貸款協議，貸款之到期日已進一步延長至二零二一年十二月三十一日。有關貸款協議之詳情載於本公司日期為二零一九年九月十三日之公告。
- (d) 該等抵押品之詳情載於本公司日期為二零一八年九月二十九日及二零一九年七月十九日之公告。
- (e) 本金額相當於貸款上限225,000,000港元(二零一八年：225,000,000港元)中的123,851,000港元(二零一八年：223,804,000港元)。
- (f) 實際利率包括固定利率每年8%、違約利率每年6%(自二零一九年四月三日起)及參與費每年9%。
- (g) 貸款由借款人一名董事作擔保及借款人的般抵押契據作抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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綜合財務報表附註(續)

截至二零一九年六月三十日止年度

21. LOANS RECEIVABLE (Continued)

Notes: (Continued)

- (h) On 9 July 2019, the Group has entered into the supplemental loan agreement with the borrower. Pursuant to the supplemental loan agreement, the maturity date of the loan has been further extended to 26 June 2020.
- (i) The effective interest rate comprises fixed interest rate of 7.25% and default interest rate of 4.0% per annum.
- (j) On 19 July 2019, the Group and, among other lenders, entered into the supplemental facility agreement with the borrower. Pursuant to the supplemental facility agreement, among other terms of the loan, the limit of loan has been raised to HK\$204,000,000 and the maturity date of the loan has been extended to 12 months after the second utilisation date of the loan (i.e. 5 August 2020). Details of the supplemental facility agreement are set out in the Company's announcement dated 19 July 2019.
- (k) The principal amount as at 30 June 2018 is equivalent to HK\$83,468,000 out of the loan limit of HK\$84,000,000.
- (l) The maturity dates of these loans were further extended from 20 December 2018 and 10 January 2019 to 20 June 2019 and 10 July 2019 respectively on 20 December 2018. During the year ended 30 June 2019, these loans were settled in full.

21. 應收貸款(續)

附註：(續)

- (h) 於二零一九年七月九日，本集團與借款人訂立補充貸款協議。根據補充貸款協議，貸款之到期日已進一步延長至二零二零年六月二十六日。
- (i) 實際利率包括固定利率每年7.25%及違約利率每年4.0%。
- (j) 於二零一九年七月十九日，本集團及其他貸款人與借款人訂立補充融資協議。根據補充融資協議，除其他貸款條款外，貸款上限已提升至204,000,000港元及貸款到期日已延長至自該貸款第二次動用日期起計十二個月(即二零二零年八月五日)。有關補充融資協議之詳情載於本公司日期為二零一九年七月十九日之公告。
- (k) 於二零一八年六月三十日，本金額相當於貸款上限84,000,000港元中的83,468,000港元。
- (l) 於二零一八年十二月二十日，該等貸款到期日分別由二零一八年十二月二十日及二零一九年一月十日進一步延長至二零一九年六月二十日及二零一九年七月十日。截至二零一九年六月三十日止年度，該等貸款已悉數償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

21. LOANS RECEIVABLE (Continued)

The movements in allowance for impairment in respect of loans receivable during the year ended 30 June 2019 are set out as follows:

		HK\$'000 千港元
Balance as at 1 July 2018 (Note 2.2)	於二零一八年七月一日之結餘(附註2.2)	1,160
Recognition of impairment loss	確認減值虧損	169
Reversal of impairment loss	撥回減值虧損	(771)
Balance as at 30 June 2019	於二零一九年六月三十日之結餘	558

The movements of loans receivable during the year are set out as follows:

		HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	232,138
Interest income	利息收入	26,329
Interest received	已收利息	(21,840)
New grant of loans	新增貸款	375,091
Repayment of loans	償還貸款	(202,450)
Exchange difference	匯兌差額	(9,992)
At 30 June 2018	於二零一八年六月三十日	399,276
Adjustment upon application of HKFRS 9 (Note 2.2)	應用香港財務報告準則第9號後的調整(附註2.2)	(1,160)
At 1 July 2018	於二零一八年七月一日	398,116
Interest income	利息收入	56,011
Interest received	已收利息	(42,033)
New grant of loans	新增貸款	229,627
Repayment of loans	償還貸款	(229,602)
Reversal of impairment loss, net	撥回減值虧損淨額	602
Exchange difference	匯兌差額	(11,303)
At 30 June 2019	於二零一九年六月三十日	401,418

21. 應收貸款(續)

於截至二零一九年六月三十日止年度，應收貸款之減值撥備變動載列如下：

年內應收貸款之變動載列如下：

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22. LOAN NOTES

22. 貸款票據

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loan notes issued by Sun Hung Kai & Co. (BVI) Limited ("SHK BVI")	Sun Hung Kai & Co. (BVI) Limited (「SHK BVI」) 發行之貸款票據	51,168	51,420

The movements of loan notes during the year are set out as follows:

年內貸款票據之變動載列如下：

		HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	190,362
Investment in loan notes	投資於貸款票據	19,516
Redemption of loan notes	贖回貸款票據	(156,209)
Interest income	利息收入	6,186
Interest received	已收利息	(8,854)
Exchange difference	匯兌差額	419
At 30 June 2018	於二零一八年六月三十日	51,420
Interest income	利息收入	2,401
Interest received	已收利息	(2,399)
Exchange difference	匯兌差額	(254)
At 30 June 2019	於二零一九年六月三十日	51,168

On 24 May 2016, the Group subscribed loan notes with a nominal value of US\$4,000,000 from SHK BVI, a limited liability company incorporated in the BVI, which carry 4.75% coupon interest per annum and will mature on 31 May 2021.

於二零一六年五月二十四日，本集團向SHK BVI(一間於英屬處女群島註冊成立之有限公司)認購面值為4,000,000美元之貸款票據，其票面年利率為4.75%並將於二零二一年五月三十一日到期。

On 1 September 2017, the Group subscribed loan notes with a nominal value of US\$2,500,000 from SHK BVI, which carry 4.65% coupon interest per annum and will mature on 8 September 2022.

於二零一七年九月一日，本集團向SHK BVI認購面值為2,500,000美元之貸款票據，其票面年利率為4.65%，並將於二零二二年九月八日到期。

Loan notes issued by SHK BVI are guaranteed by Sun Hung Kai & Co. Limited ("SHK"), a limited liability company incorporated in Hong Kong whose shares are listed on the Stock Exchange. SHK BVI is a wholly-owned subsidiary of SHK.

SHK BVI發行之貸款票據由新鴻基有限公司(「新鴻基」，一家於香港註冊成立之有限公司，其股份於聯交所上市)擔保。SHK BVI為新鴻基之全資附屬公司。

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23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收賬款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables at amortised cost	按攤銷成本計量之貿易應收賬款	—	21,432
Other receivables and deposits and prepayments	其他應收賬款、按金及預付款項	16,731	3,842
Receivable from securities brokers	應收證券經紀款項	9,341	2,846
		26,072	28,120

The Group allows an average credit period of 90 days to its trade customers from commodity business. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits to it. The credit limits attributed to customers are reviewed regularly.

本集團授予其商品業務之貿易客戶90日的平均信貸期。接受任何新客戶前，本集團會評估潛在客戶的信貸質素並釐定客戶信貸限額。本集團亦會定期檢討客戶的信貸限額。

The following is an ageing analysis of trade receivables at amortised cost presented based on the invoice date which approximates the revenue recognition date at the end of the reporting period:

於報告期末，按攤銷成本計量之貿易應收賬款按發票日期(與收益確認日期相若)呈列之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30日	21,432

As at 30 June 2018, no trade receivables at amortised cost were past due but not impaired.

於二零一八年六月三十日，概無已逾期但尚未減值之按攤銷成本計量之貿易應收賬款。

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For the year ended 30 June 2019

綜合財務報表附註(續)

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24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 按公平值於損益賬處理之股本投資

2018
二零一八年
HK\$'000
千港元

Listed securities held-for-trading:		持作買賣之上市證券：	
— Equity securities listed in Hong Kong		— 於香港上市之股本證券	26,694
— Equity securities listed in the United Kingdom		— 於英國上市之股本證券	20,388
— Equity securities listed in Australia		— 於澳洲上市之股本證券	221,869
— Equity securities listed in Canada		— 於加拿大上市之股本證券	169,560
— Equity securities listed in the United States of America		— 於美國上市之股本證券	17,352
			455,863

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

25. 已抵押銀行存款以及銀行結餘及現金

Cash at banks earns interest at floating rates based on daily bank deposit rates, ranging from 0.01% to 3.28% (2018: 0.01% to 1.69%) per annum.

銀行現金按每日銀行存款利率之浮動利率賺取利息，年利率介乎0.01%至3.28%(二零一八年：0.01%至1.69%)。

Pledged bank deposits represent deposits pledged to banks to secure the Group's trade and banking facilities and carry variable interest rates ranging from 0.30% to 3.00% (2018: 0.25% to 1.65%) per annum.

已抵押銀行存款指本集團為獲得貿易及銀行融資而抵押予銀行之存款，其按0.30%至3.00%(二零一八年：0.25%至1.65%)之浮動年利率計息。

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綜合財務報表附註(續)

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26. TRADE AND OTHER PAYABLES

26. 貿易及其他應付賬款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables at amortised cost	按攤銷成本計量之貿易應付賬款	—	953
Trade payables designated at FVTPL	指定為按公平值於損益賬處理之貿易應付賬款	5,415	—
Other payables	其他應付賬款	7,396	14,718
		12,811	15,671

The following is an ageing analysis of trade payables designated at FVTPL presented based on the invoice date at the end of the reporting period:

於報告期末，指定為按公平值於損益賬處理之貿易應付賬款按發票日期呈列之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元
0 to 30 days	0至30日	5,415

The Group purchases iron ore commodities under provisional pricing arrangements where final prices are based on prevailing spot prices over a quotation period after shipment by the supplier, MGX. These trade payables are designated at FVTPL on contract by contract basis.

本集團根據臨時定價安排採購鐵礦石商品，最終價格於供應商MGX裝運後基於在報價期內通行現貨價格設定。該等貿易應付賬款按個別合約基準指定為按公平值於損益賬處理。

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For the year ended 30 June 2019

綜合財務報表附註(續)

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26. TRADE AND OTHER PAYABLES (Continued)

The following is an ageing analysis of trade payables at amortised cost presented based on the invoice date at the end of the reporting period:

0 to 30 days

0至30日

953

26. 貿易及其他應付賬款(續)

於報告期末，按攤銷成本計量之貿易應付賬款按發票日期呈列之賬齡分析如下：

2018
二零一八年
HK\$'000
千港元

27. BANK AND OTHER BORROWINGS

Bank borrowing

During the year ended 30 June 2019, the Group obtained a new bank borrowing of HK\$105,000,000 (2018: nil) from a bank and the Group repaid this entire bank borrowing of HK\$105,000,000 (2018: nil) before the end of the reporting period. The bank borrowings carried variable interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.2% per annum and was secured by pledged bank deposits.

Other borrowings

As at 30 June 2018, the Group had other borrowings of HK\$43,500,000. During the year ended 30 June 2019, the Group obtained new other borrowings of HK\$62,000,000 (2018: HK\$62,000,000) from a related company, namely AP Finance Limited ("AP Finance"), and the Group repaid the entire balance of HK\$105,500,000 (2018: HK\$18,500,000) before the end of the reporting period. The other borrowings carried variable interest at HIBOR plus 3% (2018: HIBOR plus 3%) per annum and was unsecured.

AP Finance is a subsidiary of APL, which is the substantial shareholder of the Company exercising significant influence over the Company.

27. 銀行及其他借貸

銀行借貸

於截至二零一九年六月三十日止年度，本集團從一間銀行取得105,000,000港元(二零一八年：零)的新增銀行借貸及本集團於報告期末前已全部償還該銀行借貸105,000,000港元(二零一八年：零)。銀行借貸按香港銀行同業拆息(「香港銀行同業拆息」)加1.2%的浮動年利率計息，及以已抵押銀行存款作擔保。

其他借貸

於二零一八年六月三十日，本集團之其他借貸為43,500,000港元。於截至二零一九年六月三十日止年度，本集團從一間關連公司(即AP Finance Limited(「AP Finance」))取得62,000,000港元(二零一八年：62,000,000港元)的新增其他借貸，及本集團於報告期末前已全部償還結餘105,500,000港元(二零一八年：18,500,000港元)。其他借貸按香港銀行同業拆息加3%(二零一八年：香港銀行同業拆息加3%)的浮動年利率計息及無抵押。

AP Finance為聯合地產之附屬公司，而聯合地產為對本公司有重大影響力之本公司主要股東。

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綜合財務報表附註(續)

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28. SHARE CAPITAL

28. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised and issued share capital			
Ordinary shares of HK\$1.00 each:			
Authorised:			
At 1 July 2017, 30 June 2018 and 30 June 2019	法定： 於二零一七年七月一日、 二零一八年六月三十日及 二零一九年六月三十日	2,000,000,000	2,000,000
Issued and fully paid:			
At 1 July 2017	已發行及繳足： 於二零一七年七月一日	919,165,198	919,165
Repurchase of ordinary shares (note (a))	購回普通股(附註(a))	(123,887,883)	(123,888)
At 30 June 2018	於二零一八年六月三十日	795,277,315	795,277
Issue of shares in lieu of cash dividend (Note 14)	發行股份以代替現金股息 (附註14)	17,318,628	17,319
Issue of shares under rights issue (note (b))	根據供股發行股份(附註(b))	406,297,971	406,298
At 30 June 2019	於二零一九年六月三十日	1,218,893,914	1,218,894

Notes:

- (a) On 4 December 2017, the Company passed an ordinary resolution on a cash offer to the shareholders of the Company to repurchase up to 183,833,040 shares of the Company at an offer price of HK\$1.30 per share. On 28 December 2017, the Company completed the repurchase of 123,887,883 of its own shares at an aggregate amount of HK\$161,054,000. The repurchased shares were then cancelled accordingly and the issued share capital of the Company was reduced by the nominal value thereof.
- (b) On 11 March 2019, the Company announced a fund raising proposal comprising a rights issue on the basis of one new ordinary share of the Company ("Rights Share") for every two existing shares then held at the subscription price of HK\$1.10 per Rights Share (the "Rights Issue"). On 25 April 2019, the Company completed the Rights Issue and a total number of 406,297,971 Rights Shares were issued for gross proceeds of HK\$446,928,000 (net proceeds of HK\$438,584,000 after deduction of the direct costs in relation to the Rights Issue).

附註：

- (a) 於二零一七年十二月四日，本公司通過一項普通決議案，內容有關向本公司股東提出現金收購建議以購回最多達183,833,040股本公司股份，收購價為每股1.30港元。於二零一七年十二月二十八日，本公司完成購回123,887,883股其自身的股份，總額為161,054,000港元。已購回股份其後已被註銷，而本公司已發行股本已扣減其面值。
- (b) 於二零一九年三月十一日，本公司宣佈集資建議，包括以當時每持有兩股現有股份獲發一股本公司新普通股(「供股股份」)為基準，按認購價每股供股股份1.10港元進行供股(「供股」)。於二零一九年四月二十五日，本公司完成供股及合共406,297,971股供股股份已獲發行，所得款項總額為446,928,000港元(經扣除與供股相關的直接成本後所得款項淨額為438,584,000港元)。

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綜合財務報表附註(續)

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29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

29. 融資活動產生的負債對賬

下表列出融資活動產生的本集團負債(包括現金及非現金款項)變動詳情。融資活動產生的負債指已經或將於本集團綜合現金流量表分類為融資活動產生現金流的現金流或未來現金流。

		Bank and other borrowings 銀行及其他借貸 HK\$'000 千港元 (Note 27) (附註27)	Dividend payables 應付股息 HK\$'000 千港元 (note (i)) (附註(i))	Total 總計 HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	—	—	—
Cash dividend declared	已宣派現金股息	—	13,787	13,787
Finance cost recognised (Note 9)	確認融資成本(附註9)	—	536	536
Financing cash flows (note (ii))	融資現金流(附註(ii))	43,500	(14,106)	29,394
At 30 June 2018 and 1 July 2018	於二零一八年六月三十日及二零一八年七月一日	43,500	217	43,717
Cash dividend declared	已宣派現金股息	—	28,072	28,072
Finance cost recognised (Note 9)	確認融資成本(附註9)	—	2,020	2,020
Financing cash flows (note (ii))	融資現金流(附註(ii))	(43,500)	(29,542)	(73,042)
At 30 June 2019	於二零一九年六月三十日	—	767	767

Notes:

- (i) The closing balance is included in other payables.
- (ii) The financing cash flows represented the net amount of proceeds from bank and other borrowings, repayments of bank and other borrowings, dividend paid and interest paid.

附註：

- (i) 期末結餘計入其他應付款項。
- (ii) 融資現金流指銀行及其他借貸、償還銀行及其他借貸、已付股息及已付利息的所得款項淨額。

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30. OPERATING LEASE COMMITMENTS

The Group as lessee

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Minimum lease payments under operating leases in respect of rented premises and equipment during the year	年內租用物業及設備經營租約之最低租金	3,367	3,090

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment, which fall due as follows:

於報告期末，本集團根據不可撤銷經營租賃租用物業及設備之未來最低租金承擔於以下期間到期：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內到期	3,124	1,922
After one year but not more than five years	一年後及五年內到期	1,990	197
		5,114	2,119

Operating lease payments represent rental payable by the Group for its office premises, car parking space, director's quarters and a photocopying machine. Leases are negotiated for the terms of between six months to three years.

經營租金為本集團租用辦公室物業、泊車位、董事之宿舍及一台影印機應付之租金。租約乃按租期六個月至三年議定。

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31. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere of the consolidated financial statements, the Group entered the following related party transactions:

(a) Transactions and balances with subsidiaries of an associate, MGX:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Purchase of commodities	購買商品	103,738	112,943
Trade payables at amortised cost	按攤銷成本計量之貿易應付賬款	—	953
Trade payables designated at FVTPL	指定按公平值於損益賬處理之貿易應付賬款	5,415	—
Other receivables	其他應收賬款	1,326	1,153

The Group entered into several commodity contracts with MGX to purchase certain quantities of iron ores from MGX for which the prices were based on the respective lump and fines Platts Iron Ore Price. The Group is required to take physical delivery of the iron ores from MGX in accordance with terms of the commodity contracts.

31. 關聯方交易

除綜合財務報表其他部分所披露者外，本集團已訂立以下關聯方交易：

(a) 與聯營公司MGX之附屬公司之交易及結餘：

本集團與MGX訂立若干商品合約以向MGX購買一定量的鐵礦石，其價格乃根據塊礦及粉礦各自的普氏鐵礦石價而釐定。根據商品合約條款，本集團須自MGX實物交收鐵礦石。

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31. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions and balances with APL and Allied Group Limited (“AGL”), the holding company of APL:

31. 關聯方交易 (續)

(b) 與聯合地產及聯合集團有限公司(「聯合集團」, 聯合地產之控股公司)之交易及結餘:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Reimbursement to AGL the actual costs incurred in respect of administrative services and a portion of actual costs incurred in respect of management, consultancy, strategic, internal audit, management information system consultancy and business advice services provided by senior management and selected staff of AGL to the Group in accordance with the relevant sharing of administrative services and management services agreement:	根據相關行政服務及管理服務分攤協議, 就聯合集團之高級管理層及選定的僱員向本集團提供行政服務所產生之實際成本及提供管理、顧問、策略、內部審核、管理資訊系統顧問及業務建議服務所產生之部分實際成本向聯合集團作出償付:	1,952	1,938
Reimbursement to APL a portion of actual costs incurred in respect of management services provided by senior management and selected staff of APL to the Group in accordance with the relevant sharing of management services agreement:	根據相關管理服務分攤協議, 就聯合地產之高級管理層及選定的僱員向本集團提供管理服務所產生之部分實際成本向聯合地產作出償付:	355	345
Rental and building management expenses payable to AGL	應付聯合集團租金及樓宇管理費	1,116	—
Amount due to AGL (included in other payables)	應付聯合集團款項(計入其他應付賬款)	510	462

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31. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with Art View Properties Limited, a joint venture of APL:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental and building management expenses	租金及樓宇管理費	—	820

(d) Transaction with Best Advantage Limited ("BAL"), an associate of APL:

On 23 May 2019, the Group entered into a revolving loan agreement with BAL to make a revolving loan in the amount not exceeding HK\$235,000,000 available to BAL. Details of this revolving loan agreement are set out in the Company's announcement dated 23 May 2019. This transaction is a continuing connected transaction and is subject to the approval of shareholders of the Company. The transaction is subsequently approved by shareholders of the Company in the special general meeting held on 9 July 2019.

(e) Transaction and balances with SHK BVI, an indirectly owned subsidiary of APL:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income from loan notes	貸款票據之利息收入	2,401	2,228
Loan notes (Note 22)	貸款票據(附註22)	51,168	51,420

31. 關聯方交易 (續)

(c) 與景鎮置業有限公司，聯合地產之合營公司之交易：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental and building management expenses	—	820

(d) 與 Best Advantage Limited (「BAL」)，聯合地產之聯營公司之交易：

於二零一九年五月二十三日，本集團與BAL訂立循環貸款協議，以向BAL提供不超過235,000,000港元的循環貸款。有關該循環貸款協議的詳情載於本公司日期為二零一九年五月二十三日之公告。該項交易為持續關連交易，須待本公司股東批准。該交易隨後於二零一九年七月九日舉行的股東特別大會上獲本公司股東批准。

(e) 與聯合地產間接擁有之附屬公司SHK BVI之交易及結餘：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income from loan notes	2,401	2,228
Loan notes (Note 22)	51,168	51,420

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31. RELATED PARTY TRANSACTIONS (Continued)

(f) Transactions and balances with AP Finance:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance costs	融資成本	1,174	536
Other borrowings (Note 27)	其他借貸(附註27)	—	43,500

(g) Compensation of key management personnel

The remuneration of key management who are directors of the Company and members of the senior management of the Group during the year is set out as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	10,169	8,692
Post-employment benefits	離職後福利	152	148
		10,321	8,840

The remuneration of key management is determined by the remuneration committee having regard to the position, experience, qualification and performance of the individuals and market trends.

Certain key management personnel of the Group received remuneration from AGL and APL which provided management services to the Group and charged the Group a fee for services provided by these personnel. Details of the management services and the related expenses are set out in note 31(b).

31. 關聯方交易(續)

(f) 與AP Finance之交易及結餘:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance costs	融資成本	1,174	536
Other borrowings (Note 27)	其他借貸(附註27)	—	43,500

(g) 主要管理人員報酬

主要管理人員(為本公司董事及本集團高級管理層成員)於年內之薪酬載列如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	10,169	8,692
Post-employment benefits	離職後福利	152	148
		10,321	8,840

主要管理人員之薪酬乃由薪酬委員會經考慮個人之職位、經驗、資質及表現以及市場趨勢釐定。

本集團若干名主要管理人員向為本集團提供管理服務之聯合集團及聯合地產收取薪酬，而聯合集團及聯合地產就該等人員提供之服務向本集團收取費用。有關管理服務及相關開支之詳情載於附註31(b)。

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31. RELATED PARTY TRANSACTIONS (Continued)

(h) Compensation of senior management personnel

Included in the key management personnel of the Group are three (2018: three) senior management personnel of which two (2018: two) are also directors of the Company. An analysis of remuneration paid and payable to the senior management personnel of the Group during the year is set out as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	8,387	6,987
Post-employment benefits	退休福利	145	141
		8,532	7,128

Their emoluments were within the following bands:

		2019 二零一九年 No. of employees 僱員數目	2018 二零一八年 No. of employees 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	—
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	1

31. 關聯方交易 (續)

(h) 高級管理人員報酬

本集團主要管理人員包括三名(二零一八年:三名)高級管理人員,其中兩名(二零一八年:兩名)亦為本公司董事。年內已付及應付本集團高級管理人員之薪酬分析如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	8,387	6,987
Post-employment benefits	退休福利	145	141
		8,532	7,128

彼等之酬金介乎以下範圍:

		2019 二零一九年 No. of employees 僱員數目	2018 二零一八年 No. of employees 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	—
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	1

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32. RETIREMENT BENEFIT SCHEME

The Group operates a MPF Scheme for all qualifying employees of its Hong Kong incorporated subsidiaries. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributed 5% of the relevant payroll costs to the scheme. The Group's contributions to each employee are subject to a cap of monthly relevant payroll cost of HK\$30,000 (2018: HK\$30,000).

In addition, the Group's contributions to local municipal government retirement scheme in the PRC are expensed as they fall due at the rates specified in the rules of the scheme while the local municipal government in the PRC undertakes to assume the retirement benefit obligations of all existing and future retirees of the qualified staff in the PRC.

The total cost charged to profit or loss of HK\$312,000 (2018: HK\$318,000) represents contributions payable to the schemes by the Group at rates specified in the rules of the respective schemes.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The directors of the Company consider share capital, other reserves and accumulated profits are the capital of the Group. The Group's overall strategy remains unchanged from prior year.

The directors of the Company review the capital structure by taking into account the cost and risk associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

32. 退休福利計劃

本集團為其香港註冊成立之附屬公司全體合資格僱員設有強制性公積金計劃。計劃資產由受託人控制之基金持有，與本集團之資產分開。本集團按相關薪酬成本5%向計劃作出供款。本集團向每位僱員作出之供款受限於每月相關薪酬成本之上限，其為30,000港元(二零一八年：30,000港元)。

此外，中國之當地市政府負責為中國之合資格職工承擔當前及未來全體退休人員之退休福利責任，本集團按計劃規則所指定比率向中國之當地市政府退休計劃作出之供款會於到期時支銷。

於損益扣除之總成本312,000港元(二零一八年：318,000港元)乃本集團須按個別計劃規則所指定比率向計劃支付之供款。

33. 資金風險管理

本集團管理其資金，以確保本集團旗下實體能夠以持續經營方式營運，同時亦透過達致債務與股本結餘之間最佳的平衡而為股東爭取最大回報。本公司董事視股本、其他儲備及累計溢利為本集團之資金。本集團整體策略跟過往年度保持不變。

本公司董事透過考慮資金成本及相關風險審閱其資本結構。根據本公司董事之建議，本集團將會透過支付股息、發行新股及購回股份，以及發行新債或償還現有債務，以平衡其整體資本結構。

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34. FINANCIAL INSTRUMENTS

34. 金融工具

Categories of financial instruments

金融工具之類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
FVTPL	按公平值於損益賬處理		
Mandatorily measured at FVTPL	強制性按公平值於損益賬處理		
— Listed equity securities held-for-trading	— 持作買賣之上市股本證券	392,102	—
— Listed equity securities not held within the trading portfolios	— 並非持作買賣組合之上市股本證券	275,638	—
— Convertible notes	— 可換股票據	10,873	—
— Unlisted equity investments	— 非上市股本投資	21,369	—
		699,982	—
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,366,680	—
Equity investments at FVTPL	按公平值於損益賬處理之股本投資	—	455,863
Convertible notes	可換股票據	—	116,249
Available-for-sale investments	可供出售投資	—	598,049
Loan and receivables (including cash and cash equivalents)	貸款及應收貸款(包括現金及等值現金)	—	916,068
Financial liabilities	金融負債		
FVTPL	按公平值於損益賬處理		
Trade payables designated at FVTPL	指定按公平值於損益賬處理之貿易應付賬款	5,415	—
Amortised cost	攤銷成本	7,396	59,171

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34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

The Group's major financial instruments include equity investments at FVTPL, available-for-sale investments, convertible notes, trade receivables at FVTPL, certain other receivables and deposits, loans receivable, loan notes, pledged bank deposits, bank balances and cash, trade payables at amortised cost, trade payables designated at FVTPL, other payables and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's risk exposure relating to financial instruments or the manner in which it manages and measures the risks.

34. 金融工具(續)

財務風險管理目標

本集團之主要金融工具包括按公平值於損益賬處理之股本投資、可供出售投資、可換股票據、按公平值於損益賬處理之貿易應收賬款、若干其他應收賬款及按金、應收貸款、貸款票據、已抵押銀行存款、銀行結餘及現金、按攤銷成本計量之貿易應付賬款、指定按公平值於損益賬處理之貿易應付賬款、其他應付賬款以及銀行及其他借款。該等金融工具詳情於有關附註披露。與該等金融工具有關之風險及如何減低該等風險之政策載於下文。本集團管理層管理及監察這些風險以確保及時有效地實施適當措施。

本集團與金融工具有關之風險或管理及測量風險之方法並無變動。

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34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk

Foreign currency risk

Several subsidiaries of the Company have foreign currency transactions. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period mainly included pledged bank deposits, certain bank balances, certain loans receivables, certain other receivables and deposits and certain other payables are as follows:

		Assets 資產		Liabilities 負債	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣	133,239	320,671	—	—
US\$	美元	59,918	57,653	—	—
A\$	澳元	437,211	169,383	—	—
Canadian dollars ("CAD")	加拿大元	35,579	26,697	—	—

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

As HK\$ is pegged to US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates and thus US\$ is not included in sensitivity analysis.

34. 金融工具(續)

財務風險管理目標(續)

市場風險

外幣風險

本公司若干附屬公司有外幣交易。本集團於報告期末以外幣計價之貨幣資產及貨幣負債(主要包括已抵押銀行存款、若干銀行結餘、若干應收貸款、若干其他應收賬款及按金以及若干其他應付賬款)之賬面值如下:

本集團目前並無外幣對沖政策。然而，本集團管理層監察外匯風險，並將考慮於必要時對沖重大外幣風險。

敏感度分析

由於港元與美元掛鈎，本集團預期美元兌港元之匯率不會出現任何重大變動，因此，美元並不計入敏感度分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 10% (2018: 10%) increase and decrease in HK\$ against foreign currency and all other variables were held constant. 10% (2018: 10%) is the sensitivity rate used by the management of the Group in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts its translation at the year end for a 10% (2018: 10%) change in foreign currencies rates. A positive number below indicates an increase in post-tax profit for the year where foreign currency strengthen 10% (2018: 10%) against HK\$. For a 10% (2018: 10%) weakening of foreign currency against HK\$ there would be an equal and opposite impact on the post-tax profit for the year.

		RMB Impact 人民幣之影響		A\$ Impact 澳元之影響		CAD Impact 加拿大元之影響	
		2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		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
Increase in post-tax profit	除稅後溢利增加	13,324	32,067	43,721	16,938	3,558	2,670

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits and bank balances as at 30 June 2019 (2018: variable-rate pledged bank deposits, bank balance and other borrowings). The Group is exposed to fair value interest rate risk in relation to fixed-rate loans receivable, convertible notes and loan notes as at 30 June 2019 and 2018. The Group currently does not have any interest rate hedging policy. The directors of the Company monitor the interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

外幣風險(續)

敏感度分析(續)

下表詳列本集團對港元兌外幣匯率上升及下跌10%(二零一八年:10%)之敏感度,而所有其他變數維持不變。10%(二零一八年:10%)乃本集團管理層評估各外幣匯率之合理可能變動所使用之敏感度比率。敏感度分析僅包括以外幣計值之貨幣項目,並按外幣匯率之10%(二零一八年:10%)變動就年末換算進行調整。以下正數表示外幣兌港元升值10%(二零一八年:10%)時年度除稅後溢利的增幅。若外幣兌港元貶值10%(二零一八年:10%),則會對年度除稅後溢利造成等額相反影響。

利率風險

於二零一九年六月三十日,本集團所承受之現金流量利率風險與浮動利率已抵押銀行存款及銀行結餘有關(二零一八年:浮動利率已抵押銀行存款、銀行結餘及其他借款)。於二零一九年及二零一八年六月三十日,本集團就定息應收貸款、可換股票據及貸款票據面臨公平值利率風險。本集團當前未採取任何利率對沖政策。本公司董事監控利率風險狀況,並將於預期出現重大利率風險時考慮其他必要措施。

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34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Interest rate risk (Continued)

No interest rate sensitivity analysis is disclosed, as in the opinion of the directors of the Company, the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing pledged bank deposits, bank balances (2018: pledged bank deposits, bank balances and other borrowings) as at the end of the reporting period.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

Other price risk

Foreign currency price risk

The Group is engaged in equity securities trading and investments which are denominated in foreign currencies and is therefore exposed to foreign currency price risk. 78% (2018: 96%) of the Group's equity investments, including listed securities held-for-trading, listed securities not held within the trading portfolios and unlisted equity investments (2018: equity investments at FVTPL and available-for-sale investments), are denominated in currencies other than the functional currency of the group entities.

The carrying amounts of the Group's foreign currency denominated listed securities held-for-trading, listed securities not held within the trading portfolios and unlisted equity investments (2018: equity investments at FVTPL and available-for-sale investments) at the end of the reporting period are set out as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
US\$	美元	29,156	20,379
A\$	澳元	362,776	785,386
Pound sterling	英鎊	23,569	17,361
CAD	加拿大元	121,702	169,560

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

利率風險(續)

由於本公司董事認為，於報告期末之計息已抵押銀行存款、銀行結餘(二零一八年：已抵押銀行存款、銀行結餘及其他借款)風險不大，利率敏感度不會帶來額外價值，故並無披露利率敏感度分析。

本集團因金融負債而承受之利率風險於本附註流動資金風險管理一節詳述。

其他價格風險

外幣價格風險

本集團從事股本證券買賣及投資，其主要貨幣單位為外幣，因此須承受外幣價格風險。本集團78%(二零一八年：96%)之股本投資(包括持作出售上市證券、並非持作買賣組合之上市證券及非上市股本投資(二零一八年：按公平值於損益賬處理之股本投資及可供出售投資)之貨幣單位並非集團實體之功能貨幣。

於報告期末，本集團以外幣計值之持作出售上市證券、並非持作買賣組合之上市證券及非上市股本投資(二零一八年：按公平值於損益賬處理之股本投資及可供出售投資)之賬面值載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Other price risk (Continued)

Foreign currency price risk (Continued)

The Group is also exposed to foreign currency price risk through equity securities held by an associate of the Group. The equity securities held by this associate are mainly denominated in A\$.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2018: 10%) increase and decrease in HK\$ against foreign currencies and all other variables are held constant. US\$ is not included in sensitivity analysis, as HK\$ is pegged to US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rate. 10% (2018: 10%) is the sensitivity rate used by the management in the assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax profit (2018: post-tax profit or investment revaluation reserve (net of tax)) for the year where foreign currencies strengthen 10% (2018: 10%) against HK\$. For a 10% (2018: 10%) weakening of foreign currencies against HK\$, there would be an equal and opposite impact on the post-tax profit (2018: post-tax profit or investment revaluation reserve (net of tax)) for the year.

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

其他價格風險(續)

外幣價格風險(續)

本集團亦因本集團旗下之聯營公司所持有之股本證券而承受外幣價格風險。該聯營公司所持有之股本證券主要以澳元計值。

敏感度分析

下表詳列本集團對港元兌外幣匯率上升及下跌10%(二零一八年:10%)之敏感度,而其他所有變數維持不變。美元並未計入此敏感度分析,因港元與美元掛鈎,本集團預期美元兌港元之匯率不會有任何重大變動。10%(二零一八年:10%)乃管理層評估外幣匯率之合理可能變動所使用之敏感度比率。下列正數表示外幣兌港元升值10%(二零一八年:10%)時年度除稅後溢利(二零一八年:除稅後溢利或投資重估儲備(扣除稅項))的增幅。若外幣兌港元貶值10%(二零一八年:10%),則會對年度除稅後溢利(二零一八年:除稅後溢利或投資重估儲備(扣除稅項))造成等額相反影響。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Increase in post-tax profit for the year	年度除稅後溢利增加	50,804	40,879
Increase in investment revaluation reserve for the year, net of tax	年度投資重估儲備(扣除稅項)增加	—	56,331

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Other price risk (Continued)

Equity price risk

The Group is exposed to equity price risk through its investments, including listed securities held-for-trading, unlisted equity investments and listed securities not held within the trading portfolios (2018: available-for-sale investments and equity investments at FVTPL). The management of the Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the listed equity securities exposure to price risk at the end of the reporting period. If equity price (in the relevant currencies in which the investments are denominated) had been 30% higher/lower (2018: 30% higher/lower) and all other variables are held constant:

- post-tax profit for the year ended 30 June 2019 would increase/decrease by HK\$200,322,000 (2018: HK\$136,759,000). This is mainly due to the changes in fair value of listed securities held-for-trading and listed securities not held within the trading portfolios (2018: equity investments at FVTPL); and
- investment revaluation reserve for the year ended 30 June 2018 would increase/decrease by HK\$167,861,000 as a result of changes in fair value of available-for-sale investments of HK\$559,539,000.

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

其他價格風險(續)

股價風險

本集團因其投資(包括持作買賣之上市證券、非上市股本投資及並非持作買賣組合之上市證券(二零一八年:可供出售投資及按公平值於損益賬處理之股本投資))而承受股價風險。本集團管理層透過持有風險及回報情況不同之投資組合而管理有關風險。

敏感度分析

以下敏感度分析乃按報告期末上市股本投資之價格風險釐定。假設股本價格(以該等投資之相關計值貨幣計值)升高/下降30%(二零一八年:升高/下降30%)而所有其他變量保持不變:

- 截至二零一九年六月三十日止年度之除稅後溢利將增加/減少200,322,000港元(二零一八年:136,759,000港元)。這主要由持作買賣之上市證券及並非持作買賣組合之上市證券(二零一八年:按公平值於損益賬處理之股本投資)之公平值變動而引起;
- 由於可供出售投資之公平值559,539,000港元發生變動,截至二零一八年六月三十日止年度之投資重估儲備將增加/減少167,861,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Other price risk (Continued)

Equity price risk (Continued)

Sensitivity analysis (Continued)

The sensitivity analyses below have been determined based on the unlisted equity investments at FVTPL (2018: unlisted available-for-sale investments) exposure to price risk at the end of the reporting period. If equity price (in the relevant currencies in which the investments are denominated) had been 30% higher/lower (2018: 30% higher/lower) and all other variables are held constant:

- post-tax profit for the year ended 30 June 2019 would increase/decrease by HK\$6,411,000 as a result of changes in fair value of unlisted equity investments at FVTPL of HK\$21,369,000; and
- investment revaluation reserve for the year ended 30 June 2018 would increase/decrease by HK\$10,360,000 as a result of changes in fair value of unlisted available-for-sale investments of HK\$34,532,000.

Other price risk

The Group is exposed to other price risk through its convertible notes at FVTPL, which were issued by the Private Entity, at the end of the reporting period with changes in fair value to be recognised in the profit or loss. The fair value adjustment of these convertible notes at FVTPL would be affected positively or negatively, among others, by changes in equity price of the issuer.

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

其他價格風險(續)

股價風險(續)

敏感度分析(續)

以下敏感度分析乃按報告期末按公平值於損益賬處理之非上市股本投資(二零一八年:非上市可供出售投資)之價格風險釐定。假設股本價格(以該等投資之相關計值貨幣計值)升高/下降30%(二零一八年:升高/下降30%)而所有其他變量保持不變:

- 由於按公平值於損益賬處理之非上市股本投資之公平值21,369,000港元發生變動,截至二零一九年六月三十日止年度之除稅後溢利將增加/減少6,411,000港元;及
- 由於非上市可供出售投資之公平值34,532,000港元發生變動,截至二零一八年六月三十日止年度之投資重估儲備將增加/減少10,360,000港元。

其他價格風險

於報告期末,本集團因其按公平值於損益賬處理的私人實體所發行的可換股票據而面臨其他價格風險,有關公平值變動於損益中確認。按公平值於損益賬處理的該等可換股票據的公平值調整可能因(其中包括)發行人所收取股價的變動而受到正面或負面影響。

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Market risk (Continued)

Other price risk (Continued)

Other price risk (Continued)

Sensitivity analysis

As at 30 June 2019, if the equity price of the unlisted convertible notes at FVTPL had been 30% (2018: 30%) higher/lower and all other variables were held constant, their fair values the unlisted convertible notes at FVTPL will increase/decrease and the Group's post-tax profit would increase/decrease by HK\$3,261,000 (2018: HK\$3,147,000).

Credit risk and impairment assessment

As at 30 June 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for certain loans receivable which are secured by certain assets (see note 21).

34. 金融工具(續)

財務風險管理目標(續)

市場風險(續)

其他價格風險(續)

其他價格風險(續)

敏感度分析

於二零一九年六月三十日，假設按公平值於損益賬處理的非上市可換股票據的股本價格上升/下降30% (二零一八年：30%) 而所有其他變量保持不變，則按公平值於損益賬處理的非上市可換股票據的公平值將增加/減少及本集團的除稅後溢利將增加/減少3,261,000港元(二零一八年：3,147,000港元)。

信貸風險及減值評估

於二零一九年六月三十日，因交易對方未能履行責任導致本集團將產生財務虧損使本集團面臨的最高信貸風險來自綜合財務狀況表所述各自已確認的金融資產。本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障，惟若干應收貸款以若干資產作抵押(見附註21)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

Financial assets at amortised costs

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Under HKAS 39, impairment losses are made for irrecoverable amounts. Upon the application of HKFRS 9 on 1 July 2018, the Group applies general approach on loans receivable to assess for ECL prescribed by HKFRS 9. To measure ECL of loans receivable, the Group applies internal credit rating for its borrowers and they are assessed individually by reference to their past default records, their current past due exposure and an analysis of their current financial position. The ECL rates are estimated based on historical observed default rates over the expected life of the loans receivable and are adjusted for forward-looking information (for example, the current and forecasted global economy and the general economic conditions of the industry in which the borrowers operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current conditions and the forecasted direction at the reporting date.

For other receivables and deposits and loan notes, the management of the Group makes periodic individual assessment on the recoverability of these items based on historical settlement records, past experience, and reasonable and supportive forward-looking information starting from 1 July 2018. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of these items. The directors of the Company considered that the ECL for these items, which are assessed individually, is significant as at 1 July 2018 and 30 June 2019.

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

按攤銷成本列賬的金融資產

為盡量降低信貸風險，本集團管理層已委任一支負責釐定信貸額度、信貸審批及其他監察程序之團隊，以確保採取跟進行動收回逾期債務。此外，本集團管理層於各報告期末評估各個別債務之可收回金額，以確保對不可收回之金額計提充足之減值虧損。根據香港會計準則第39號，就不可收回之金額計提減值虧損。於二零一八年七月一日應用香港財務報告準則第9號後，本集團就應收貸款應用一般方法以按香港財務報告準則第9號的規定評估預期信貸虧損。為計量應收貸款的預期信貸虧損，本集團就其借款人應用內部信貸評級並參考彼等的過往違約記錄、彼等的當前逾期風險及彼等的當前財務狀況分析對彼等進行個別評估。預期信貸虧損率乃於應收貸款預期年內根據過往已觀察違約率進行估計並就無須花費過多成本或精力即可獲得的前瞻性資料(例如，當前及預測全球經濟以及借款人經營所在行業的整體經濟狀況)作出調整。本集團管理層於報告日期採用該等前瞻性資料評估當前狀況及所預測方向。

就其他應收款項及按金以及貸款票據而言，本集團管理層根據過往結算記錄、過往經驗以及自二零一八年七月一日起的合理可靠前瞻性資料，對該等項目的可收回性進行定期個別評估。本公司董事認為，本集團該等項目的未償還結餘並無內在重大信貸風險。本公司董事認為二零一八年七月一日及二零一九年六月三十日該等項目的預期信貸虧損(進行個別評估)並不重大。

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

Financial assets at amortised costs (Continued)

The bank balances are placed in various authorised financial institutions either with high credit ratings or good financial background and the directors of the Company consider the credit risk of such authorised financial institutions is low.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at 30 June 2019, the Group had concentration of credit risk on pledged bank deposits of HK\$62,500,000 (2018: HK\$23,554,000) in a bank in Hong Kong and on bank balances of HK\$120,729,000 (2018: HK\$24,160,000) in a bank in Hong Kong (2018: the PRC). In the opinion of directors of the Company, the credit risks on pledged bank deposits and bank balances are limited because the counterparties are banks with high credit ratings.

As at 30 June 2019, the Group had concentration of credit risk in respect of certain loans receivable of HK\$315,113,000 (2018: HK\$319,917,000) from two borrowers. The management of the Group reviewed the public announcements and financial information of the guarantors of these loans receivable, the records of continuous settlements of interests and the value of the underlying securities, if any, in order to assess their credit quality. In this regards, the directors of the Company considered the Group's concentration of credit risk in respect of the certain material loans receivable as at 30 June 2019 was significantly reduced.

As at 30 June 2019, the Group had no outstanding trade receivable. As at 30 June 2018, the Group had concentration of credit risk in respect of trade receivable of HK\$21,432,000 into one customer. Taking into account of subsequent settlements received from this customer, the directors of the Company considered that the Group's credit risk in respect of this trade receivable was significantly reduced.

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

按攤銷成本列賬的金融資產(續)

銀行結餘存放於多家擁有高信貸評級或良好財務背景的授權金融機構且本公司董事認為該等授權金融機構的信貸風險較低。

本集團之信貸風險主要受各個客戶之個別特性影響。於二零一九年六月三十日，本集團於香港一間銀行之已抵押銀行存款62,500,000港元(二零一八年：23,554,000港元)及於香港(二零一八年：中國)一間銀行之銀行結餘120,729,000港元(二零一八年：24,160,000港元)存在集中信貸風險。本公司董事認為，由於交易對手方為高信貸評級之銀行，該等已抵押銀行存款及銀行結餘之信貸風險有限。

於二零一九年六月三十日，本集團來自兩名借款人之若干應收貸款315,113,000港元(二零一八年：319,917,000港元)存在信貸集中風險。本集團管理層審閱應收貸款擔保人的公開公告及財務資料、利息持續償付的記錄以及相關證券的價值(如有)以評估其信貸風險。就此而言，本公司董事認為，本集團於二零一九年六月三十日有關若干重大應收貸款的信貸集中風險已大幅降低。

於二零一九年六月三十日，本集團並無未收回貿易應收賬款。於二零一八年六月三十日，本集團來自一名客戶的貿易應收賬款21,432,000港元存在信貸集中風險。考慮到其後已收到該名客戶的還款，本公司董事認為，本集團有關貿易應收賬款的信貸風險已大幅降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

Financial assets at amortised costs (Continued)

As at 30 June 2019, the Group had concentration of credit risk in respect of loan notes of HK\$51,168,000 (2018: HK\$51,420,000) into one entity (2018: one entity). The management of the Group reviewed the public announcements and financial information of the guarantor of these loans notes as well as subsequent settlements of interests in order to assess their credit quality. In this regard, the directors of the Company considered that the Group's credit risk in respect of these loan notes was significantly reduced.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明
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Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方的違約風險較低，且並無任何逾期款項
Medium risk 中風險	Debtor frequently repays after due dates but usually settle in full 債務人經常於逾期日後還款，但通常悉數結算
High risk 高風險	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部或外部來源得到的資料，信貸風險自首次確認以來大幅增加
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

按攤銷成本列賬的金融資產(續)

於二零一九年六月三十日，本集團來自一個(二零一八年：一個)實體的貸款票據51,168,000港元(二零一八年：51,420,000港元)存在信貸集中風險。本集團管理層審閱該等貸款票據的擔保人的公開公告及財務資料以及其後利息償付情況以評估其信貸質素。就此而言，本公司董事認為，本集團有關該等貸款票據的信貸風險已大幅降低。

本集團之內部信貸風險評級評估包括以下類別：

Financial assets at amortised cost 按攤銷成本列賬的金融資產
--

12m ECL 12個月預期信貸虧損
12m ECL 12個月預期信貸虧損
Lifetime ECL — not credit-impaired 全期預期信貸虧損—未發生信貸減值
Lifetime ECL — credit-impaired 全期預期信貸虧損—已發生信貸減值
Amount is written off 有關款項獲撇銷

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

下表詳列本集團金融資產面臨的信貸風險，該等金融資產須進行預期信貸虧損評估：

2019	Notes	External credit rating	Internal credit rating	12m ECL or lifetime ECL 12個月或全期 預期信貸虧損	Gross carrying amount
二零一九年	附註	外部信貸評級	內部信貸評級		賬面總值 HK\$'000 千港元
Financial assets at amortised cost					
按攤銷成本列賬的金融資產					
Loans receivable (note (i))	21	N/A	Low risk	12m ECL (not credit impaired and assessed individually)	210,515
應收貸款(附註(i))		不適用	低風險	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	
			Medium risk	12m ECL (not credit impaired and assessed individually)	—
			中風險	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	
			High risk	Lifetime ECL (not credit impaired and assessed individually)	191,461
			高風險	全期預期信貸虧損(未發生 信貸減值及進行個別評估)	
Loan notes	22	N/A	Low risk	12m ECL (not credit impaired and assessed individually)	51,168
貸款票據		不適用	低風險	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

2019	Notes	External credit rating	Internal credit rating	12m ECL or lifetime ECL 12個月或全期 預期信貸虧損	Gross carrying amount 賬面總值 HK\$'000 千港元
二零一九年	附註	外部信貸評級	內部信貸評級		
Other receivables and deposits (note (ii))	23	N/A	Low risk	12m ECL (not credit impaired and assessed individually)	24,836
其他應收款項及按金(附註(ii))		不適用	低風險	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	
Pledged bank deposits	25	A1	N/A	12m ECL (not credit impaired and assessed individually)	74,711
已抵押銀行存款			不適用	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	
Bank balances	25	Baa1 to Aa1	N/A	12m ECL (not credit impaired and assessed individually)	814,487
銀行結餘		Baa1至Aa1	不適用	12個月預期信貸虧損 (未發生信貸減值及 進行個別評估)	
					1,367,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Credit risk and impairment assessment (Continued)

Notes:

- (i) No loss allowance has been recognised for the loans receivable falling into high risk category in the internal credit rating because the carrying amount of this loans receivable can be recovered by realisation of the underlying security.
- (ii) For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has been increased significantly since initial recognition.

34. 金融工具(續)

財務風險管理目標(續)

信貸風險及減值評估(續)

附註：

- (i) 概無就內部信貸評級中屬於高風險類別的應收貸款確認虧損撥備，原因是該應收貸款的賬面值可透過變現相關抵押品予以收回。
- (ii) 就內部信貸風險管理而言，本集團採用逾期資料以評估信貸風險自初次確認後是否顯著增加。

	Past due	Not past due/no fixed repayment terms	Total
	逾期	未逾期/ 無固定還款期	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Other receivables and deposits	—	24,836	24,836
其他應收款項及按金	—	24,836	24,836

The following table shows the reconciliation of loss allowances that has been recognised for loans receivable.

下表載列已就應收貸款確認的虧損撥備對賬。

		12m ECL (not credit impaired)
		12個月預期信貸虧損(未發生信貸減值)
		HK\$'000
		千港元
At 30 June 2018	於二零一八年六月三十日	—
Adjustment (Note 2.2)	調整(附註2.2)	1,160
At 1 July 2018 (restated)	於二零一八年七月一日(經重列)	1,160
Reversal of impairment loss	撥回減值虧損	(771)
Recognition of impairment loss	確認減值虧損	169
At 30 June 2019	於二零一九年六月三十日	558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Such non-derivative financial liabilities outstanding at the end of the reporting period are considered as if outstanding for the whole period. The table includes both interest and principal cash flows.

34. 金融工具(續)

財務風險管理目標(續)

流動資金風險

對於流動資金風險管理，本集團監控並維持本集團管理層認為充足之現金及等值現金水平，為本集團經營提供資金並減少現金流量波動之影響。本集團管理層透過維持充足儲備及銀行融資，並透過持續監控預期及實際現金流量及對照金融資產及負債之到期情況對流動資金風險進行管理。

流動資金表

下表詳細說明本集團非衍生金融負債之剩餘合約年期。下表乃根據金融負債之未折現現金流量呈列，該等金融負債乃根據本集團可能須付款之最早日期分類。該等非衍生金融負債於報告期末未償還則被視為於整個期間未曾償還。下表包括利率及本金現金流量。

		Weighted average interest rate 加權平均利率 %	Repayable on demand 應要求償還 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	Total contractual undiscounted cash flow 未折現合約現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 30 June 2019	於二零一九年六月三十日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Other payables	其他應付賬款	—	767	6,629	7,396	7,396
At 30 June 2018	於二零一八年六月三十日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Trade and other payables	貿易及其他應付賬款	—	—	15,671	15,671	15,671
Other borrowings	其他借貸	4.2	—	44,130	44,130	43,500
			—	59,801	59,801	59,171

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Liquidity risk (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

34. 金融工具(續)

財務風險管理目標(續)

流動資金風險(續)

倘浮動利率之變動不同於報告期末釐定之利率估計，上述就非衍生金融負債之浮動利率工具計入之金額可予更改。

金融工具之公平值計量

本附註提供資料以展示本集團如何釐定不同金融資產及金融負債之公平值。

以經常基準按公平值計量之本集團金融資產及金融負債之公平值

本集團之若干金融資產於各個報告期末按公平值計量。下表載列關於如何釐定該等金融資產之公平值的資料(特別是所採用的估值技術及輸入數據)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

34. 金融工具(續)

金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets	Fair value as at 30 June 2019 於二零一九年六月三十日之公平值	Fair value as at 30 June 2018 於二零一八年六月三十日之公平值	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及關鍵輸入數據
(1) Listed equity securities held-for-trading 持作買賣之上市股本證券	Listed equity securities — HK\$392,102,000 上市股本證券 — 392,102,000港元	Listed equity securities — HK\$455,863,000 上市股本證券 — 455,863,000港元	Level 1 第一級	Quoted bid prices in active markets 於活躍市場所報的買入價
(2) Available-for-sale investments 可供出售投資	N/A 不適用	Unlisted equity securities — HK\$34,532,000 非上市股本證券 — 34,532,000港元	Level 3 第三級	Discounted cash flow and a discount rate of 38.7% for business valuation 對於業務估值，採用折現現金流量，折現率為38.7%
	N/A 不適用	Listed equity securities — HK\$559,539,000 上市股本證券 — 559,539,000港元	Level 1 第一級	Black Scholes Option Pricing model and an expected volatility of 22% for equity allocation 對於權益分配，採用布萊克-舒爾斯期權定價模型，預期波動率為22%
	N/A 不適用	Listed equity securities — HK\$559,539,000 上市股本證券 — 559,539,000港元	Level 1 第一級	Quoted bid prices in active markets 於活躍市場所報的買入價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

34. 金融工具(續)

金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets 金融資產	Fair value as at 30 June 2019 於二零一九年 六月三十日之公平值	Fair value as at 30 June 2018 於二零一八年 六月三十日之公平值	Fair value hierarchy 公平值 層級	Valuation technique(s) and key input(s) 估值技術及 關鍵輸入數據
(3) Convertible notes 可換股票據	Issued by the Private Entity — HK\$10,873,000 由私人實體發行 — 10,873,000港元	Issued by the Private Entity — HK\$11,263,000 由私人實體發行 — 11,263,000港元	Level 3 第三級	Discounted cash flow and a discount rate of 26.4% (2018: 24.6%) for debt component 對於債務部分，採用折現現金流量，折現率為26.4% (二零一八年：24.6%)
	N/A 不適用	Issued by a listed company — HK\$104,986,000 由上市公司發行 — 104,986,000港元	Level 3 第三級	Binomial model and an expected volatility of 19% for derivative component 對於衍生部分，採用二項式模型，預期波動率為19%
				Discounted cash flow and a discount rate of 11.7% for debt component 對於債務部分，採用折現現金流量，折現率為11.7%
				Binomial model and an expected volatility of 93% for derivative component 對於衍生部分，採用二項式模型，預期波動率為93%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 30 June 2019 於二零一九年六月三十日之公平值	Fair value as at 30 June 2018 於二零一八年六月三十日之公平值	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及關鍵輸入數據
(4) Equity securities not held within the trading portfolios 並非持作貿易組合之股本證券	Unlisted equity securities — HK\$21,216,000 非上市股本證券 — 21,216,000港元	N/A 不適用	Level 3 第三級	Discounted cash flow and a discount rate of 33.7% for business valuation 對於業務估值部分，採用折現現金流量，折現率為33.7%
	— HK\$153,000	N/A	Level 3	Black Scholes Option Pricing model and an expected volatility of 19% for equity allocation 對於權益分配，採用布萊克－舒爾斯期權定價模型，預期波動率為19%
	— 153,000港元	不適用	Level 3 第三級	Price to book multiples with reference to the market price of companies comparable to the investee and the investee's net asset value and a discount rate of 47%. 賬面值乘以經參考可資比較被投資公司市價及被投資公司資產淨值及貼現率的47%。
	Listed equity securities — HK\$275,638,000 上市股本證券 — 275,638,000港元	N/A 不適用	Level 1 第一級	Quoted bid prices in active markets 於活躍市場所報的買入價

34. 金融工具(續)

金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	Fair value as at 30 June 2019 於二零一九年 六月三十日之公平值	Fair value as at 30 June 2018 於二零一八年 六月三十日之公平值
Financial assets 金融資產		

(5) Trade payables designated at FVTPL	— HK\$5,415,000	N/A
指定按公平值於損益賬處理之貿易應付賬款	— 5,415,000 港元	不適用

There were no transfers among Level 1, 2 and 3 during both years.

34. 金融工具(續)

金融工具之公平值計量(續)

以經常基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Fair value hierarchy 公平值 層級	Valuation technique(s) and key input(s) 估值技術及 關鍵輸入數據
Level 2	Derived from quoted prices in active markets after considering credit risk of the liabilities
第二級	來源於考慮負債之信貸風險後之活躍市場報價

於兩個年度內，第一級、第二級及第三級之間並無轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets

34. 金融工具(續)

金融工具之公平值計量(續)

金融資產之第三級公平值計量之對賬

		Unlisted available-for-sale investments at FVTOCI under HKAS 39 根據香港會計準則第39號 透過其他全面收益按公平值 列賬之非上市可供出售投資 HK\$'000 千港元	Convertible notes designated at FVTPL under HKAS 39 根據香港會計準則第39號指定 按公平值於損益賬處理之 可換股票據 HK\$'000 千港元	Convertible notes at FVTPL under HKFRS 9 根據香港財務報告準則第9號 按公平值 於損益賬處理 之可換股票據 HK\$'000 千港元	Unlisted equity securities at FVTPL under HKFRS 9 根據香港財務報告準則第9號 按公平值 於損益賬處理 之非上市 股本證券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	16,145	9,320	—	—	25,465
Acquired during the year	年內收購	—	110,000	—	—	110,000
Gain arising from changes in fair value recognised in other comprehensive income	於其他全面收益確認的 公平值變動收益	18,387	—	—	—	18,387
Gain arising from changes in fair value recognised in profit or loss	於損益確認的公平值變動 收益	—	5,552	—	—	5,552
Interest income	利息收入	—	7,154	—	—	7,154
Conversion into ordinary shares	轉換為普通股	—	(15,882)	—	—	(15,882)
Exchange difference	匯兌差額	—	105	—	—	105
At 30 June 2018	於二零一八年六月三十日	34,532	116,249	—	—	150,781
Reclassification upon application of HKFRS 9	於應用香港財務報告 準則第9號時重新分類	(34,532)	(116,249)	116,249	34,532	—
Transfer from unlisted available-for-sale investments at cost under HKAS 39 upon application of HKFRS 9	於應用香港財務報告 準則第9號時轉撥自 根據香港會計準則 第39號按成本計量之非 上市可供出售投資	—	—	—	3,978	3,978
Gain arising from changes in fair value recognised in accumulated profits upon application of HKFRS 9	於應用香港財務報告準則 第9號時於累計溢利確 認之公平值變動收益	—	—	—	83	83
Redemption	贖回	—	—	(100,000)	—	(100,000)
Interest income	利息收入	—	—	2,348	—	2,348
Interest received	已收利息	—	—	(6,725)	—	(6,725)
Disposal	出售	—	—	—	(3,732)	(3,732)
Loss arising from changes in fair value recognised in profit or loss	於損益確認之公平值 變動虧損	—	—	(999)	(13,492)	(14,491)
At 30 June 2019	於二零一九年六月三十日	—	—	10,873	21,369	32,242

34. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets (Continued)

The unrealised loss during the year ended 30 June 2019 relating to financial assets that are measured at fair value and are in level 3 in the fair value hierarchy at the end of the reporting period is HK\$16,090,000. Such fair value loss is included in “other gains and losses” line item in these consolidated statement of profit or loss.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis and considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The chief financial officer of the Company works closely with these valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

34. 金融工具(續)

金融工具之公平值計量(續)

金融資產之第三級公平值計量 之對賬(續)

截至二零一九年六月三十日止年度，於報告期末按公平值計量且屬於第三級公平值層級之金融資產的相關未變現虧損為16,090,000港元。該公平值虧損計入該等綜合損益表「其他收益及虧損」一項。

並非以經常基準按公平值計量之 本集團金融資產及金融負債之公 平值

本集團管理層估計其以貼現現金流量分析按攤銷成本計量的金融資產及金融負債之公平值，且認為綜合財務狀況表內按攤銷成本記錄之金融資產及金融負債之賬面值與其公平值相若。

公平值計量及估值過程

本公司之首席財務官負責就公平值計量釐定適當的估值技術及輸入數據。

於估計一項資產的公平值時，本集團採用可得的市場可觀察數據。倘第一級輸入數據不可得，本集團委聘第三方合資格估值師進行估值。本公司首席財務官與該等估值師密切合作以建立適當的模式估值技術及輸入數據。

有關釐定各項資產公平值所採用估值技術及輸入數據的資料於上文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

35. 主要附屬公司資料

Name of company 公司名稱	Country of incorporation/ establishment and operation 註冊成立/ 成立及經營 國家	Particulars of issued and paid up capital 已發行及繳足股本詳情	As at 30 June 2019 Proportion of ownership interest 於二零一九年六月三十日 擁有權益比例			As at 30 June 2018 Proportion of ownership interest 於二零一八年六月三十日 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	The Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Accardo Investments Limited 英屬處女群島	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Principal investment and financial services 主要投資及金融服務
APAC Resources Asia Limited 亞太資源亞洲有限公司	Hong Kong	HK\$1 ordinary share 1港元普通股	100%	100%	—	100%	100%	—	Resource investment 資源投資
APAC Resources Assets Limited 亞太資源資產有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
APAC Resources Beijing Limited 亞太資源北京有限公司	Hong Kong	HK\$1 ordinary share 1港元普通股	100%	100%	—	100%	100%	—	Principal investment and financial services 主要投資及金融服務
APAC Resources Commodity Trading Limited 亞太資源商品貿易有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Resource investment 資源投資
APAC Resources Investments Limited 亞太資源投資有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
APAC Resources Management Limited 亞太資源管理有限公司	Hong Kong	HK\$1 ordinary share 1港元普通股	100%	100%	—	100%	100%	—	Provision of management services 提供管理服務
APAC Resources Mining Limited 亞太資源礦業有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
APAC Resources Strategic Holdings Limited 亞太資源策略控股有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
APAC Resources Treasury Management Limited 亞太資源財資管理有限公司	BVI	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Principal investment and financial services 主要投資及金融服務
Asia Cheer Trading Limited 喜亞貿易有限公司	Hong Kong	HK\$1 ordinary share 1港元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

35. 主要附屬公司資料(續)

Name of company 公司名稱	Country of incorporation/ establishment and operation 註冊成立/ 成立及經營 國家	Particulars of issued and paid up capital 已發行及 繳足股本詳情	As at 30 June 2019 Proportion of ownership interest 於二零一九年六月三十日 擁有權益比例			As at 30 June 2018 Proportion of ownership interest 於二零一八年六月三十日 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	The Group's effective interest 本集團之 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Fortune Arm Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	—	100%	100%	—	100%	Principal investment and financial services 主要投資及金融服務
Fortune Desire Investments Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
Mount Sun Investments Limited	BVI 英屬處女群島	US\$1 ordinary share 1美元普通股	100%	100%	—	100%	100%	—	Investment holding 投資控股
Sino Chance Trading Limited	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100%	100%	—	100%	100%	—	Trading of commodities 商品貿易
亞太資源(青島)有限公司 (note) (附註)	The PRC 中國	US\$29,800,000 29,800,000美元	100%	—	100%	100%	—	100%	Trading of commodities 商品貿易
瑞域(上海)投資諮詢有限公司 (note) (附註)	The PRC 中國	US\$3,600,000 3,600,000美元	100%	100%	—	100%	100%	—	Provision of consultancy service in corporate management, metallurgy technology, investment and development in mineral resources 提供公司管理、冶金技術及礦產資源投資開發方面之諮詢服務

Note: 亞太資源(青島)有限公司 and 瑞域(上海)投資諮詢有限公司 are wholly-owned foreign investment enterprises registered in the PRC.

附註：亞太資源(青島)有限公司及瑞域(上海)投資諮詢有限公司均為於中國註冊之外商獨資企業。

The above list contains only the particulars of subsidiaries which, in the opinion of the directors of the Company, principally affected the results, assets or liabilities of the Group.

本公司董事認為，上表僅包含主要影響本集團業績、資產或負債之附屬公司資料。

None of the subsidiaries had issued any debt securities at the end of both years or at any time during both years.

概無附屬公司於兩個年度末或兩個年度內任何時間發行任何債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

36. 本公司財務狀況表

The Company

本公司

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Investment in an associate	於一間聯營公司之投資	22,716	22,716
Investments in subsidiaries	於附屬公司之投資	5,383	5,383
Amounts due from subsidiaries	應收附屬公司款項	1,039,902	1,612,110
		1,068,001	1,640,209
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	979,711	235,559
Other receivables and prepayments	其他應收款項及預付款項	697	943
Bank balances	銀行結餘	338,868	76,716
		1,319,276	313,218
Total assets	資產總值	2,387,277	1,953,427
EQUITY AND LIABILITIES	股權及負債		
Capital and reserves	股本及儲備		
Share capital	股本	1,218,894	795,277
Share premium and other reserves	股份溢價及其他儲備	346,271	311,659
Accumulated profits	累計溢利	756,454	800,029
		2,321,619	1,906,965
Current liabilities	流動負債		
Other payables	其他應付賬款	4,876	2,962
Amounts due to subsidiaries	應付附屬公司款項	60,782	—
Other borrowings	其他借貸	—	43,500
Total liabilities	負債總額	65,658	46,462
Total equity and liabilities	股權及負債總額	2,387,277	1,953,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2019

綜合財務報表附註(續)

截至二零一九年六月三十日止年度

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The Company (Continued)

Note:

- a. Movement of the Company's reserves

36. 本公司財務狀況表(續)

本公司(續)

附註：

- a. 本公司儲備變動

		Share premium		Other reserves		Accumulated profits	
		2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		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
At beginning of the year	於年初	172,082	209,248	139,577	139,577	800,029	837,237
Profit (loss) for the year	年內溢利(虧損)	—	—	—	—	4,142	(23,421)
Repurchase of ordinary shares	購回普通股	—	(37,166)	—	—	—	—
Shares issued under rights issue	根據供股發行股份	40,630	—	—	—	—	—
Transaction cost attributed to rights issue	供股應佔交易成本	(8,344)	—	—	—	—	—
Dividends recognised as distribution	確認為分派的股息	2,326	—	—	—	(47,717)	(13,787)
At end of the year	於年末	206,694	172,082	139,577	139,577	756,454	800,029

FINANCIAL SUMMARY

財務概要

The results and the assets and liabilities of the Group for the past five financial years, as extracted from the Group's published consolidated financial statements are set out below:

以下為本集團關於過往五個財政年度之業績及資產與負債，乃摘錄自本集團已公佈之綜合財務報表：

RESULTS

業績

		Year ended 30 June 截至六月三十日止年度				
		2019 二零一九年 HK\$'000 千港元 (note) (附註)	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	109,227	156,120	100,476	123,103	256,372
Profit (loss) before taxation	除稅前溢利(虧損)	609,260	321,145	617,373	(15,705)	(850,392)
Income tax (expense) credit	所得稅(支出)抵免	(828)	6,970	(68,778)	(1,140)	2,466
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔年度溢利(虧損)	608,432	328,115	548,595	(16,845)	(847,926)

ASSETS AND LIABILITIES

資產及負債

		As at 30 June 於六月三十日				
		2019 二零一九年 HK\$'000 千港元 (note) (附註)	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	資產總值	4,027,529	3,111,495	2,916,650	2,228,979	2,006,763
Total liabilities	負債總額	(13,042)	(59,171)	(28,300)	(20,613)	(79,050)
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,014,487	3,052,324	2,888,350	2,208,366	1,927,713

Note: The results of the Group for the year ended 30 June 2019 and the assets and the liabilities of the Group as at 30 June 2019 are figures after application of Hong Kong Financial Reporting Standard ("HKFRS") 9 and HKFRS 15. Therefore, the financial information for year 2019 may not be comparable to that of the previous years.

附註：本集團截至二零一九年六月三十日止年度之業績以及本集團於二零一九年六月三十日之資產及負債為應用香港財務報告準則第9號及香港財務報告準則第15號後之數字。因此，二零一九年之財務資料可能無法與過往年度之資料比較。



APAC Resources Limited
亞太資源有限公司*

