



HUSCOKE HOLDINGS LIMITED
和嘉控股有限公司

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

(Stock Code 股份代號 : 704)

ANNUAL REPORT

2019

年報



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BOARD OF DIRECTORS

Executive Directors

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

Mr. So Chiu Fung¹

Mr. Wang Yijun²

Non-Executive Directors

Mr. Li Qinghua³

Mr. Wong Siu Hung, Patrick

Mr. Huang Man Yem

Mr. Jiang Jiansheng⁴

Independent Non-Executive Directors

Mr. Lam Hoy Lee, Laurie

Mr. To Wing Tim, Paddy

Dr. Wang Wei Hsin

AUDIT COMMITTEE

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

Mr. Lam Hoy Lee, Laurie

Mr. Huang Man Yem

Dr. Wang Wei Hsin

REMUNERATION COMMITTEE

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

Mr. To Wing Tim, Paddy

Mr. Huang Man Yem

Dr. Wang Wei Hsin

NOMINATION COMMITTEE

Mr. Zhao Xu Guang (*Chairman*)

Mr. Lam Hoy Lee, Laurie

Mr. To Wing Tim, Paddy

Dr. Wang Wei Hsin

COMPANY SECRETARY

Mr. Li Chi Chung

¹ resigned on 15 January 2020

² appointed on 10 July 2019

³ appointed on 10 June 2019 as executive Director and re-designated to non-executive Director on 1 March 2020

⁴ appointed on 15 January 2020

董事會

執行董事

趙旭光先生 (*主席及行政總裁*)

蘇晁鋒先生¹

王義軍先生²

非執行董事

李清華先生³

黃少雄先生

黃文鑫先生

姜建生先生⁴

獨立非執行董事

林開利先生

杜永添先生

王維新博士

審核委員會

杜永添先生 (*主席*)

林開利先生

黃文鑫先生

王維新博士

薪酬委員會

林開利先生 (*主席*)

杜永添先生

黃文鑫先生

王維新博士

提名委員會

趙旭光先生 (*主席*)

林開利先生

杜永添先生

王維新博士

公司秘書

李智聰先生

¹ 於二零二零年一月十五日辭任

² 於二零一九年七月十日獲委任

³ 於二零一九年六月十日獲委任為執行董事及於二零二零年三月一日調任為非執行董事

⁴ 於二零二零年一月十五日獲委任

CORPORATE INFORMATION 公司資料

LEGAL ADVISER

Michael Li & Co.

AUDITORS

BDO Limited

STOCK CODE

Hong Kong Stock Exchange: 704

CORPORATE WEBSITE

www.huscoke.com

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REGISTERED OFFICE

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31 Victoria Street
Hamilton HM 10
Bermuda

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

In Bermuda

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

PRINCIPAL BANKERS

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

法律顧問

李智聰律師事務所

核數師

香港立信德豪會計師事務所有限公司

股票代號

香港聯交所：704

公司網址

www.huscoke.com

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Hamilton HM 10
Bermuda

股份過戶登記處

香港

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

百慕達

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

主要往來銀行

南洋商業銀行有限公司
東亞銀行有限公司
香港上海滙豐銀行有限公司

CHAIRMAN'S STATEMENT 主席報告

On behalf of the Board of Huscoke Holdings Limited, I am pleased to present the annual report of the Group for the year ended 31 December 2019.

BUSINESS OVERVIEW

The year 2019 was full of challenges for the Group. Coke, positioned as middle-stream in the industry chain, is closely linked with infrastructure, property and other industries. Affected by factors such as rising international trading frictions, retarded growth for domestic economy and sluggish market for downstream steel, the domestic coke market was generally on the weak side and coke price had dropped from high level at the beginning of the year with a fluctuating trend. On the other hand, coking coal, positioned as upstream in the industry chain, the slightly tightened supply had caused steady price increment, and the narrowing spread of coke led to substantial depression of the Group's gross margin. Responding to the worsening market environment, the management took timely strategies to stabilize the production and sales while strengthening its control over various costs and expenses, thus the Group had managed to remain profitable in this year and the overall operation and financial position sustained its steadiness and soundness.

The year 2019 brought along with vast opportunities to the Group. Facing the pressure of upgrading and transformation over the coke industry from the PRC's government, the Group had actively explored new business segments and expanding the upstream and downstream of coke industry chain and had made significant progress in the year. The Group entered into Shareholders Agreements on 12 September and 20 November 2019 respectively, pursuant to which, Shanxi Golden Rock Rich Hydrogen Energy Co., Ltd. (山西金岩富氫能源有限公司) ("**Rich Hydrogen Energy**"), will be established in Shanxi Province, the PRC. Rich Hydrogen Energy is planned to principally engage in projects of producing LNG, synthetic ammonia, urea and related products, as well as the development of clean energy business including hydrogen, thus the Group's revenues would become more diversified for enhancing the overall profitability. Meanwhile, the Group has been actively exploring potential projects for acquisition and merger in a bid to proceed the updating and upgrading of coke production business. In November 2019, the Group entered into a Framework Agreement with Shanxi Jinyan Energy Technology Company Limited* (山西金岩能源科技有限公司) ("**Energy Technology**"), pursuant to which the Company intends to acquire and merge a coke production project with a capacity of over 5 million tons coke per year. Upon the completion, it will enlarge the Group's scale of production and enhance its production technology.

本人謹此代表和嘉控股有限公司董事會，欣然提呈本集團截至二零一九年十二月三十一日之年度報告。

業務回顧

二零一九年對本集團是充滿挑戰的一年。焦炭作為產業鏈中游與基礎建設、房地產等行業息息相關，受國際貿易摩擦增加、國內經濟增長放緩以及下游鋼材市場疲弱等因素影響，國內焦炭市場整體走弱，焦炭價格自年初高位下跌，走勢波動。同時，焦煤作為產業鏈上游供應偏緊，使焦煤價格穩步上揚，焦炭價差收窄導致本集團毛利顯著受壓。管理層為應對市場環境惡化及時採取策略以穩定集團生產及銷售，同時加強控制各項成本及費用，使本集團於本年度仍錄得盈利，整體營運及財務狀況仍然維持穩健。

二零一九年對本集團亦是充滿機遇的一年。面對中國政府對焦化行業升級改造壓力，本集團積極開發新業務板塊並拓展焦炭上下游產業鏈，並於本年度取得重大進展。本集團分別於二零一九年九月十二日及十一月二十日簽訂股東協議以於中國山西省成立山西金岩富氫能源有限公司（「**富氫能源**」），計劃生產液化天然氣、合成氨及尿素等化工產品，以及開發氫能等清潔能源，使本集團收入來源更多元化以提升整體利潤水準。與此同時，本集團亦積極調研潛在收購合併項目以推動本集團的焦炭生產業務的升級換代，並於二零一九年十一月與山西金岩能源科技有限公司（「**能源科技**」）簽訂框架協議，有意收購合併其年產500萬噸焦化項目，完成後將可擴大本集團生產規模以及提升生產技術。

OUTLOOK

The year 2020 will set an end to the 13th Five-year Plan of the State. It is expected that the State will reinforce the implementation of the policies of coke de-capacity and industry upgrading so as to achieve the target of 13th Five-year Plan, and to further eliminate inefficient capacity and effectively regulate the supply & demand situation for the coke market, thereby optimizing the structure for coke industry. In addition, the pandemic of COVID-19 broke out globally in the beginning of 2020, China has begun to resume work and production after performing effective control over the outbreak, and the impact of the epidemic on production and operations is expected to be limited. At the same time, the Chinese government plans to implement a series of economic stimulus measures and increase investment in infrastructure, which is expected to stimulate coke demand and facilitate the return of coke prices to a reasonable level. Accordingly, the environment for coke market in 2020 is expected to be improved and is favorable for the production and operation of coke industry. The Group will closely monitor the market trend and will seasonably take operational and development strategies to correspond to the market challenge from time to time and seize market opportunity in a bid to enhance the Group's operational performance for 2020.

Meanwhile, the PRC government's de-capacity and environmental policies pose transformation and upgrading pressures to the Group with future challenges. The Group will actively develop new business segments and escalate the investment in and construction for coke oven gas project of Rich Hydrogen Energy. Upon the completion of the construction, it will produce 250,000 tons of LNG, 800,000 tons of synthetic ammonia and 1,400,000 tons of urea per annum. Meanwhile, the Group intends to acquire and merge the coke production project with capacity of 5,000,000 tons per annum located in Xiaoyi, Shanxi and to actively facilitate the relevant acquisition & merger matters. Upon the completion of the transaction, it will be beneficial to the Group to integrate coke production business and to propel the transformation and upgrading of the industry so as to fulfil the clean plus efficient environmental objectives and to optimize economies of scale. The management expects that the new business will drive the growth for the Group and enable the Group's business to develop in a better way so as to enhance the Group's future profitability and thereby creating long-term investment opportunities with steady return for Shareholders.

展望

二零二零年為國家「十三五」規劃的收官之年，預計國家將加強執行焦炭去產能及產業升級政策以達到十三五政策目標，將進一步淘汰落後產能並有效調節焦炭市場供需情況，從而優化焦炭行業的產業結構。另外，二零二零年初新型冠狀病毒全球流行，中國有效控制疫情後開始復工復產，預計疫情對生產經營影響有限；同時中國政府計劃推行一系列經濟刺激措施及加大基礎建設投資，可望刺激焦炭需求，有利焦炭價格回歸合理水準。綜上，二零二零年焦炭市場環境預計將有所改善，有利焦炭企業的生產經營。本集團將緊密監測市場走勢，適時採取經營發展策略以應對市場挑戰，並把握市場機遇，以提升本集團於二零二零年的營運表現。

中國政府的去產能政策及環保政策亦同時增加對本集團的轉型升級壓力，未來仍然面對挑戰。本集團將積極發展新業務板塊，將加快推進富氫能源焦爐煤氣項目的投資建設。完成建設後每年可生產25萬噸液化天然氣、80萬噸合成氨及140萬噸尿素。同時，本集團有意收購合併位於山西省孝義市的年產500萬噸焦炭生產項目，並將積極推進相關收購合併事宜，完成交易後將有助於本集團整合焦炭生產業務並推動產業轉型升級，以達致更清潔高效的環保目標以及更具規模經濟效益。管理層預期新業務將為本集團業務形成新增長動力，使本集團未來業務帶來更好發展以提升本集團之未來盈利能力，可以為股東帶來長遠穩健回報的投資機會。

CHAIRMAN'S STATEMENT 主席報告

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to all Shareholders, business partners, long-term customers and banks for their continuous support, and sincerely thank all Directors and staff for their dedication and diligence.

ZHAO Xu Guang

Chairman

30 March 2020

* *For identification purpose only*

致謝

本人謹代表董事會感謝全體股東、合作夥伴、長期客戶、銀行的持續支持，以及向各董事及全體員工的努力不懈和寶貴貢獻致以衷心謝意。

主席

趙旭光

二零二零年三月三十日

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Subject to sustained impacts from international trade disputes, the PRC's overall economic growth in 2019 slowed with the gross domestic product increasing by 6.1% of which gross industrial production increased by 5.7%. Coke output throughout the country for the year amounted to 471.26 million tons, which was an increase of approximately 7.5% over 438.20 million tons in 2018, while nationwide crude steel output in the same period amounted to 996.34 million tons, which had increased by approximately 7.3% over 2018's 928.26 million tons. Due to slackening environmental restrictions, coke supply and demand was balanced and relaxed. Impacted by coke supply and demand and changing demand in the downstream steel market, the domestic coke price for the year trended upward first and then slid downward.

In 2019, domestic coking coal supply and demand was basically balanced but slightly supply-tightening, and coal prices followed a steady and upside trend. Compared with upstream coal enterprises and downstream steel enterprises, the concentration of the coke industry was on the lower side, which in turn weakened coke enterprises' bargaining power. With the reduction in the coke selling price and rising coal cost, profits margins for coke enterprises were generally trimmed off. Despite the challenging environment for the domestic coke market in 2019 compared with that of 2018, management has taken a series of measures in response to domestic market challenges to improve the Group's operational performance, implementing stringent cost control and reducing overall expenses in order to remain profitable.

業務回顧

受國際貿易摩擦的持續影響，二零一九年中國經濟整體增長放緩，國內生產總值增長6.1%，其中工業生產總量增長5.7%。本年度全國焦炭產量471,260,000噸，較二零一八年產量438,200,000噸增加約7.5%，而同期全國粗鋼產量996,340,000噸，較二零一八年產量928,260,000噸增加約7.3%。由於國內環保限產力度相對放鬆，焦炭供需情況平衡偏寬鬆。受焦炭供需情況及下游鋼材市場需求變化影響，本年度國內焦炭價格呈先高後低走勢，重心下移。

回顧二零一九年，國內焦煤供需情況平衡偏緊，焦煤價格呈平穩向上走勢。由於上游煤炭企業與下游鋼鐵企業集中度相比，焦炭行業的集中度較低，使焦炭企業的議價能力較弱。隨著焦炭銷售價格下降以及焦煤採購成本上升，導致焦炭企業利潤空間普遍被壓縮。儘管二零一九年度國內焦炭市場環境較二零一八年度更為嚴峻、更具挑戰，但管理層為應對國內市場挑戰已採取一系列措施以改善本集團經營表現，加強成本控制及降低各項費用，使本集團本年度仍保持盈利。

FINANCIAL REVIEW

Total revenue of the Group for the year was approximately HK\$1,605,356,000 (2018: HK\$1,478,049,000). The gross profit for this year amounted to HK\$175,857,000 (2018: HK\$245,821,000), and the Group recorded a gross profit margin of approximately 11.0% for the year as compared to approximately 16.6% in 2018. Profit after tax for the year was approximately HK\$14,703,000 (2018: HK\$146,708,000), and profit attributable to owners of the Company amounted to HK\$9,761,000 (2018: HK\$129,118,000). Basic earnings per share for the year was 0.35 Hong Kong cents, as compared to the basic earnings (restated) per share of 4.95 Hong Kong cents in 2018.

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

Coke Trading Segment

The Group's revenue from the Coke Trading Segment for the year amounted to approximately HK\$2,540,000, as compared to that of approximately HK\$35,884,000 in the corresponding period last year, the decrease was mainly attributable to the reduction in trading volume of the Group. The Group has no segment results of Coke Trading for the year, representing a decrease compared to that of HK\$315,000 in the corresponding period last year, which mainly resulted from the narrowing of spread between purchase and sale price of coke.

Coal-related Ancillary Segment

The Group's external revenue from the Coal-related Ancillary Segment for the year amounted to approximately HK\$168,505,000, as compared to that of approximately HK\$91,119,000 in the corresponding period last year. The Group's segment results of coke trading for the year was approximately HK\$861,000, representing an improvement as compared to that in the corresponding period last year. The increase was mainly due to the non-revolving of the huge impairment of coal washing equipment last year, and no such provision for the current year.

財務回顧

本集團本年度收入約1,605,356,000港元(二零一八年:1,478,049,000港元)。本年度毛利約175,857,000港元(二零一八年:245,821,000港元)，本年度錄得毛利率約11.0%，二零一八年年度毛利率約16.6%。本年度稅後溢利約14,703,000港元(二零一八年:146,708,000港元)，而本年度公司擁有人應佔溢利約9,761,000港元(二零一八年:129,118,000港元)。本年度每股基本盈利為0.35港仙，而二零一八年年度每股基本盈利(重列)為4.95港仙。

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

焦炭貿易分類

本集團本年度來自焦炭貿易分類的收入約2,540,000港元，去年同期收入約35,884,000港元，減幅主要由於本集團焦炭貿易量下降。本集團本年度並無來自焦炭貿易分類的業績，整體業績較去年同期315,000港元下降，主要由於焦炭採購價及銷售價之間價差收窄。

煤炭相關附屬分類

本集團本年度來自煤炭相關附屬分類的外部收入約168,505,000港元，去年同期收入約91,119,000港元。本集團本年度來自焦炭貿易的分類業績約861,000港元，較去年同期改善，增幅主要由於去年有大額洗煤設備撥備，而本年度再沒有此項撥備所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Coke Production Segment

The Group's revenue from the coke production for the year amounted to approximately HK\$1,434,311,000, as compared to that of approximately HK\$1,351,046,000 in the corresponding period last year, the increase was mainly attributable to the increase in sales volume of coke. The Group's segment results for the year from the coke production was approximately HK\$97,849,000, as compared to that of approximately HK\$504,755,000 in the corresponding period last year. The difference was due to the reduction in the coke price plus the rising coal price this year that had resulted in spread narrowing, and the non-revolving of impairment reversal in property, plant and equipment items happened last year.

Selling and Distribution Costs

The Group's selling and distribution costs amounted to approximately HK\$123,024,000, as compared to that of approximately HK\$137,637,000 in the corresponding period last year. The decrease was mainly due to a reduction of transportation costs and the implementation of other effective cost control measures.

Administrative Expenses

The Group's administrative expenses for the year amounted to approximately HK\$88,018,000, as compared to that of corresponding period last year of approximately HK\$103,301,000. The decrease was mainly due to the control over staff salaries and the decrease in maintenance costs for production equipment.

Finance Costs

The Group's finance costs for the year amounted to approximately HK\$11,409,000, as compared to that of corresponding period last year of approximately HK\$2,200,000. The increase was mainly due to the rise in interest expenses arising from the Group's new borrowing for the year.

Profit Before Tax

The Group's profit before tax for the year amounted to approximately HK\$26,250,000, as compared to that of approximately HK\$176,659,000 in the corresponding period last year (restated). The difference was mainly due to impairment reversal of approximately HK\$99,053,000 incurred from items of property, plant and equipment last year, while no such impairment reversal happened this year.

焦炭生產分類

本集團本年度來自焦炭生產的收入約1,434,311,000港元，去年同期收入約1,351,046,000港元，增幅主要由於焦炭銷售量增加。本集團本年度來自焦炭生產的分類業績約97,849,000港元，去年同期約504,755,000港元，差異主要由於去年有大額物業、廠房和設備項目減值回撥，而本年度焦炭價格下跌加上原材料焦煤價格上升導致價差收窄所致。

銷售及分銷成本

本集團本年度銷售及分銷成本約123,024,000港元，去年同期銷售及分銷成本約137,637,000港元，減幅主要由於運輸成本下降以及實施有效的成本控制措施。

管理費用

本集團本年度管理費用約88,018,000港元，去年同期管理費用約103,301,000港元，減幅主要由於員工成本控制以及生產設備修理費下降所致。

財務費用

本集團本年度財務費用約11,409,000港元，去年同期財務費用約2,200,000港元，增幅主要由於本集團於本年度新增貸款導致利息開支增加所致。

除稅前溢利

本集團本年度除稅前溢利約26,250,000港元，去年同期除稅前溢利(重列)約176,659,000港元，差異主要由於去年度發生物業廠房設備項目的減值回撥約99,053,000港元，而本年度不再發生大額物業廠房設備項目的減值回撥。

Profit for the Year

The Group's profit for the year was approximately HK\$14,703,000, as compared to that of corresponding period of approximately HK\$146,708,000 last year (restated). Apart from the foregoing factors, the difference was also mainly because PRC tax losses were available to fully offset taxable profits last year, while all tax losses had been fully utilized and therefore PRC corporate income tax was due in this year.

CHARGES OVER ASSETS

The Group had no pledged assets (including charges over deposits) during the year (2018: Nil).

MATERIAL INVESTMENT, ACQUISITION AND DISPOSAL

As disclosed by the Company in the announcements dated 12 September 2019 and 20 November 2019, the Bloom Wealth Investment Limited, a wholly owned subsidiary of the Company and Shanxi Baimaoyuan Trading Co., Ltd.* entered into a shareholder agreement for the establishment of Rich Hydrogen Energy. Relevant matters were approved by the Shareholders of the Company at the special general meeting held on 11 February 2020. Apart from this, the Group had no material investment, acquisition and disposal as at 31 December 2019.

CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain the most optimum capital structure, the Group may adjust dividend policy, capital distribution to shareholders or issuance of new shares. No changes were made in the objectives, policies or procedures for capital management during the year ended 31 December 2019.

年內溢利

本集團本年度溢利約14,703,000港元，去年同期年內溢利(重列)約146,708,000港元，差異原因除前文所述因素外，也是由於去年度尚有年度結轉可抵消應課稅溢利之稅務虧損而無須繳納中國企業所得稅，而因過往年度結轉完全抵銷，故本年度需繳納中國企業所得稅。

資產質押

本集團於本年度並無抵押資產(包括抵押按金)(二零一八年：無)。

重大投資、收購及出售

誠如本公司日期為二零一九年九月十二日及二零一九年十一月二十日之公告，興財投資有限公司，一間本公司之全資附屬公司與山西百懋源貿易有限公司就成立富氫能源訂立股東協議。有關事項已於二零二零年二月十一日舉行之股東特別大會上獲本公司股東批准。除此事項外，本集團於截至二零一九年十二月三十一日並無重大投資、收購及出售。

資本結構及資本管理

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

本集團根據經濟情況之變動及相關資產之風險特質，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能調整股息政策、向股東派回之資本或發行新股。截至二零一九年十二月三十一日止年度，於本報告期間並無更改資本管理之目標、政策或程序。

* For identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

The Group regularly adopts gearing ratios as a tool of monitoring capital structure. The gearing ratio as of 31 December 2019 was 71.1% (31 December 2018 (restated): 62.8%).

As of 31 December 2019, the equity attributable to owners of the Company amounted to HK\$541,520,000 (31 December 2018 (restated): HK\$513,728,000).

The net assets per share as at 31 December 2019 was HK\$0.214 (31 December 2018 (restated): HK\$0.216).

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets and current ratio were approximately HK\$235,750,000 (31 December 2018: net current liabilities of HK\$74,822,000) and 1.19 (31 December 2018: 0.92) respectively as at 31 December 2019.

As at 31 December 2019, the Group's cash and bank balances amounted to approximately HK\$20,839,000 (31 December 2018: HK\$18,894,000), other borrowings were approximately HK\$218,188,000 (31 December 2018: HK\$18,188,000) and there were no convertible bonds (31 December 2018: HK\$43,526,000).

As of 31 December 2019 and 2018, the Group had no bills payable.

本集團之金融工具主要為其他借貸。該等金融工具之主要目的為籌集資金作本集團經營所需。本集團有若干其他不同金融資產及負債，例如貿易應收賬款、預付款項、按金及其他應收賬款、應收非控股股東款項、現金及銀行結存、貿易應付賬款，以及其他應付賬款及應計款項，均直接來自其經營業務。

本集團金融工具之主要風險為外幣風險、信用風險及流動性風險。董事會檢討及協定管理各項有關風險之政策。

本集團採用資產負債比率作為工具以定期監察資本狀況，於二零一九年十二月三十一日之資產負債比率為71.1% (二零一八年十二月三十一日(重列)：62.8%)。

於二零一九年十二月三十一日，本公司擁有人應佔權益達541,520,000港元(二零一八年十二月三十一日(重列)：513,728,000港元)。

於二零一九年十二月三十一日的每股淨資產為0.214港元(二零一八年十二月三十一日(重列)：0.216港元)。

流動資金及財政資源

流動資產淨值及流動比率於二零一九年十二月三十一日分別為約235,750,000港元(二零一八年十二月三十一日：流動負債淨額74,822,000港元)及1.19(二零一八年十二月三十一日：0.92)。

於二零一九年十二月三十一日，本集團之現金及銀行結餘為約20,839,000港元(二零一八年十二月三十一日：18,894,000港元)。本集團其他借款總額為約218,188,000港元(二零一八年十二月三十一日：18,188,000港元)，並無可換股債券(二零一八年十二月三十一日：43,526,000港元)。

於二零一九年與二零一八年十二月三十一日，本集團並無應付票據。

OPERATING LEASE AND CAPITAL COMMITMENTS

As at 31 December 2019, according to the disclosure requirements under Hong Kong Accounting Standards, the Group had no operating lease commitments (2018: HK\$34,123,000).

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

The Group's risk management framework includes risk identification, risk assessment, risk treatment and monitoring and reviewing of the effectiveness of the measures. This risk management framework is guided by a three-tier risk management approach. At the first line of defense, business units are responsible for identifying, assessing and monitoring risks associated with all business or transactions. Management, as the second line of defense, defines rule sets and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the final line of defense, the audit committee of the Company (the "**Audit Committee**"), with the professional advice and opinions from external professional consultants, who conduct annual audit work for the Group, continually inspects and monitors the first and second lines of defense to ensure that they are effective.

經營租賃及資本承擔

按香港會計準則的披露規定，於二零一九年十二月三十一日，本集團並無經營租賃承擔(二零一八年：34,123,000港元)。

風險管理及內部監控系統

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

本集團的風險管理框架包括風險識別、風險評估、風險處理及控制以及檢討有關措施的有效性。風險管理框架乃按三級風險管理方法作為指引。作為第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，管理層界定規則集及風險模型、提供技術支援、開發新業務系統及監督投資組合管理，並確保風險在可接受範圍內及第一道防線行之有效。作為最後一道防線，本公司審核委員會(「**審核委員會**」)在參考外聘專業顧問(按年為本集團進行審核工作)的專業建議及意見後通過持續檢查及監控以確保第一道防線及第二道防線行之有效。

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INTEREST RATE RISK

The Group's interest rate risk mainly comprises of fair value interest risk and cash flow interest rate risk. 1) Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to the changes in market interest rates. The Group's fair value interest rate risk relates primarily to short-term cash and bank balances. 2) Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group is also exposed to cash flow interest rate risk through the impact of interest rate changes on deposits. To minimize the fair value interest rate risk, the Group keeps its borrowings with a fixed rate of interest. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

FOREIGN CURRENCY RISK

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB"), United States dollars ("USD") and Hong Kong dollars ("HK\$"). The Group is exposed to foreign currency risk arising from the monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities. The Group does not have any hedging instruments outstanding. The Group will constantly review the economic situation and its foreign currency risk profile and will consider appropriate hedging measures in the future as may be necessary.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities that have not been provided for in the financial statements (as at 31 December 2018: Nil).

TREASURY POLICIES

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

EMPLOYEES AND REMUNERATION

As at 31 December 2019, the Group had approximately 530 employees (31 December 2018: approximately 1,400 employees), with 18 employees stationed in Hong Kong and the rest, including senior management and workers, in Mainland China. For the year ended 31 December 2019, the Group's staff costs amounted to approximately HK\$54,905,000, as compared to approximately HK\$95,317,000 in the previous year.

利率風險

本集團利率風險主要為公允值利率風險及現金流量利率風險。1)公允值利率風險為金融工具之價值因應市場利率變動產生波動出現之風險，本集團之公允值利率風險主要涉及短期現金及銀行結餘。2)現金流量利率風險為金融工具之未來現金流量因應市場利率變動產生波動出現之風險，本集團因存款之利率變動影響而承擔現金流量利率風險。為盡量減低公允值利率風險，本集團將其借貸維持固定利率。管理層監察利率風險並將於有需要時考慮對沖重大利率風險。

外幣風險

本集團之貨幣資產、負債及交易均主要以人民幣(「人民幣」)、美元(「美元」)及港元(「港元」)計值。本集團需承受以集團實體功能性貨幣以外之貨幣計值的貨幣資產及負債所產生之外幣風險。本集團並無任何未行使對沖工具。本集團將持續觀察經濟情況及其外匯風險組合，並於日後有需要時考慮採取適當之對沖措施。

或然負債

於二零一九年十二月三十一日，本集團並無未於財務報表中撥備之任何重大或然負債(於二零一八年十二月三十一日：無)。

財資政策

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

僱員及薪酬

截至二零一九年十二月三十一日，本集團旗下員工約530人(二零一八年十二月三十一日：約1,400人)，留駐香港員工18人，其餘均為國內高級管理人員及工人。截至二零一九年十二月三十一日止年度，本集團員工成本約54,905,000港元，去年同期約95,317,000港元。

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Employees are remunerated according to the nature of the job and market trends, performance evaluation mechanism, annual increment and year-end performance bonus measures to reward and motivate individual performance. As at the date of this report, the Group has no share options outstanding under the share option scheme.

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

For the year ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

OUTLOOK

Looking into 2020, the China's economy has slowed significantly in the first quarter due to the impacts of the Novel Coronavirus ("COVID-19"). Nevertheless, the PRC government has taken decisive measures to effectively control the epidemic situation and resumed production within a short period of time. It is expected that the epidemic situation should have caused limited impact on the overall production and operation of the Group. It is anticipated that the PRC government will launch further economic incentive measures to increase infrastructure investment, which can stimulate production demand for the steel industry, and that would facilitate the production and operation in the coke industry. According to the requirements under Thirteenth Five-Year Plan, 2020 is the final year to eliminate inefficient production capacity, with an aim to eradicate production capacity up to 50 million tons. It is expected that execution of environmental output-limitation and capacity elimination will be intensified, thus coke supply will restore to a equilibrium, and coke prices will rebound to a reasonable level. Meanwhile, coal market supply and prices will return to normal level by next year to follow the pace of coke prices, as a result the spread will return to normal level. In foreseeable future, it will improve the profitability of coke enterprises, which will be favorable to the Group's operation and development in coke production business next year. The Group will continue to implement stringent cost controls and reduce expenses, and to monitor risks to enhance the Group's profitability.

僱員薪酬乃按工作性質及市場走勢釐定，並於年度工資評估內設有績效評估部分、年度增薪及年終獎金，以推動及獎勵個人工作表現。截至本報告日期，本集團沒有於購股權計劃下未行使購股權。

購買、出售或贖回本公司之上市證券

截至二零一九年十二月三十一日，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

展望

展望二零二零年，受新型冠狀病毒疫情影響，中國第一季經濟顯著放緩，但中國政府採取果斷措施有效控制疫情並於短時間內復工復產，預計疫情對本集團整體生產經營影響有限；同時預期中國政府將推出進一步經濟刺激措施及加大基礎建設投資，可刺激鋼鐵行業的生產需求，預期將有利焦炭行業的生產及經營。按照國家十三五規劃要求，二零二零年為淘汰落後產能的收官之年，淘汰產能目標為5,000萬噸，預期環保限產以及淘汰產能的執行力度將會加大，焦炭市場供應預期回歸平衡，焦炭價格將回升合理水準。與此同時，明年預期焦煤市場供應回復正常，價格跟隨焦炭價格趨向穩定，價差重回正常水平；將有助改變焦炭企業利潤水平，有利明年本集團焦炭生產業務的經營發展。本集團將繼續加強成本控制、降低費用及監控風險，以提升盈利表現。

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The PRC government has intensified to eliminate capacity in the coke industry and tightened environmental standards that will raise overall pressure for the coke production industry which is challenging environment. The Group will strictly comply with national environmental standards and promptly upgrade production equipment so as to reduce emissions and resource consumption, and to meet the updated national emission standards. Meanwhile, the Group has always committed to exploring appropriate opportunities and intends to move forward the updating and upgrading of coke production business through merger and acquisition as well as replacement of production capacity. In the future, it will further expand production scale and upgrade production technology in a bid to enhance operational efficiency. On 5 November 2019, the Group entered into a New Framework Agreement with Energy Technology, pursuant to which the Group intends to acquire and to subscribe for the equity share of Energy Technology such that the Company will vest in a controlling shareholding stake of more than 50% of the enlarged share capital of Energy Technology. Energy Technology is committed to pursuing a coke production project with capacity of over 5 million tons of coke per year. The Project will be constructed by two phases: phase one includes coking furnaces with a coke production capacity of 2.54 million tons per year; and phase two includes coking furnaces with a coke production capacity of 2.53 million tons per year.

At the same time, the Group intends to expand and launch its international trading business for coke products and increase cash flow through new trade channels, so as to improve the profitability of the Group. Additionally, the Group has always been proactive in seeking appropriate investment opportunities so as to enable the Group to explore new business segments, and integrate the business of its existing coal industry chains to further enlarge the Group's revenue sources and drive new profitable growth with a view to maximizing the Shareholder's value. On 12 September 2019 and 20 November 2019, Shareholders Agreements were entered into between the Group and the JV Partner, pursuant to which a subsidiary, Rich Hydrogen Energy, will be established in Shanxi Province, PRC. The Shanxi JV plans to develop liquefied natural gas, synthetic ammonia, and urea projects as well as clean energy business including hydrogen. Management considers that the formation of a joint venture company will enhance the Group's profitability in the future.

中國政府對焦化行業產能淘汰力度加大以及環保標準收緊，將增加對焦炭生產行業的經營壓力，未來仍充滿挑戰。本集團將嚴格遵守國家環保標準，及時升級生產設備，以減少排污及能耗，達到國家最新排放標準。同時，本集團一直致力探索合適的機會，並有意通過收購合併及產能置換方式推動焦炭生產業務的升級換代，未來或將進一步擴大生產規模、升級生產技術、提升經營效率。本集團於二零一九年十一月五日與能源科技簽訂新框架協議，據此，本集團有意收購並認購能源科技股本50%以上控股權。能源科技為年產500萬噸焦化項目的項目承載主體，該項目分兩期建設：第一期建設每年254萬噸焦炭生產裝置，而第二期建設每年253萬噸焦炭生產裝置。

與此同時，本集團有意通過新增貿易渠道，擴大和啟動本集團焦炭國際貿易業務及增加現金流，從而提高本集團整體業務之利潤。另外，本集團積極尋求合適投資機會，為本集團開拓新業務板塊以及整合現有煤炭產業鏈的業務，進一步增加本集團收入來源及帶動新利潤增長，從而為股東創造更大價值。本集團已於二零一九年九月十二日及二零一九年十一月二十日與合資夥伴簽訂股東協議，並於中國山西省成立附屬公司富氫能源，計劃發展液化天然氣、合成氨及尿素生產項目以及發展氫能等清潔能源業務。管理層認為成立合資公司將有助未來提升本集團之盈利能力。

INVESTMENT IN EDB HOLDING LIMITED

As disclosed in the announcement of the Company dated 27 June 2019, based on the audited consolidated financial statements of EDB Holding Limited (“**EDB**”), the aggregate audited consolidated after-tax net profits of EDB attributable to its shareholders for the year ended 31 December 2017 and the year ended 31 December 2018 had not been reached. As such, the Group had issued written notifications to the vendor and guarantor to exercise its repurchase right under the sale and purchase agreement and the subscription agreement respectively.

As disclosed in the announcement of the Company dated 6 September 2019, the Company and the vendor entered into an escrow agreement with the escrow agent who is an independent third party independent of and not connected with the vendor, the Company and its connected persons for the distribution of the consideration shares to the qualifying Shareholders on a pro-rata basis (subject further assessment to regulatory requirements of relevant jurisdictions and practicability). The consideration shares were distributed to the qualifying Shareholders on 18 October 2019.

Details of the investment in EDB is set out in note 16 to the consolidated financial statements.

於EDB HOLDING LIMITED之投資

誠如本公司於二零一九年六月二十七日之公告所披露，根據EDB Holding Limited (「**EDB**」)之經審核綜合財務報表，EDB未能達到截至二零一七年十二月三十一日止年度及截至二零一八年十二月三十一日止年度之約定經審核股東應佔綜合除稅後純利。故本集團已向賣方及擔保人發出書面通知以分別行使其買賣協議及認購協議下之購回權利。

誠如本公司於二零一九年九月六日之公告所披露，本公司及賣方與託管代理人訂立託管協議，該託管代理人將為賣方、本公司及其關連人士並無關連的獨立第三方，以根據相關司法管轄區監管要求和實用性的進一步評估，按比例分配代價股份予合資格股東。代價股份已於二零一九年十月十八日分發予合資格股東。

於EDB之投資詳情載於綜合財務報表附註16。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理層之履歷詳情

EXECUTIVE DIRECTORS

Mr. ZHAO Xu Guang, aged 56, was appointed as an executive Director, the Chairman of the Board and the Chairman of the Nomination Committee with effect from 17 November 2016 and was appointed as Chief Executive Officer on 2 May 2017. Mr. Zhao has more than 20 years of experience in business executive and management. Mr. Zhao worked for the Ministry of Foreign Trade and Economic Cooperation of the PRC. Mr. Zhao also acted as chairman, general manager and director of various enterprises specializing in trading, investment, property and in the energy field. Mr. Zhao served as chairman and executive director of Titan Petrochemicals Group Limited (“**Titan Petrochemicals**”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1192) from July 2012 to September 2015. Mr. Zhao graduated from Guangdong University of Foreign Studies with a Bachelor of Economics degree.

Mr. WANG Yijun, aged 57, has been appointed as an executive Director since 10 July 2019. Mr. Wang served as a director and general manager of Shanxi Yiling Investment Inc.* from March 2010 to November 2018. Mr. Wang also served as chief executive director of Shanxi Zhongrui Group* and general manager of Shanxi Zhongrui Trading Company Limited* from August 1999 to March 2010. Mr. Wang held a professional qualification in industrial and civil architecture at Taiyuan University.

Mr. LI Qinghua, aged 55, has been appointed as an executive Director since 10 June 2019 and has been re-designated as a non-executive Director since 1 March 2020. Mr. Li served as the chief executive officer of China Taiping Insurance (HK) Company Limited from January 2015 to January 2019. Mr. Li served as general manager of China Taiping Insurance Shared Service Center* from September 2008 to January 2015. Mr. Li served as deputy general manager of Taiping Life Insurance Company Limited from September 2001 to September 2008 and a chief representative of China Insurance (Holdings) Company, Limited in 2001. Mr. Li was a director of National Cocoon and Silk Coordinating Group* and a deputy director of foreign economic department of State Economic and Trade Commission. Mr. Li held a bachelor's degree in automatic control and a master's degree in business management from Beijing Institute of Technology.

執行董事

趙旭光先生，現年56歲，自二零一六年十一月十七日獲委任為執行董事、董事會主席及提名委員會主席，並於二零一七年五月二日獲委任為行政總裁。趙先生於業務決策及管理方面擁有逾20年經驗。趙先生曾任職中華人民共和國對外貿易經濟合作部。趙先生亦曾於多家貿易、投資、地產及能源領域之企業擔任主席、總經理及董事職務。趙先生於二零一二年七月至二零一五年九月曾任泰山石化集團有限公司（「泰山石化」，其股份於聯交所主板上市（股份代號：1192））之主席兼執行董事。趙先生畢業於廣東外語外貿大學，持有經濟學士學位。

王義軍先生，現年57歲，自二零一九年七月十日起獲委任為執行董事。王先生曾於二零一零年三月至二零一八年十一月出任山西億量投資有限公司之董事及總經理。王先生亦曾於一九九九年八月至二零一零年三月出任山西中瑞集團總裁及山西中瑞貿易有限公司總經理。王先生擁有太原大學工業與民用建築專業資格。

李清華先生，現年55歲，自二零一九年六月十日起獲委任為執行董事，並自二零二零年三月一日起被調任為非執行董事。李先生曾於二零一五年一月至二零一九年一月出任中國太平保險（香港）有限公司之行政總裁及曾於二零零八年九月至二零一五年一月出任中國太平保險共享服務中心總經理。李先生曾於二零零一年九月至二零零八年九月出任太平人壽保險有限公司副總經理及於二零零一年出任中國保險（控股）有限公司首席代表。李先生亦曾為國家繭絲綢協調小組處長及國家經貿委外經司副處長。李先生擁有北京理工大學自動控制學士學位及企業管理碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理層之履歷詳情

NON-EXECUTIVE DIRECTORS

Mr. WONG Siu Hung, Patrick, aged 64, was appointed as an executive Director and served as director of subsidiaries of the Group with effect from 3 November 2016. Mr. Wong was appointed as a Joint General Manager and Authorized Representative on 17 November 2016 and re-designated as General Manager on 25 November 2016 and subsequently re-designated as non-executive Director and resigned as Authorized Representative on 9 April 2018. Mr. Wong has 40 years of working experience in banking, finance, commodity trading and project development. Mr. Wong was an executive director of Winto Group (Holdings) Limited, its shares are listed on the GEM of the Stock Exchange (Stock Code: 8238) between 15 April 2019 and 6 November 2019. Mr. Wong was an executive director of Titan Petrochemicals between 2008 and 2015. Mr. Wong was the senior vice president of Commodity and Trade Finance at Societe Generale Singapore and the chief executive officer in the China Division of Louis Dreyfus Group, a global commodity trading firm. Mr. Wong is an associate member of Chartered Institute of Bankers, United Kingdom, fellow member of the Hong Kong Institute of Directors since 1 April 2017 and member of The Institute of Management Consultants Hong Kong since 1 August of the same year and qualified as Certified Management Consultant. Mr. Wong holds a Master's degree in Applied Finance from Macquarie University, Australia and completed the Executive Diploma in Management Consulting from The Hong Kong Polytechnic University on 12 October 2017.

Mr. HUANG Man Yem, aged 45, was appointed as a non-executive Director with effect from 3 November 2016. Mr. Huang is a member of the Audit Committee and the Remuneration Committee. Mr. Huang has more than 15 years of working experience in corporate development and restructuring, corporate establishment and M&A projects, and capital market transactions (i.e. equities and bonds/debts) on the stock exchanges of Hong Kong and Singapore respectively. Mr. Huang is currently the general manager of the Shanghai branch office of Expert Systems IVR (Asia) Co. Ltd., a Hong Kong based subsidiaries of Asia-Pacific Region Unified Communications solution provider engaged in Unified Communications solutions development and corporate establishment consultant business. Mr. Huang was also a former member of the senior management of Titan Petrochemicals from

非執行董事

黃少雄先生，現年64歲，自二零一六年十一月三日獲委任為執行董事及擔任本集團旗下附屬公司之董事，並自二零一六年十一月十七日出任聯席總經理及授權代表，其後自二零一六年十一月二十五日調任為本公司總經理，並自二零一八年四月九日調任為非執行董事及辭任授權代表。黃先生在銀行、金融、商品貿易及項目開發方面擁有40年之工作經驗。於二零一九年四月十五日至二零一九年十一月六日，黃先生為惠陶集團(控股)有限公司(其股份於聯交所GEM上市(股份代號:8238))之執行董事。於二零零八年至二零一五年，黃先生為泰山石化之執行董事。黃先生曾於法國興業銀行(新加坡)商品及貿易財務部出任高級副總裁，以及在全球商品貿易公司路易達孚集團中國分部出任首席執行官。黃先生為英國特許銀行家協會準會員及分別於二零一七年四月一日成為香港董事學會資深會員及同年八月一日成為香港管理顧問學會會員及註冊管理顧問。黃先生持有澳洲麥格理大學應用財務碩士學位，及於二零一七年十月十二日修畢香港理工大學管理顧問行政文憑。

黃文鑫先生，現年45歲，自二零一六年十一月三日獲委任為非執行董事。黃先生為審核委員會及薪酬委員會成員。黃先生分別在香港及新加坡證券交易所公司於發展及重組、公司建設及併購項目，以及資本市場交易(即股權及債券/債務)擁有超過15年之工作經驗。黃先生現為亞太區統一通信解決方案供應商(從事統一通信解決方案開發及公司設立諮詢業務)之香港附屬公司Expert Systems IVR (Asia) Co. Ltd.之上海分公司總經理。黃先生於二零零二年四月至二零一四年五月為泰山石化高級管

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理層之履歷詳情

April 2002 to May 2014. Mr. Huang holds a Master's degree of Corporate Finance from the Hong Kong Polytechnic University and a Bachelor of Engineering in Electronic Engineering from City University of Hong Kong.

Mr. JIANG Jiansheng, aged 58, has been appointed as a non-executive Director since 15 January 2020. Mr. Jiang has served as a senior consultant and general manager of Inner Mongolia Andeli Chemical Co., Ltd.* since 2018. Mr. Jiang respectively served as deputy general manager, chief engineer of the chemical sector, director of the coal-to-liquids project and senior consultant of Inner Mongolia Yitai Coal Oil Production Plant*. Mr. Jiang also served as chemical process design engineer and dean of the design and research institute of Yanchang Petroleum Shaanxi Xingping Fertilizer Plant* (now known as Yanchang Petroleum Shaanxi Xinghua Group Company*) from 1984 to 2005. Mr. Jiang was the chairman of the National Nitrogen Fertilizer Association, the chairman of Technical Committee of the National Chemical Synthetic Ammonia Design Technology Center Station, a member of a committee on standardization of Coal Fuel of National Energy Administration, a member of the professional committee on Coal Chemical Utilization of The Chemical Industry and Engineering Society of China, a member of Technical Committee of the National Gas Purification Information Centre, an expert of the Coal Chemical Industry Expertise Committee of China Petroleum and Chemical Industry Federation and evaluation expert of the China Development Bank, etc. Mr. Jiang held a professional qualification of inorganic chemical engineering in chemical engineering and bachelor degree in engineering at Inner Mongolia University of Technology. Mr. Jiang is a senior engineer in professor-level and a registered chemist in chemical process design.

理層之前任成員。黃先生持有香港理工大學企業融資碩士學位及香港城市大學工程學院電子工程學士學位。

姜建生先生，現年58歲，自二零二零年一月十五日起獲委任為非執行董事。姜先生自二零一八年起出任內蒙古安德力化工有限公司之高級顧問及總經理。姜先生曾分別出任內蒙古伊泰煤制油廠之副總經理、化工板塊總工程師、煤製油項目總監及高級顧問。姜先生亦曾於一九八四年至二零零五年出任延長石油陝西興平化肥廠（現為延長石油陝西興化集團公司）之化工工藝設計工程師及設計研究院院長。姜先生曾為全國氮肥協會主任委員、全國化工合成氨設計技術中心站技術委員會主任委員、國家能源局煤製燃料標準委員會委員、中國化工學會煤化工利用專業委員會委員、全國氣體淨化信息站技術委員會委員、中國石油和化學工業聯合會煤化工專業委員會專家組專家及國家開發銀行評審專家等。姜先生擁有內蒙古工業大學化學工程系無機化工專業資格及工學學士學位。姜先生為教授級高級工程師及化工工藝設計註冊師。

* For identification purposes only

* 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理層之履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TO Wing Tim, Paddy, aged 67, has been appointed as an independent non-executive Director since October 2009. Mr. To is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee. Mr. To obtained his Diploma in Accountancy from the University of Hong Kong in 1991 and has over 30 years of experience in auditing, accounting and finance industry. Mr. To has been practicing as a certified public accountant in Hong Kong since 1980. Mr. To is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Taxation Institute of Hong Kong and an associate member of the Association of Certified General Accountants in Canada.

Mr. LAM Hoy Lee, Laurie, aged 61, has been appointed as an independent non-executive Director since September 2008. Mr. Lam is a member of the Audit Committee and the Nomination Committee, and the Chairman of the Remuneration Committee. Mr. Lam has 30 years of experience in legal field working as a solicitor in Hong Kong. Mr. Lam is a practicing solicitor of Hong Kong and non-practicing solicitor of Singapore and a non-practicing solicitor and non-practicing counsel of Australia.

Dr. WANG Wei Hsin, aged 54, has been appointed as an independent non-executive Director since 19 December 2018. Dr. Wang is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Dr. Wang has extensive management experience in the financial services industry. Dr. Wang served as the chief executive officer of South China Financial Holdings Limited (“**South China Financial**”), a company the issued shares of which are listed on the Stock Exchange (Stock Code: 619), and certain subsidiaries of South China Financial from May 2016 to October 2018, and served as executive director of South China Financial from March 2017 to October 2018. Dr. Wang served as the chairman and chief executive officer of SinoPac Securities (Asia) Limited and was responsible for the business development and operations in Asia from 2009 to 2016. Dr. Wang also served as the chief investment officer of Japan CDW Group and the chief financial officer of its Taiwan subsidiary, as well as co-founder of Yes-Asia.com and played significant role in China Development Industrial Bank. Dr. Wang held a PhD in Management Science (Financial Engineering) from Imperial College London and researched artificial intelligence and financial big data. Dr. Wang was the fellow of Royal Society of Statistics during 1999 to 2000.

獨立非執行董事

杜永添先生，現年67歲，自二零零九年十月獲委任為獨立非執行董事，現為審核委員會主席、薪酬委員會及提名委員會成員。杜先生於一九九一年獲授香港大學會計文憑。杜先生於審計、會計及財務行業擁有逾30年經驗，並自一九八零年起於香港擔任執業會計師。杜先生為香港會計師公會資深會員、香港稅務學會會員及加拿大註冊會計師協會會員。

林開利先生，現年61歲，自二零零八年九月獲委任為獨立非執行董事，現為審核委員會成員及提名委員會成員，以及薪酬委員會主席。林先生於香港從事律師工作，於法律工作擁有30年經驗。林先生為香港執業律師；新加坡之非執業律師及澳洲之非執業律師及非執業大律師。

王維新博士，現年54歲，自二零一八年十二月十九日起獲委任為獨立非執行董事。王博士為審核委員會、薪酬委員會及提名委員會成員。王博士於金融服務業擁有豐富之管理經驗。王博士曾於二零一六年五月至二零一八年十月出任南華金融控股有限公司（「南華金融」）（一間已發行股份於聯交所上市之公司（股份代號：619））及南華金融若干附屬公司之行政總裁，並於二零一七年三月至二零一八年十月出任南華金融之執行董事。王博士曾於二零零九年至二零一六年於永豐金證券（亞洲）有限公司出任董事長及行政總裁，負責亞洲區之業務發展及營運。王博士亦曾於日本CDW集團出任首席投資官以及其台灣附屬公司出任首席財務官，並曾共同創辦亞洲易網及中華開發工業銀行擔當重要角色。王博士擁有倫敦帝國學院之管理科學（金融工程）哲學博士學位，研究人工智能及金融大數據。王博士於一九九九年至二零零零年間為英國皇家統計學院院士。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理層之履歷詳情

COMPANY SECRETARY

Mr. LI Chi Chung, aged 51, was appointed as the Company Secretary on 25 November 2016. Mr. Li is a solicitor practising in Hong Kong and the founder partner of Michael Li & Co. He obtained the bachelor degree in laws from University of Sheffield in England in 1990 and was admitted as a solicitor of the High Court of Hong Kong in 1993. Mr. Li has more than 25 years of experience in legal field, extensive experience in advising corporate governance of listed companies, compliance of Listing Rules and other applicable Laws of Hong Kong. In addition to acting as company secretary and legal adviser of various listed companies, Mr. Li also acts as major speaker in public forums relating to listing matters in Hong Kong.

公司秘書

李智聰先生，現年51歲，於二零一六年十一月二十五日獲委任為公司秘書。李先生為香港執業律師及為李智聰律師事務所之創辦合夥人。彼於一九九零年取得英國謝菲爾德大學法律學士學位，其後於一九九三年在香港獲認可為高等法院律師。李先生擁有多於25年法律經驗，其中為上市公司提供企業管治意見，符合上市規則及香港其他適用法律方面具豐富經驗。李先生除擔任多間上市公司之公司秘書和法律顧問外，亦為香港上市事宜相關之公眾研討會的主要講者。

The Directors are pleased to present their report, the CG Report and the ESG Report together with the audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Business Overview and Financial Performance

The review of the Group's business and financial performance for the year ended 31 December 2019 are provided in the section "MANAGEMENT DISCUSSION AND ANALYSIS" in this annual report.

Principal Risks and Uncertainties

1. Risk arising from fluctuating prices of coke and coal

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

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

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

董事欣然呈報其報告、企業管治報告及環境、社會及管治報告，以及截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

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

業務回顧

業務回顧及財務業績表現

本集團於截至二零一九年十二月三十一日止年度之業務及財務業績表現回顧載於本年報「管理層討論及分析」一節。

主要風險及不明朗因素

1. 焦炭及煤炭價格波動所產生之風險

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

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

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

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

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

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

3. Risk arising from safety management

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

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

4. The risks of the novel coronavirus epidemic (the "Epidemic")

With the current spread of the novel coronavirus pneumonia epidemic in the world, the situation in European and American regions are still uncontrolled. Although the Chinese government has stabilized the Epidemic, there may be another inbound outbreak in China if the situation outside China is still beyond satisfactory control. Currently, strict prevention and control measures are still being implemented by the Chinese government, which may affect the Group's supply chain and output as well as the employees' mentality and mood.

2. 中國政府政策及法規變動所產生之風險

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

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

3. 安全生產管理所產生之風險

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

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

4. 新型冠狀病毒疫情（「疫情」）所產生之風險

當前新冠肺炎疫情正於全球蔓延，歐美地區仍未受控，雖然中國政府目前已將疫情穩定下來，但若境外仍未受控，存在再次在中國爆發新一輪疫情的可能。目前，中國政府嚴厲的防控措施還在實行，有可能影響本集團的供應鏈和生產產量以及員工的思想情緒。

In response to the above risks, the management will closely monitor the latest situation of the Epidemic and local government policies, adjust production, scheduling and transportation plans in a timely manner to ensure the health of employees, so as to minimize the impact of the Epidemic on the Group.

Future Business Development

Although the global economy is still suffering from the impact of the novel coronavirus pneumonia epidemic in the first quarter of 2020; China's economic situation has gradually stabilized in the harsh surrounding environment. In the coming days, the Chinese government will still require the upgrading and transformation in the coking industry. In this regard, the Group has actively developed new business segments and expanded the upstream and downstream of coke industry chain. In addition, the Group entered into Shareholders Agreements on 12 September 2019 and 20 November 2019 respectively, pursuant to which Rich Hydrogen Energy will be established in Shanxi Province, the PRC. Rich Hydrogen Energy is planned to principally engage in projects of producing LNG, synthetic ammonia, urea and related products, as well as the development of clean energy business including hydrogen, thus the Group's revenues will become more diversified for enhancing the overall profitability. Meanwhile, the Group has been actively in exploring potential projects for merger and acquisition (M&A) in a bid to move forward the updating and upgrading of coke production business. In November 2019, the Group entered into a Framework Agreement with Energy Technology, pursuant to which the Company intends to acquire and merge a coke production project with a capacity of over 5 million tons coke per year. Upon completion, it will enlarge the Group's scale of production and enhance its production technology.

The Group is committed to assuming social responsibilities and emphasizes environmental protection and production safety. In order to achieve the goal with cleaner energy emissions, the Group continues to fulfill its responsibility for environmentally friendly operation and upgrades production equipment and facilities with self-raising environmental standards.

The Group is confident that the LNG business so developed will bring better and stable returns to the Shareholders while the profitability of the coking business has been strengthened.

為應對上述風險，管理層將密切監察疫情最新情況及當地政府政策，及時調整生產，調度、運輸計劃，保證員工的健康，將疫情對本集團的影響降到最低水平。

未來業務發展

儘管在二零二零年的首季度，全球經濟仍在承受新冠肺炎疫情的影響；中國的經濟情況在週邊嚴峻的環境中，逐漸穩定下來。在未來日子，中國政府依然要求焦化行業升級改造，本集團早前已積極開發新業務板塊並拓展焦炭上下游產業鏈，並於二零一九年九月十二日及二零一九年十一月二十日簽訂股東協議，據此於中國山西省成立富氫能源，計劃生產液化天然氣、合成氨及尿素等化工產品，以及開發氫能等清潔能源，使本集團收入來源更多元以提升整體利潤水準。與此同時，本集團亦積極調研潛在收購合併項目以推動本集團的焦炭生產業務的升級換代。於二零一九年十一月，本集團與能源科技簽訂框架協議，據此本公司有意收購合併其年產500萬噸焦炭焦化項目，完成後將可擴大本集團生產規模以及提升生產技術。

本集團致力承擔社會責任，強調環保與生產安全。為達致能源排放更清潔的目標，本集團繼續履行對管理環保經營的責任，已提高自身的環保標準而升級生產設備和設施。

本集團有信心在強化焦化業務的盈利能力的同時，開拓液化天然氣業務能為股東帶來更佳和穩定的回報。

Key Relationships with our Stakeholders

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

1. Customers

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

2. Suppliers

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

3. Employees

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

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

與利益相關方之主要關係

本集團努力與其權益人維持和諧關係，其利益相關方包括但不限於客戶、供應商及僱員。

1. 客戶

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

2. 供應商

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

3. 僱員

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

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

Environmental Policies and Performance

For the year ended 31 December 2019, the Group's key business operation in Shanxi Province strictly complied with applicable regulations, laws, and standards related to environmental and social aspects. The Group continues to invest in state-of-the-art facilities and implement emission control schemes to further reduce on-site emissions. At a broader societal scale, the Group has been providing 31% of heating demand for the local residents and indirectly reduced the air emissions from burning crude coal as a heating source by local farmers. Engagement with stakeholders has resulted in raised concerns on key material issues, including, air emissions, wastewater, energy and water consumption, occupational health and safety, employment, training and development. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders for advancing environment, social and governance management.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiary in the PRC while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with all applicable laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2019 and up to the date of this report, the Board considers the Group has complied with all the applicable laws and regulations in the PRC and Hong Kong.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated financial statements on pages 99 to 247.

環境政策及表現

截至二零一九年十二月三十一日止年度，本集團於山西省之主要業務營運已嚴格遵從與環境及社會方面有關之適用規則、法律及標準。本集團繼續投放資源於最先進的設施及實行排放管制計劃，以進一步降低生產現場之排放。在更廣闊的社會層面上，本集團持續向地方居民提供31%供熱需求，間接減少地方農民以燃燒原煤作為供熱來源所產生之大氣排放。經與利益相關方溝通後，對以下主要重大事項之關注已有所加強，包括：大氣排放、廢水排放、能源及水源消耗、職業健康及安全、僱傭、培訓與發展。本集團將繼續於所關注事項中尋找可以改善的地方，並與其利益相關方保持緊密溝通，促進環境、社會及管治之管理。

遵守法律及法規

本集團業務主要經由本公司之中國附屬公司進行，而本公司本身為聯交所上市公司。因此，我們的業務組織及營運須遵守中國及香港所有適用法律及法規。截至二零一九年十二月三十一日止年度及直至本報告日期，董事會認為本集團已遵守中國及香港所有適用法律及法規。

財務報表

本集團於截至二零一九年十二月三十一日止年度之業績載於第99至247頁之綜合財務報表內。

REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at 31 December 2019 were as follows:

本公司之可供分派儲備

於二零一九年十二月三十一日，本公司可供分派予股東之儲備如下：

		2019 二零一九年 HK\$'000 千港元
Contributed surplus	繳入盈餘	1,731,681
Accumulated losses	累計虧損	<u>(2,176,419)</u>
		<u>(444,738)</u>

Under the Bermuda Companies Act 1981, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. As at 31 December 2019, the Company had no reserve available for distribution to Shareholders (2018: Nil).

根據百慕達一九八一年公司法，本公司之繳入盈餘帳可供分派。然而，本公司不得於以下情況下宣派或派付股息，或自繳入盈餘作出分派：(a)本公司未能或於作出派付後將未能支付其到期負債；或(b)其資產之可變現價值將因而少於其負債、其已發行股本及股份溢價帳之總和。於二零一九年十二月三十一日，本公司並無可供分派予股東之儲備(二零一八年：無)。

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

股息

董事會不建議派發截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

DIVIDEND POLICY

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

股息政策

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

DIRECTORS

The Directors of the Company who were in office during the year ended 31 December 2019 and up to the date of this report are as follows:

Executive Directors

Mr. Zhao Xu Guang (*Chairman and Chief Executive Officer*)
Mr. So Chiu Fung¹
Mr. Wang Yijun²

Non-Executive Directors

Mr. Li Qinghua³
Mr. Wong Siu Hung, Patrick
Mr. Huang Man Yem
Mr. Jiang Jiansheng⁴

Independent Non-Executive Directors

Mr. Lam Hoy Lee, Laurie
Mr. To Wing Tim, Paddy
Dr. Wang Wei Hsin

¹ resigned on 15 January 2020

² appointed on 10 July 2019

³ appointed on 10 June 2019 as executive Director and re-designated to non-executive Director on 1 March 2020

⁴ appointed on 15 January 2020

In accordance with the bye-law 99 of the Bye-Laws of the Company, Mr. Zhao Xu Guang and Mr. Lam Hoy Lee, Laurie will retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election.

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to his appointment as executive Director on 10 June 2019 and re-designated to non-executive Director on 1 March 2020, Mr. Li Qinghua will hold office until the following AGM and will not offer himself for re-election at the following AGM.

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to their appointments on 10 July 2019 and 15 January 2020 respectively, Mr. Wang Yijun and Mr. Jiang Jiansheng will hold office until the following AGM, and being eligible, offer themselves for re-election.

The biographical details of the Directors are set out under section heading "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" on pages 17 to 21 of this annual report.

董事

截至二零一九年十二月三十一日止年度及直至本報告日期，本公司之在任董事如下：

執行董事

趙旭光先生(主席及行政總裁)
蘇晁鋒先生¹
王義軍先生²

非執行董事

李清華先生³
黃少雄先生
黃文鑫先生
姜建生先生⁴

獨立非執行董事

林開利先生
杜永添先生
王維新博士

¹ 於二零二零年一月十五日辭任

² 於二零一九年七月十日獲委任

³ 於二零一九年六月十日獲委任為執行董事及於二零二零年三月一日調任為非執行董事

⁴ 於二零二零年一月十五日獲委任

根據本公司公司細則細則第99條，趙旭光先生及林開利先生將於應屆股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

根據本公司公司細則細則第102(B)條，李清華先生於二零一九年六月十日獲委任為執行董事及二零二零年三月一日獲調任為非執行董事後之任期將直至下屆股東週年大會為止並不會於下屆股東週年大會膺選連任。

根據本公司公司細則細則第102(B)條，王義軍先生及姜建生先生分別於二零一九年七月十日及二零二零年一月十五日獲委任後之任期將直至下屆股東週年大會為止，惟彼等符合資格並願意膺選連任。

董事之履歷詳情載於本年報第17至21頁「董事及管理層之履歷詳情」一節。

REPORT OF THE DIRECTORS 董事會報告

UPDATES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B (1) of the Listing Rules, the updates of information of the Directors during the year ended 31 December 2019 and up to the date of this report are set out below:

最新董事資料

根據上市規則第13.51B(1)條，於截至二零一九年十二月三十一日止年度及直至本報告日期之最新董事資料載列如下：

Name of Director 董事姓名	Details of Updates 更新詳情
Mr. Wong Siu Hung, Patrick 黃少雄先生	<ul style="list-style-type: none">Appointed as executive director of Winto Group (Holdings) Limited, its shares are listed on the GEM of the Stock Exchange (Stock Code: 8238) between 15 April 2019 and 6 November 2019於二零一九年四月十五日至二零一九年十一月六日為惠陶集團(控股)有限公司，其股份於聯交所創業板上市(股份代號：8238)之執行董事
Mr. Li Qinghua 李清華先生	<ul style="list-style-type: none">Appointed as executive Director on 10 June 2019 and entitled to receive a monthly director fee of HK\$200,000於二零一九年六月十日獲委任為執行董事並有權收取董事袍金每月200,000港元Re-designated to non-executive Director on 1 March 2020 and adjusted monthly salary to HK\$15,000於二零二零年三月一日調任為非執行董事，其月薪調整至15,000港元
Mr. Wang Yijun 王義軍先生	<ul style="list-style-type: none">Appointed as executive Director on 10 July 2019 and entitled to receive a monthly director fee of HK\$82,000於二零一九年七月十日獲委任為執行董事並有權收取董事袍金每月82,000港元
Mr. Jiang Jiansheng 姜建生先生	<ul style="list-style-type: none">Appointed as non-executive Director on 15 January 2020 and entitled to receive a monthly director fee of HK\$30,000於二零二零年一月十五日獲委任為非執行董事並有權收取董事袍金每月30,000港元
Mr. So Chiu Fung 蘇晁鋒先生	<ul style="list-style-type: none">Resigned as executive Director on 15 January 2020 and re-designated to general manager of corporate development於二零二零年一月十五日辭任執行董事並調任為企業發展部總經理

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' SERVICE CONTRACTS

The Directors will retire and offer themselves for re-election at the 2020 AGM do not have an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. All other Directors are not appointed for specific terms and are subject to retirement by rotation and re-election at the annual general meeting of the Company.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all of the independent non-executive Directors are independent for the year ended 31 December 2019 and up to the date of this report.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2019, the Company has in force the permitted indemnity provisions in the Directors' and officers' liability insurance maintained for the Group to indemnify the Directors against all losses and liabilities which may sustain or incur while acting in his capacity as Director in accordance with the Bye-Laws of the Company and the Companies Ordinance of Hong Kong.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange, any other stock exchange, by private arrangement or by general offer.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2019 are set out in Note 28 to the consolidated financial statements.

董事之服務合約

將於二零二零年股東週年大會上輪值告退並願意膺選連任之董事概無與本公司或其任何附屬公司訂立本集團於一年內不得在不予賠償(法定賠償除外)之情況下終止之未屆滿服務合約。所有其他董事並無按特定年期委任，惟須於本公司之股東週年大會上輪值告退並可膺選連任。

獨立性之確認

本公司已接獲各獨立非執行董事按照上市規則第3.13條發出有關其獨立性之年度確認。本公司認為，全體獨立非執行董事於截至二零一九年十二月三十一日止年度及直至本報告日期均屬獨立。

獲准許彌償條文

於截至二零一九年十二月三十一日止年度，於本集團投購之董事及高級人員責任保險中之獲准許彌償條文已告生效，以讓本公司彌償董事在以董事身分按照本公司之公司細則及香港公司條例行事期間可能蒙受或招致之一切損失及負債。

購買、出售或贖回上市證券

於截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無於聯交所或任何其他證券交易所以私人安排方式或以全面收購方式購買、出售或贖回本公司任何上市證券。

股本

於截至二零一九年十二月三十一日止年度，本公司股本變動的詳情載於綜合財務報表附註28。

DEBENTURES

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

On 8 March 2018, Kailuan (Hong Kong) International Co., Limited transferred the convertible bonds to Rontac Resources Company Limited, being the direct holding company of Kailuan (Hong Kong) International Co., Limited.

On 13 February 2019, the Group and Rontac Resources Company Limited, the holder of the 2017 Convertible Bonds with principal amount of HK\$43,277,000, entered into an agreement to extend the maturity date of the 2017 Convertible Bonds for one year to 31 August 2020 with all other terms and conditions remain unchanged. The extension of maturity date of 2017 Convertible Bonds was approved respectively by the Stock Exchange and by the Shareholders on 9 April 2019.

債券

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

於二零一八年三月八日，開灤(香港)國際有限公司將可換股債券轉讓予融泰資源有限公司，其為開灤(香港)國際有限公司之直接控股公司。

於二零一九年二月十三日，本集團與融泰資源有限公司(本金額為43,277,000港元之二零一七年可換股債券持有人)訂立協議，以延長二零一七年可換股債券之到期日一年至二零二零年八月三十一日，而所有其他條款及條件保持不變。二零一七年可換股債券的到期日延長已於二零一九年四月九日分別獲得聯交所及股東批准。

On 27 May 2019 and 31 December 2019, Rontac Resources Company Limited exercised the conversion right of convertible bonds to subscribe 60,000,000 and 84,256,976 ordinary shares of the Company respectively. As at the date of this report, Rontac Resources Company Limited is interested in 147,189,220 shares of the Company under the Part XV of the SFO.

The 2017 Convertible Bonds carrying amount as at 31 December 2019 amounted to approximately HK\$Nil (carrying amount of the 2017 Convertible Bonds at 31 December 2018: HK\$43,526,000). Details of the movement of the convertible bonds of the Company issued during the year ended 31 December 2019 are set out in note 32 to the consolidated financial statements.

SHARE OPTION SCHEMES

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

Particulars and details of the movement of the share option schemes of the Company are set out in note 29 to the consolidated financial statements.

於二零一九年五月二十七日及二零一九年十二月三十一日，融泰資源有限公司行使可換股債券的轉換權以分別認購本公司60,000,000股及84,256,976股普通股。於本報告日期，根據證券及期貨條例第XV部，融泰資源有限公司於147,189,220股本公司股份中擁有權益。

二零一七年可換股債券於二零一九年十二月三十一日之帳面值約為零港元(二零一七年可換股債券於二零一八年十二月三十一日之帳面值：43,526,000港元)。本公司可換股債券於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註32。

購股期權計劃

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

本公司購股期權計劃之詳情及變動詳情載於綜合財務報表附註29。

REPORT OF THE DIRECTORS 董事會報告

As at year ended 31 December 2019, movement of share options granted to certain eligible participants are set out below:

於截至二零一九年十二月三十一日止年度，若干合資格參與人士獲授予之購股期權變動詳情載列如下：

Participants	Date of grant of share options	Number of share options 購股期權數目				At 31 December 2019	Exercise period of share options	Exercise price on share options HK\$ per share 購股期權行使價每股港元
		At 1 January 2019	Exercised during the year	Lapsed during the year	At 31 December 2019			
參與人士	購股期權授出日期	於二零一九年一月一日	年內行使	年內失效	於二零一九年十二月三十一日	購股期權行使期		
Li Baoqi 李寶琦	5 September 2014 二零一四年九月五日	4,000,000	-	4,000,000	-	6 September 2014- 5 September 2019 二零一四年九月六日至 二零一九年九月五日	0.66	
		4,000,000	-	4,000,000	-			
Other employees 其他僱員	5 September 2014 二零一四年九月五日	6,400,000	-	6,400,000	-	6 September 2014- 5 September 2019 二零一四年九月六日至 二零一九年九月五日	0.66	
		6,400,000	-	6,400,000	-			
		10,400,000	-	10,400,000	-			

EQUITY-LINKED AGREEMENTS

Save for the "SHARE OPTION SCHEMES" and convertible bonds under "DEBENTURES" as disclosed above and in notes 29 and 32 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted as at 31 December 2019.

PRE-EMPTIVE RIGHTS

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

股票掛鈎協議

除上文「購股期權計劃」所披露者、上文「債券」項下所披露之可換股債券及綜合財務報表附註29及32所披露者外，於截至二零一九年十二月三十一日止年度本公司概無訂立或存在任何股票掛鈎協議而將會或可導致本公司發行股份，或致使本公司須訂立協議而將會或可能導致本公司發行股份。

優先購買權

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

REPORT OF THE DIRECTORS 董事會報告

EMOLUMENT POLICY

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

The Company has adopted share option schemes as an incentive to Directors and eligible employees. Details of the scheme are set out in section heading "SHARE OPTIONS SCHEMES" in this report and in note 29 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

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

MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year ended 31 December 2019.

酬金政策

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

本公司已採納一項購股期權計劃，作為對董事及合資格僱員之一種激勵。計劃詳情載於本報告「購股期權計劃」一節及綜合財務報表附註29。

退休福利計劃

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

於重大交易、安排或合約之重大權益

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

董事之競爭業務權益

概無本公司董事於截至二零一九年十二月三十一日止年度擁有與本公司或其任何附屬公司存在競爭之任何業務之任何權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 2019, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in shares of the Company

Name of Director	Nature of interest	Number of shares held	Approximate percentage of issued share capital 佔已發行股本 概約百分比
董事姓名	權益性質	所持股份數目	
Zhao Xu Guang 趙旭光	Interest of a controlled corporation (Note a) 控制法團之權益(附註a)	1,468,419,046	51.15%
To Wing Tim, Paddy 杜永添	Beneficial owner and Interest of spouse (Note b) 實益擁有人及配偶權益(附註b)	243,337	0.00%

董事購入股份或債券之權利

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

董事及主要行政人員之權益

於二零一九年十二月三十一日，各董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有已記入本公司根據證券及期貨條例第352條須予存置之登記冊，或根據上市規則所載上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及聯交所之權益及淡倉如下：

於本公司股份之好倉

Notes:

- (a) As at 31 December 2019, Shun Wang Investments Limited is owned as to 100% by Whole Advance Limited, which voting ordinary shares are owned as to 100% by Liberal Expansion Limited, which in turn is owned as to 100% by Mr. Zhao Xu Guang, an executive Director and chairman of the Company. Accordingly, Mr. Zhao is deemed to be interested in 1,468,419,046 shares of the Company under the Part XV of the SFO.
- (b) As at 31 December 2019, Mr. To Wing Tim, Paddy, an independent non-executive Director, together with his spouse, respective holding of 62,932 Shares and 180,405 Shares of the Company. Accordingly, Mr. To Wing Tim, Paddy is deemed to have interest in 243,337 Shares of the Company under Part XV of the SFO.

Save as disclosed above, as at 31 December 2019, none of the Directors nor the chief executive of the Company had registered an interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (a) 於二零一九年十二月三十一日，合晉有限公司全資擁有順旺投資有限公司的權益，廣弘有限公司全資擁有合晉有限公司之具投票權普通股權益，而本公司執行董事兼主席趙旭光先生全資擁有廣弘有限公司的權益。因此，根據證券及期貨條例第XV部，趙先生被視作於1,468,419,046股本公司股份中擁有權益。
- (b) 於二零一九年十二月三十一日，獨立非執行董事杜永添先生與其配偶分別持有62,932股本公司股份及180,405股本公司股份。因此，根據證券及期貨條例第XV部，杜永添先生被視作於243,337股本公司股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，各董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，登記持有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則已知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

As at 31 December 2019, the interests and short positions of each person, other than a Director or chief executive of the Company, in the Shares or underlying Shares of the Company which had been notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register kept by the Company under section 336 of the SFO, were as follows:

Long positions in shares of the Company:

Substantial Shareholders	Nature of interest	Number of shares held	Approximate Percentage of issued share capital 佔已發行股本 概約百分比
主要股東	權益性質	所持股份數目	
Shun Wang Investments Limited 順旺投資有限公司	Beneficial owner (Note a) 實益擁有人(附註a)	1,468,419,046	51.15%
Whole Advance Limited 合晉有限公司	Interest of a controlled corporation (Note a) 控制法團之權益(附註a)	1,468,419,046	51.15%
Liberal Expansion Limited 廣弘有限公司	Interest of a controlled corporation (Note a) 控制法團之權益(附註a)	1,468,419,046	51.15%
Zhao Xu Guang 趙旭光	Interest of a controlled corporation (Note a) 控制法團之權益(附註a)	1,468,419,046	51.15%
Rontac Resources Company Limited 融泰資源有限公司	Beneficial owner (Note b) 實益擁有人(附註b)	147,189,220	5.13%
Rontac Investment Company Limited 融泰投資有限公司	Interest of a controlled corporation (Note b) 控制法團之權益(附註b)	147,189,220	5.13%
Li Hongwei 李宏伟	Interest of a controlled corporation (Note b) 控制法團之權益(附註b)	147,189,220	5.13%

主要股東及其他人士之權益

於二零一九年十二月三十一日，各人士(董事或本公司主要行政人員除外)於本公司之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益及淡倉)，或記入本公司根據證券及期貨條例第336條存置之登記冊之權益及淡倉如下：

於本公司股份之好倉：

Notes:

- (a) As at 31 December 2019, Shun Wang Investments Limited is owned as to 100% by Whole Advance Limited, which voting ordinary shares are owned as to 100% by Liberal Expansion Limited, which in turn is owned as to 100% by Mr. Zhao Xu Guang, an executive Director and chairman of the Company. Accordingly, Mr. Zhao is deemed to be interested in 1,468,419,046 shares of the Company under the Part XV of the SFO.
- (b) At as 31 December 2019, Rontac Resources Company Limited is wholly owned by Rontac Investment Company Limited, which in turn is owned as to 71% by Mr. Li Hongwei. Accordingly, Mr. Li Hongwei is deemed to be interested in 147,189,220 shares of the Company under the Part XV of the SFO.

附註：

- (a) 於二零一九年十二月三十一日，合晉有限公司全資擁有順旺投資有限公司的權益，廣弘有限公司全資擁有合晉有限公司之具投票權普通股權益，而本公司執行董事兼主席趙旭光先生全資擁有廣弘有限公司的權益。因此，根據證券及期貨條例第XV部，趙先生被視作於1,468,419,046股本公司股份中擁有權益。
- (b) 於二零一九年十二月三十一日，融泰資源有限公司由融泰投資有限公司全資擁有，李宏偉先生於融泰投資有限公司擁有71%權益。因此，根據證券及期貨條例第XV部，李宏偉先生被視作於147,189,220股本公司股份中擁有權益。

REPORT OF THE DIRECTORS 董事會報告

Save as disclosed above, as at 31 December 2019, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company which had been notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

During the year 2019, there were no connected transactions and continuing connected transactions which were required to be disclosed in accordance with the requirements of the Listing Rules.

None of the related party transactions as set out in note 36 to the consolidated financial statements falls under the definition of “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules.

LOANS AND OTHER BORROWINGS

The total loans and other borrowings of the Group as at 31 December 2019 amounted to HK\$218,188,000 (2018: HK\$18,188,000). Particulars of loans and other borrowings are set out in note 25 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Group as at 31 December 2019 amounted to approximately HK\$576,422,000 (2018: HK\$570,644,000). Details of movements of property, plant and equipment are set out in note 14 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for approximately 63.9% of the Group's total turnover and the largest customer accounted for approximately 28.4% of the Group's total turnover.

除上文所披露者外，於二零一九年十二月三十一日，就董事或本公司主要行政人員所知，概無人士（董事或本公司主要行政人員除外）於本公司之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部之條文已知會本公司及聯交所之權益或淡倉。

管理合約

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

關連交易

於二零一九年，概無關連交易及持續關連交易須按照上市規則之規定予以披露。

概無綜合財務報表附註36所載與關連人士之交易符合上市規則第14A章下有關「關連交易」或「持續關連交易」之定義。

貸款及其他借貸

本集團於二零一九年十二月三十一日之貸款及其他借貸達218,188,000港元（二零一八年：18,188,000港元）。貸款及其他借貸詳情載於綜合財務報表附註25。

物業、廠房及設備

本集團於二零一九年十二月三十一日之物業、廠房及設備約值576,422,000港元（二零一八年：570,644,000港元）。物業、廠房及設備之變動詳情載於綜合財務報表附註14。

主要客戶及供應商

本集團五大客戶佔本集團總營業額約63.9%，而最大客戶則佔本集團總營業額約28.4%。

REPORT OF THE DIRECTORS 董事會報告

The five largest suppliers of the Group accounted for approximately 42.7% of the Group's total purchases for the year and the largest supplier accounted for approximately 15.6% of the Group's total purchases.

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

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has complied with the sufficiency of public float requirement under the Listing Rules during the year ended 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

- (a) On 12 September 2019 and 20 November 2019, the shareholders agreement was entered into between Bloom Wealth Investment Limited, a wholly owned subsidiary of the Company and Shanxi Baimaoyuan Trading Co., Ltd*, pursuant to which Rich Hydrogen Energy will be established in Shanxi Province, the PRC. The shareholders agreement was approved by Shareholders of the Company at the special general meeting held on 11 February 2020.
- (b) Since January 2020, the PRC has reported certain confirmed cases of COVID-19 which may affect the global business environment. It may foresee that certain impact of the Group's business and financial results may occur if the COVID-19 crisis prolongs, but the extent could not be estimated at the date of this report. The management was not aware of any material effect on the consequential financial results of the Group due to the COVID-19 outbreak up to the date of this report. The Board will minimize the impact of COVID-19 to protect the interests of the Group.

* For identification purpose only

本集團五大供應商佔本集團本年度之購貨總額約42.7%，而最大供應商則佔本集團購貨總額約15.6%。

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

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

足夠之公眾持股量

根據於本年報日期本公司公開所得資料及就董事所知，本公司於截至二零一九年十二月三十一日止年度一直遵守上市規則之足夠公眾持股量規定。

報告期後事項

- (a) 於二零一九年九月十二日及二零一九年十一月二十日，本公司全資附屬公司一興財投資有限公司與山西百懋源貿易有限公司訂立股東協議，據此，雙方將在中國山西省成立富氫能源。該股東協議已於二零二零年二月十一日舉行的股東特別大會上獲得本公司股東批准。
- (b) 自二零二零年一月起，中國已報告新型冠狀病毒之若干確診病例可能影響全球營商環境。如新型冠狀病毒疫情持續，可以預期將對集團的業務和財務狀況構成影響，但其影響範圍截至本報告日期未能估計。直至本報告日期，管理層沒有發現新型冠狀病毒的爆發，對本集團的後續財務業績構成重大影響。董事會致力將新型冠狀病毒的影響減至最低，以保障本集團之利益。

* 僅供識別

REPORT OF THE DIRECTORS 董事會報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to supporting sustainability of the environment and endeavours to comply with laws and regulations regarding environmental protection and to adopt measures to achieve efficient use of resources, energy saving and waste reduction. The details of environmental, social and governance information of the Group for the year ended 31 December 2019 are set out in the ESG Report on pages 63 to 92 to this annual report.

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance practices. The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group. The Company is subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Bermuda Companies Law, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and/or the rules and regulations of the jurisdictions where the shares of the Company are listed and traded. Details of the corporate governance practices of the Group for the year ended 31 December 2019 are set out in the CG Report on pages 43 to 62 to this annual report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2 June 2020 (Tuesday) to 5 June 2020 (Friday), both days inclusive. In order to qualify for the attendance of the forthcoming annual general meeting of the Company to be held on 5 June 2020 (Friday), share transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for the holding of the meeting (or any adjournment thereof).

AUDITOR

Ernst & Young resigned as the external auditor of the Group with effect from 13 November 2018.

Mazars CPA Limited appointed as the external auditor of the Group for the period from 15 November 2018 to 5 June 2019.

環境、社會及管治

本集團致力支持環境的可持續發展，努力遵守環保相關法律及法規，採取措施以達致資源有效利用、節能及減廢。本集團截至二零一九年十二月三十一日止年度之環境、社會及管治詳情載於本年報第63至92頁之環境、社會及管治報告。

企業管治

本集團致力保持高水平之企業管治常規標準。本集團已遵循對營運有重大影響之相關法律及法規。本公司受上市規則、公司收購、合併及股份回購守則、百慕達公司法、公司條例(香港法例第622章)、證券及期貨條例(香港法例第571章)及／或本公司股份上市及買賣所在之司法權區之規則及規例所規管。本集團截至二零一九年十二月三十一日止年度之企業管治常規詳情載於本年報第43至62頁之企業管治報告。

暫停股份過戶登記

本公司將於二零二零年六月二日(星期二)起至二零二零年六月五日(星期五)(包括首尾兩日)暫停股份過戶登記。為符合資格出席本公司將於二零二零年六月五日(星期五)舉行之應屆股東週年大會，股份過戶表格連同有關股票須不遲於大會(或其任何續會)指定舉行時間48小時前送達本公司之香港股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓。

核數師

安永會計師事務所辭任本集團外部核數師，自二零一八年十一月十三日起生效。

中審眾環(香港)會計師事務所有限公司於二零一八年十一月十五日至二零一九年六月五日為本集團外部核數師。

REPORT OF THE DIRECTORS 董事會報告

BDO Limited has been appointed as the external auditor of the Group with effect from 10 July 2019, to fill the casual vacancy following the retirement of Mazars CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements for the year ended 31 December 2019 have been audited by BDO Limited will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2020 AGM.

On behalf of the Board

Zhao Xu Guang
Chairman

香港立信德豪會計師事務所有限公司獲委聘為本集團外部核數師，由二零一九年七月十日起生效，以填補因中審眾環(香港)會計師事務所有限公司退任而產生的臨時空缺，並將留任至本公司下屆股東週年大會結束為止。

截至二零一九年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核並將於應屆二零二零年股東週年大會上退任，並符合資格且願意獲續聘。

代表董事會

主席
趙旭光

CORPORATE GOVERNANCE REPORT 企業管治報告

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

CORPORATE GOVERNANCE PRACTICES

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

Compliance with the Corporate Governance Code

For the year ended 31 December 2019 and up to the date of this report, except for the code provisions A.2.1, A.6.7 and D.1.4 with reasons for each deviation explained hereunder, the Company has complied with the code provisions as set out in the CG Code in Appendix 14 of the Listing Rules.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors. All Directors have confirmed in writing, following specific enquiry by the Company, that they fully complied with the Model Code throughout the year ended 31 December 2019.

CORPORATE GOVERNANCE STRUCTURE

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

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

企業管治常規

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

遵守企業管治守則

截至二零一九年十二月三十一日止年度及直至本報告日期，除偏離守則條文第A.2.1條、第A.6.7條及第D.1.4條外（偏離原因於下文說明），本公司已遵守上市規則附錄14之企業管治守則所載之守則條文。

遵守標準守則

本公司已採納上市規則附錄10所載之標準守則，作為董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事已以書面確認，其於截至二零一九年十二月三十一日止整個年度已全面遵守標準守則。

企業管治架構

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

BOARD OF DIRECTORS

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

Directors' Retirement at 2020 AGM

In accordance with the bye-law 99 of the Bye-Laws of the Company, Mr. Zhao Xu Guang and Mr. Lam Hoy Lee, Laurie will retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election.

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to his appointment as executive Director on 10 June 2019 and re-designated to non-executive Director on 1 March 2020, Mr. Li Qinghua will hold office until the following AGM, and will not offer himself for re-election at the following AGM.

Pursuant to bye-law 102(B) of the Bye-Law of the Company and subsequent to their appointments on 10 July 2019 and 15 January 2020 respectively, Mr. Wang Yijun and Mr. Jiang Jiansheng will hold office until the following AGM, and being eligible, offer themselves for re-election.

The biographical details of the Directors are set out under section heading "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" on pages 17 to 21 of this annual report.

董事會

董事會由九名董事組成，包括兩名執行董事（趙旭光先生（主席及行政總裁）及王義軍先生）、四名非執行董事（李清華先生、黃少雄先生、黃文鑫先生及姜建生先生）及三名獨立非執行董事（林開利先生、杜永添先生及王維新博士）。

於二零二零年股東週年大會上之董事退任

根據本公司公司細則細則第99條，趙旭光先生及林開利先生將於應屆股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

根據本公司公司細則細則第102(B)條，李清華先生於二零一九年六月十日獲委任為執行董事及二零二零年三月一日獲調任為非執行董事後之任期將直至下屆股東週年大會為止，並不會於下屆股東大會膺選連任。

根據本公司公司細則細則第102(B)條，王義軍先生及姜建生先生分別於二零一九年七月十日及二零二零年一月十五日獲委任後之任期將直至下屆股東週年大會為止，惟彼等符合資格並願意膺選連任。

董事之履歷詳情載於本年報第17至21頁「董事及管理層之履歷詳情」一節。

Responsibilities of the Board

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

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

Delegation to the Management

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

Code Provision D.1.4

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

Reason for Deviation

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

董事會之責任

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

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

賦權管理層

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

守則條文第D.1.4條

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

偏離原因

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Code Provision A.2.1

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

Reason for Deviation

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

The Board considers that the Company has established a strong corporate governance structure in place to ensure effective management. The Board comprises experienced and high-caliber individuals while Mr. Zhao focuses on business strategic development. In addition, the three independent non-executive Directors in Board which ensure there is a strong independent element on the Board which can effectively exercise independent judgement and oversee the business management in major decision making. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

NON-EXECUTIVE DIRECTORS

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

主席及行政總裁

董事會主席為趙旭光先生，彼亦同時自二零一七年五月二日起擔任行政總裁。

守則條文第A.2.1條

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

偏離原因

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

董事會認為，本公司已建立強大的企業管治架構，以確保有效管理。董事會由經驗豐富及具有才幹人士組成，趙先生專注於業務戰略發展。此外，董事會三名獨立非執行董事能確保董事會有強大的獨立性，能在重大決策中有效行使獨立判斷和監督業務管理。儘管如此，董事會將根據當前情況不時檢討架構。

非執行董事

於本報告日期，董事會有七名非執行董事（包括獨立非執行董事），分別為李清華先生、黃少雄先生、黃文鑫先生、姜建生先生、林開利先生、杜永添先生及王維新博士。根據公司細則第99條，於每屆股東週年大會上，當時之三分之一董事須輪值告退，惟每一名董事須每三年最少輪值告退一次。全體非執行董事亦須根據公司細則輪值告退，並須每三年最少退任一次。

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board comprises of three members out of nine members in total, representing over 33% of Board, independent non-executive Directors. The Board is satisfied that current composition of independent non-executive Directors is in compliance with the requirement of independent non-executive Directors under Rules 3.10(1) and (2) and 3.10A of the Listing Rule.

Most of the independent non-executive Directors are professionals with recognised qualifications, either being certified public accountant or lawyer, who possess extensive experience in their own professions. The biography details of the independent non-executive Directors are set out on page 20 of this annual report. During the year 2019, all independent non-executive Directors contributed impartial view to the Board members and made independent judgements on issues discussed at the Board meetings.

INDEPENDENCE CONFIRMATION

The Company has received annual confirmation of independence from each independent non-executive Director for the financial year ended 31 December 2019 pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Board considered each of the independent non-executive Directors fulfilled the independence requirement throughout the year and up to the date of this report. The independent non-executive Directors had been identified in all corporate communications of the Company that disclose the names of Directors.

RELATIONSHIP BETWEEN BOARD MEMBERS

Saved as disclosed under section heading “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” on pages 17 to 21 under this annual report, none of the members of the Board has any relationship, neither financial, business, family nor other material/relevant relations, among each other.

獨立非執行董事

董事會九名成員中，共三名成員為獨立非執行董事，佔董事會成員數逾33%。董事會信納現時之獨立非執行董事組成比例符合上市規則第3.10(1)及(2)條及第3.10A條之獨立非執行董事規定。

大部分獨立非執行董事均為專業人士，具備會計師或律師之認可資格，於各自之專業領域擁有豐富經驗。獨立非執行董事之履歷詳情載於本年報第20頁。於二零一九年，全體獨立非執行董事為董事會成員提供客觀意見，並就董事會會議上商議之議題作出獨立判斷。

確認獨立性

根據上市規則第3.13條所載之獨立性指引，本公司已收到各獨立非執行董事就截至二零一九年十二月三十一日止財政年度之年度獨立性確認書。經審閱及評估後，董事會認為各獨立非執行董事於整個年度及直至本報告日期一直符合獨立性要求。本公司所有公司通訊均披露了董事姓名，當中亦已記載獨立非執行董事之姓名。

董事會各成員之間的關係

除本年報第17至21頁「董事及管理層之履歷詳情」一節所披露者外，董事會成員彼此之間概無任何關係，不論是財務上、業務上、家屬或其他重大／相關之關係。

INSURANCE FOR DIRECTORS AND OFFICERS

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

INDEPENDENT PROFESSIONAL ADVICE

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

COMPANY SECRETARY

The Company engaged an external service provider as its Company Secretary. The Company secretarial assistant manager, Ms. Au Wing Sze is the contact person of the external service provider.

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

The Company Secretary of the Company, Mr. Li Chi Chung, undertakes to ensure a good information flow within the Board and between the Board and senior management, provides advice to the Board in relation to Directors' obligations under the Listing Rules and applicable laws and regulations and assists the Board in implementing the corporate governance practices. During the year ended 31 December 2019, the Company Secretary finished no less than 15 hours of relevant professional training and in compliance with the training requirement under Rule 3.29 of the Listing Rules.

董事及高級管理人員保險

本公司已就針對董事及本公司管理層之法律行動安排合適保險。

獨立專業意見

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

公司秘書

本公司委聘一名外部服務供應商擔任其公司秘書。公司秘書部助理經理歐穎詩女士為外部服務供應商的聯絡人。

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

本公司之公司秘書李智聰先生承諾確保董事會內部和董事會與高級管理層之間有良好的信息流通；就董事根據上市規則及適用法律及法規下之責任，向董事會做出建議；以及協助董事會實施企業管治常規。截至二零一九年十二月三十一日止年度，公司秘書已完成不少於15小時之相關專業培訓，符合上市規則第3.29條之培訓規定。

BOARD MEETINGS AND PROCEEDINGS

Regular Board meetings were held four (4) times during the financial year ended 31 December 2019. The Directors have access to the advice and services of the Company Secretary and company secretarial team for ensuring that the Board procedures, all applicable rules and regulations are followed.

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

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

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

董事會會議及議事程序

董事會於截至二零一九年十二月三十一日止財政年度舉行了四(4)次董事會定期會議。董事可獲得公司秘書及公司秘書團隊之意見及使用其服務，以確保董事會程序及所有適用規則及規例獲得遵守。

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

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

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

Attendance of Board Meeting and General Meeting during FY2019

The attendance of Board meetings and general meeting during the year ended 31 December 2019 is set out below:

於二零一九年財政年度之董事會會議及股東大會出席人數

截至二零一九年十二月三十一日止年度，董事會會議及股東大會之出席人數載列如下：

Capacity and Name of Director		Board Meetings Attended/Held and Eligible to Attend 董事會會議 出席次數／舉行次數 及有權出席次數	Attendance at 2019 general meetings 二零一九年 股東大會 出席情況
Executive Directors	執行董事		
Mr. Zhao Xu Guang (Chairman and Chief Executive Officer)	趙旭光先生 (主席及行政總裁)	16/16	2/2
Mr. So Chiu Fung ¹	蘇晁鋒先生 ¹	19/19	1/2
Mr. Wang Yijun ²	王義軍先生 ²	11/11	0/0
Non-executive Directors	非執行董事		
Mr. Li Qinghua ³	李清華先生 ³	13/13	0/0
Mr. Wong Siu Hung, Patrick	黃少雄先生	19/19	2/2
Mr. Huang Man Yem	黃文鑫先生	17/19	2/2
Independent non-executive Directors	獨立非執行董事		
Mr. Lam Hoy Lee, Laurie	林開利先生	17/19	1/2
Mr. To Wing Tim, Paddy	杜永添先生	18/18	2/2
Dr. Wang Wei Hsin	王維新博士	19/19	1/2

¹ resigned on 15 January 2020

² appointed on 10 July 2019

³ appointed on 10 June 2019 as executive Director and re-designated to non-executive Director on 1 March 2020

¹ 於二零二零年一月十五日辭任

² 於二零一九年七月十日獲委任

³ 於二零一九年六月十日獲委任為執行董事及於二零二零年三月一日調任為非執行董事

Code Provision A.6.7

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

Reason for Deviation

Some individual Directors were unable to attend the special general meeting of the Company held on 9 April 2019 due to other business engagements. This constitutes a deviation from code provision A.6.7 of the CG Code.

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

CONTINUOUS PROFESSIONAL DEVELOPMENT

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

守則條文第A.6.7條

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

偏離原因

因個別董事另有要務在身，未能出席本公司於二零一九年四月九日舉行的股東特別大會。此偏離了企業管治守則之守則條文第A.6.7條。

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

持續專業發展

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

For the year ended 31 December 2019, all Directors had provided to the Company a record of their CPD training by attending seminars and conferences, taking courses and reading materials. A summary of training topics covered is as follow:

截至二零一九年十二月三十一日止年度，全體董事均已向本公司提供彼等參與持續專業發展培訓之記錄，培訓包括出席研討會及討論會、修讀課程及閱讀培訓材料。培訓涵蓋之課題概列如下：

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

AUDIT COMMITTEE

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

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

審核委員會

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

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

CORPORATE GOVERNANCE REPORT 企業管治報告

During the review of financial statements, management reported liquidity position of the Group and measures taken/to be taken to enable the Group to sustain as a going concern. The audit committee was aware of the matter as one of key audit matters and to be included in the section under material uncertainty related to going concern in the Independent Auditor's Report for 2019 consolidated financial statements. The audit committee did not express any disagreement with management's assessment concerning of the going concern assumptions in the preparation of 2019 consolidated financial statements.

The attendance of Audit Committee meetings during the year ended 31 December 2019 is set out below:

在審閱財務報表期間，管理層已就本集團之資金流動狀況及已採取／將採取之措施作出報告，以使本集團能夠持續經營。審核委員會認為該事項為關鍵審核事項之一，並將納入二零一九年綜合財務報表之獨立核數師報告內與持續經營有關之重大不確定因素一節內。審核委員會並無就有關編製二零一九年綜合財務報表之持續經營假設之管理層評估表示任何意見分歧。

截至二零一九年十二月三十一日止年度，審核委員會會議之出席人數載列如下：

Capacity and Name of Director

Audit Committee Meetings Attended/Held and Eligible to Attend

審核委員會會議
出席次數／舉行次數
及有權出席次數

董事職銜及姓名

Chairman of Audit Committee

Mr. To Wing Tim, Paddy

審核委員會主席

杜永添先生

4/4

Members

Mr. Lam Hoy Lee, Laurie

Mr. Huang Man Yem

Dr. Wang Wei Hsin

成員

林開利先生

黃文鑫先生

王維新博士

2/4

4/4

4/4

A summary of work performed during the year ended 31 December 2019 is set out as follows:

審核委員會於截至二零一九年十二月三十一日止年度已進行之工作概列如下：

- reviewed the interim and annual financial statements and reports and recommended to the Board for adopt and approval;
- reviewed the performance and independence of the external auditor and recommended the Board on the re-appointment of external auditor at the AGM;
- reviewed and approved the annual audit plan for the financial year;
- 審閱中期及年度財務報表及報告，並向董事會作出採納及批准建議；
- 檢討外聘核數師之表現及獨立性，並就於股東週年大會上續聘外聘核數師向董事會作出建議；
- 審閱並批准本財政年度之年度審核計劃；

- reviewed the independence of external auditors and its engagement letter and approved the engagement;
 - reviewed and approved engagements of respective independent external professionals to assess the effectiveness of risk management and internal control system and compliance of environmental and social regulations of the Group; and
 - reviewed the respective compliance and risk and internal control assessment reports, and the corporate governance review report of the Group.
- 檢討外聘核數師之獨立性及審閱其委聘函件，並批准有關委聘；
 - 檢討並批准各獨立外聘專業人士之有關委聘，彼等獲聘評估本集團之風險管理及內部監控系統之有效性以及本集團於遵守環境及社會法規方面之合規情況；及
 - 審閱本集團各合規及各風險及內部監控評估報告以及企業管治檢討報告。

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

審核委員會已建議董事會於本公司應屆股東週年大會考慮續聘香港立信德豪會計師事務所有限公司為本公司外聘核數師。

REMUNERATION COMMITTEE

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

薪酬委員會

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

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

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

The attendance of Remuneration Committee meetings during the year ended 31 December 2019 is set out below:

截至二零一九年十二月三十一日止年度，薪酬委員會會議之出席人數載列如下：

Capacity and Name of Director		Remuneration Committee Meetings Attended/Held and Eligible to Attend
董事職銜及姓名		薪酬委員會會議出席次數／舉行次數及有權出席次數
Chairman of Remuneration Committee	薪酬委員會主席	
Mr. Lam Hoy Lee, Laurie	林開利先生	1/1
Members		
	成員	
Mr. Huang Man Yem	黃文鑫先生	1/1
Mr. To Wing Tim, Paddy	杜永添先生	1/1
Dr. Wang Wei Hsin	王維新博士	1/1

A summary of work performed by the Remuneration Committee during the year ended 31 December 2019 is set out as follows:

薪酬委員會於截至二零一九年十二月三十一日止年度已進行之工作概列如下：

- reviewed the Directors' fee for the year and recommended to the Board for approval;
 - reviewed and assessed the remuneration policy and structure of the Group; and
 - reviewed the appointment of Chief Executive Officer and recommended to the Board the adjustment of monthly salary considered his dual capacity as Chairman and the responsibilities undertaking.
- 檢討年度董事袍金並向董事會作出批准建議；
 - 檢討及評估本集團之薪酬政策及架構；及
 - 檢討行政總裁之委任，並於考慮其身兼主席之雙重身分及職責承擔後向董事會建議調整其月薪。

Details of the remuneration of each of the Directors for the financial year are set out in note 10 to the consolidated financial statements. The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2019 is set out below:

各董事於財政年度之薪酬詳情載於綜合財務報表附註10。截至二零一九年十二月三十一日止年度按薪酬組別劃分之高級管理人員薪酬載列如下：

Remuneration Band 薪酬組別	Number of Persons as Senior Management 高級管理人員人數
Nil to HK\$2,000,000 零至2,000,000港元	8
HK\$2,000,001 to HK\$5,000,000 2,000,001港元至5,000,000港元	1

NOMINATION COMMITTEE

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

提名委員會

提名委員會由一名執行董事及三名獨立非執行董事組成，分別為執行董事趙旭光先生(擔任委員會主席)及獨立非執行董事杜永添先生、林開利先生及王維新博士。

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

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

The attendance of Nomination Committee meetings during the year ended 31 December 2019 is set out below:

截至二零一九年十二月三十一日止年度，提名委員會會議之出席人數載列如下：

Capacity and Name of Director		Nomination Committee
		Meetings Attended/ Held and Eligible to Attend
董事職銜及姓名		提名委員會會議 出席次數／舉行次數 及有權出席次數
Chairman of Nomination Committee	提名委員會主席	
Mr. Zhao Xu Guang	趙旭光先生	1/1
Members	成員	
Mr. Lam Hoy Lee, Laurie	林開利先生	1/1
Mr. To Wing Tim, Paddy	杜永添先生	1/1
Dr. Wang Wei Hsin	王維新博士	1/1

A summary of work performed by the Nomination Committee during the year ended 31 December 2019 is set out as follows:

提名委員會於截至二零一九年十二月三十一日止年度已進行之工作概列如下：

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

CORPORATE GOVERNANCE FUNCTION

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledged that it is responsible for the risk management and internal control systems and reviewing the effectiveness. The internal controls of the Group are designed to provide reasonable assurance rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is designed for assurance of the Group's assets and that Shareholders' investments are safeguarded against unauthorised use or disposition, transactions are executed in accordance with the management's authorisation, internal audit, proper accounting records are maintained, and the relevant legislation and regulations are being complied with.

Risk Management and Internal Control Framework

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

- identify risks of the Group's and evaluate the level of the risks and impacts on regular basis;
- report the high risks to the management to discuss the approach and measures to manage those risks;
- implement the measures to manage the risks as management advised;
- review regularly whether the measures have been implemented and appropriate at current situation;

企業管治職能

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

風險管理及內部監控

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

風險管理及內部監控框架

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

- 識別本集團之風險並定期評價有關風險之水平及影響；
- 向管理層匯報高危風險，以討論有關管理該等風險之方法及措施；
- 按管理層之建議實行有關措施以管理該等風險；
- 定期檢視有關措施是否已實行及是否適合於當前情況；

- review annually the whole risk management and internal control practices;
 - report the effectiveness of the measures and the risk management and internal control systems;
 - adjust the risks approach and measures if consider appropriate; and
 - monitor the risks on regular basis.
- 每年檢討整個風險管理及內部監控之常規；
 - 匯報措施以及風險管理及內部監控系統之有效性；
 - 如認為適當，調整風險管理方法及措施；及
 - 定期監察風險。

Independent Assessment

To ensure the independent review of the effectiveness of the risk management and internal control systems, the Group engaged independent external professionals to perform annual review and assessment of the risk management and internal control system of the Group covering the financial year ended 31 December 2019 to ensure the compliance of relevant regulations and rules. The review report was submitted to the Audit Committee.

Review of the Effectiveness

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

AUDITOR' S INDEPENDENCY AND REMUNERATION

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

獨立評估

為確保能對風險管理及內部監控系統之有效性作出獨立檢討，本集團已委聘獨立外聘專業人士對本集團之風險管理及內部監控系統(涵蓋截至二零一九年十二月三十一日止財政年度)進行年度檢討及評估，以確保相關規例及規則獲得遵守。檢討報告已提交審核委員會。

檢討有效性

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

核數師之獨立性及酬金

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

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

年內，香港立信德豪會計師事務所有限公司已為本集團提供審核服務，而本集團已付／應付其酬金載列如下：

Service Rendered

所提供服務

Fees Paid/Payable

已付／應付費用

HK\$

港元

Audit Services	審核服務	1,300,000
Non-Audit Services	非審核服務	Nil 無

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare the consolidated financial statements of the Company for the financial year ended 31 December 2019 and other financial disclosures required under the Listing Rules and applicable regulatory and law requirement. The Board, having made appropriate enquiries, considers that the Company has adequate resources to continue in operational existence for the foreseeable future and that for this reason, it is appropriate to adopt the "going concern" basis in preparing the consolidated financial statements. The Statements of the Auditor on its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 93 to 98 in this Annual Report.

董事就財務報表所承擔之責任

董事確認就編製本公司截至二零一九年十二月三十一日止財政年度之綜合財務報表以及根據上市規則及適用之監管及法律規定所須作出之其他財務披露承擔有關責任。經作出適當查詢後，董事會認為本公司具備足夠資源於可見未來繼續營運，並基於此理由認為，採納「持續經營」基準編製綜合財務報表為合適。核數師就其對綜合財務報表之申報責任而作出之聲明載於本年報第93至98頁之獨立核數師報告內。

CONSTITUTIONAL DOCUMENTS

There was no change in the Bye-Laws of the Company during the year ended 31 December 2019.

憲章文件

截至二零一九年十二月三十一日止年度，本公司之公司細則概無變動。

SHAREHOLDERS' RIGHTS

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

股東權利

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

Convene Special General Meeting

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

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

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

Put Forward Proposals at General Meetings

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

召開股東特別大會

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

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

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

於股東大會上提呈建議

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

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

Shareholders Enquires and Investor Relations

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

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

Tricor Secretaries Limited

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone: 2980 1333
E-mail: is-enquiries@hk.tricorglobal.com

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

Investor Relations

Husoke Holdings Limited

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

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

股東查詢及投資者關係

本公司歡迎股東於本公司之股東大會上向董事會作出查詢。

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

卓佳秘書商務有限公司

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如有任何其他查詢，各股東可於任何時間向本公司發送郵件查詢，詳情如下：

和嘉控股有限公司

投資者關係

香港金鐘金鐘道89號
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SCOPE AND REPORTING PERIOD

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

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in Mainland China. The exact coverage is the 666,670 m² of plant area, which include the coal washing plant, the coking plant, the power plant, the heating plant, the material plants, and others, in Xiaoyi, Shanxi Province from 1 January 2019 to 31 December 2019, unless otherwise stated. The scope is the same as that of the previous Reporting Year.

THE GROUP’S SUSTAINABILITY MISSION AND VISION

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

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

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

範圍及報告期間

此份報告為和嘉控股有限公司（「本集團」）的第四份環境、社會及管治報告，內容詳列本集團於環境、社會及管治（「環境、社會及管治」）的表現，並參考香港聯合交易所有限公司上市規則附錄27及指引所述環境、社會及管治報告指引提供披露資料。

除另有述明外，本環境、社會及管治報告涵蓋二零一九年一月一日至二零一九年十二月三十一日本集團於中國內地的業務營運（包括山西省孝義市的洗煤廠、焦化廠、發電廠、熱源廠、物料廠及其他廠區共666,670平方米的確切覆蓋範圍）中兩個主要範疇（即環境及社會）的整體表現。報告的範圍與上一報告年度相同。

本集團的持續發展使命和願景

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

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

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

STAKEHOLDER ENGAGEMENT AND MATERIALITY

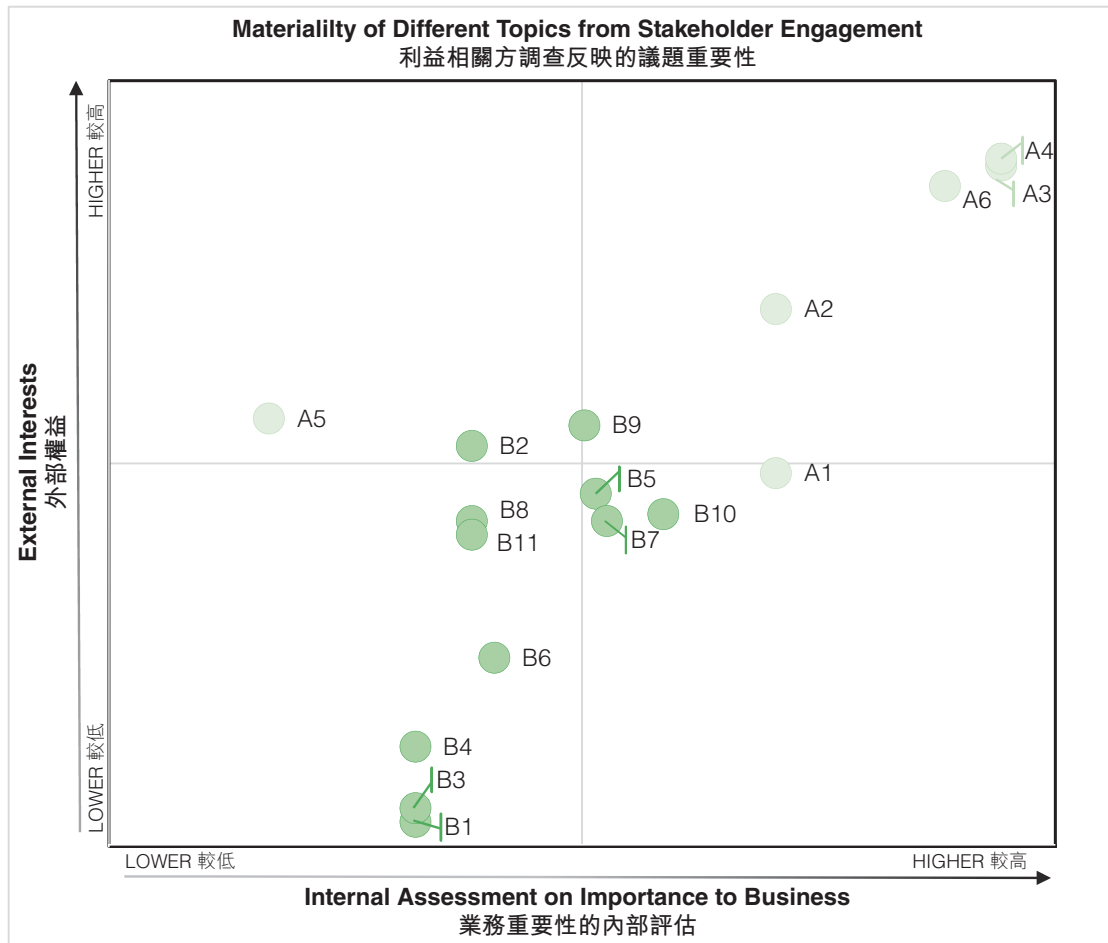
The Group values feedback and opinions of its stakeholders as they are all indispensable to the business. Thus, key internal and external stakeholders such as board members, managers, supervisors, frontline workers, business partners, and regulators have been engaged such that their needs and concerns can be better understood. Such engagement had been conducted via various channels, one of which was distributing a survey.

By carrying out the stakeholder engagement survey, the most concerned ESG aspects among the stakeholders were identified. Results show that the most material issues were on environmental aspects. Social aspects, on the other hand, were considered less material for the Group. This finding closely aligns with the business nature of the Group. The following matrix shows the materiality assessment of the stakeholder engagement.

利益相關方參與及重要性

本集團視其利益相關方的反饋及意見為業務不可或缺的一部分，因此，本集團與主要內部及外部利益相關方（如董事會成員、經理、主任、前線工人、業務夥伴及監管者）接洽以更好地了解彼等的需求及關注。本集團透過各種溝通渠道進行有關接洽，其中一個接洽方式包括分發調查。

透過開展利益相關方接洽調查，本集團得以知悉利益相關方之間最為關注的環境、社會及管治問題。結果表明，對本集團而言，環境方面的問題最重要，社會方面的問題則比較不重要。這一結果與本集團的業務性質密切相關。以下矩陣顯示了利益相關方參與的重要性評估。



Environmental 環境

- A1 Energy 能源
- A2 Water 水
- A3 Emissions 排放
- A4 Waste and Effluent 廢物和污水
- A5 Other Raw Materials Consumption 其他原材料消耗
- A6 Environmental Protection Measures 環保措施

Social 社會

- B1 Social Employment 社會就業
- B2 Health and Safety 健康與安全
- B3 Development and Training 發展與培訓
- B4 Labour Standards 勞工標準
- B5 Supply Chain Management 供應鏈管理
- B6 Intellectual Property Rights 知識產權
- B7 Customer Data Protection 客戶數據保護
- B8 Customer Service 客戶服務
- B9 Product Quality 產品質量
- B10 Anti-corruption 反貪污
- B11 Community Investment 社區投資

According to the matrix, the most material topics to the Group's stakeholders and its operations are,

- Waste and Effluent
- Air Emissions
- Environmental Protection Measures
- Water
- Energy

The Group strictly complies with the statutory requirements in respect of the identified material aspects. Corresponding management practices and policies are being formulated and/or implemented following the identification of these issues. The Group will continue to improve its ESG management and performance by actively communicating with its stakeholders and constantly improving its internal policies.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via email at ir@huscoke.com.

A. ENVIRONMENTAL

The Group stringently complies with national and local laws and regulations concerning environmental protection and pollution control, including but not limited to the followings,

- Environmental Protection Law of the PRC
- Law of the PRC on the Prevention and Control of Atmospheric Pollution
- Cleaner Production Promotion Law of the PRC
- Water Pollution Prevention and Control Law of the PRC

根據矩陣，對本集團利益相關方及其營運最重要的議題為：

- 廢物和污水
- 大氣排放
- 環保措施
- 水
- 能源

本集團已就以上議題嚴格遵守法定要求，亦正在制定及／或落實相應的管理慣例及政策。本集團將會透過與其利益相關方積極溝通及不斷改善其內部政策，已繼續提高其環境、社會及管治管理及表現。

利益相關方的意見

本集團歡迎利益相關方對環境、社會及管治方針和表現提出意見。請透過電郵 ir@huscoke.com 向我們提出任何建議或意見。

A. 環保

本集團嚴格遵守國家及地方有關環境保護及污染控制的法律及法規，包括但不限於以下各項：

- 《中華人民共和國環境保護法》
- 《中華人民共和國大氣污染防治法》
- 《中華人民共和國清潔生產促進法》
- 《中華人民共和國水污染防治法》

- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste
- Environmental Protection Tax Law of the PRC

Top-down, policy-driven, and performance-based environmental protection activities have been reinforced during this Reporting Period. This is because the local government has issued several new policies to further improve environmental performance in the city with a special focus on improving performance from coal industry. Some of the policies include,

- Document No. 39 [2019]: Notice on Shanxi's Blue-Sky Protection 2019 Action Plan
- Regulation of Shanxi on Prevention and Control of Atmospheric Pollution
- Permit on Effluent Management Policy (Trial), etc.

Notwithstanding the tightening requirements, the Group considers 2019 as an outstanding year for keeping up with high emission standards and maintaining excellence in implementing environmental protection projects.

There was no non-compliance with the above-mentioned laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the Reporting Period.

- 《中華人民共和國固體廢物污染環境防治法》
- 《中華人民共和國環境保護法》

本集團於報告期間內加強自上而下、以政策為導向、以績效為本的環保活動，乃因當地政府頒佈多項為進一步改善該市、尤其是煤炭行業的環境表現的新政策。若干該等政策包括：

- [二零一九年]第39號文件：《山西省保護藍天二零一九年行動計劃通知》
- 《山西省大氣污染防治條例》
- 《排污許可證管理辦法(試行)》等

儘管要求收緊，本集團認為二零一九年乃出色的一年，執行環保項目中緊跟高排放標準和保持卓越。

於報告期間內，概無發現未遵守上述有關大氣及溫室氣體排放、向水源和土地排污、產生有害及無害廢物的法律及法規的情況。

A1. Emissions

1.1 Air Emissions

The Group's operations in Xiaoyi, China accounts for its major sources of emissions. During the Reporting Period, the Group generated 26,798 kg of sulphur oxides (SO_x), 145,753 kg of nitrogen oxides (NO_x), and 16,295 kg of particulate matter (PM). Such emissions were mainly contributed by the Group's coal washing, coke production, electricity and heat production processes, the rest of which was produced by its own mobile vehicles, which included passenger cars, heavy goods trucks, and other mobile machinery.

To minimise its impacts on the environment and human health, the Group tries to figure out the value of these substances from the beginning of the production process to better control the treatment for them. For example, the Group measures and jots down the amount of SO_x of raw coal before they start using them. In later stages, these substances are also treated by respective facilities before being emitted into the air. These procedures give the Group a better grasp of its sources of emissions, the contribution of emissions at different stages of production, and how much emission each of those sources contribute to.

During the Reporting Year, new facilities, such as additional covers, roofs and waste treatment facilities were also invested on and installed to further reduce the potential impacts induced by the Group's operations (see Table 1).

A1. 排放

1.1 大氣排放

本集團為其於中國孝義市的營運產生的主要排放物負責。於報告期間內，本集團產生了26,798公斤氧化硫、145,753公斤氮氧化物及16,295公斤顆粒物。該等排放主要是由本集團的洗煤、焦炭生產、電力和熱源生產過程造成的，其餘是由本身的移動車輛產生，包括客車、重型貨車和其他移動機械。

為儘量減少對環境及人類健康的影響，本集團試圖計算出從生產過程源頭產生的該等物質的價值，以更好地處理該等物質。例如，本集團在彼等開始使用該等物質之前測量及記錄原煤氣化硫的含量。在之後階段，該等物質在排入大氣之前亦經由各個設施處理。該等程序讓本集團更好地了解其排放來源，不同生產階段的排放量，以及該等排放源各自的排放量。

於本報告年度內，本集團亦投資興建及安裝屏幕、封閉物、污染物治理儀器等大型設施，以進一步減少本集團營運可能引致的影響（見表一）。

Table 1 Facilities and systems installed in 2019 for the minimisation of environmental impacts

表1 為減少環境影響於二零一九年安裝的設施及系統

Item 項目	Environmental Protection Project and Their Function 環保項目及其職能	Year of (Expected) Completion (預期)完成年度
<i>Coal Washing plant</i> 洗煤廠		
1	Covers for Conveyor Belts – Transport belts had been made to be enclosed such that fugitive emissions are controlled and PM emissions are lowered 輸送帶封閉工程 – 將運送帶改至封閉式，以便控制溢散排放和降低顆粒物排放	2019 二零一九年
2	Rainwater Collection Pond – collect the first batch (around 15 minutes) of rainwater that has hit the ground in order to minimise the chance of industrial pollutants being carried into the city's pipes or surface water, causing burden to the sewage system or pollution to the river 雨水收集池 – 收集首批(約首15分鐘)已落地的雨水，以防止工業企業地面污染物隨雨水進入市政污水管網對市鎮污水處理站造成衝擊，或進入地表水，對河流等水體造成負擔或污染	2020 二零二零年
<i>Coking Plant</i> 焦化廠		
3	Online monitoring systems preparation – installing detectors that would transmit real time data and emissions to online systems automatically to observe and monitor the emissions from the Coking Plant, Ground Station 線上監測系統準備 – 安裝探測器，將實時數據和排放自動傳送到線上系統，以觀察和監測焦化廠、地面站的排放	2019 二零一九年
4	Leak detection and repair (LDAR) – for volatile organic compounds (VOCs) 洩漏檢測和修復(LDAR) – 檢測與修復有機洩漏	2019 二零一九年
5	Partition boards construction – for dust and fugitive emission suppression 隔板建造 – 用於抑制粉塵和溢散排放	2019 二零一九年
6	VOC (Volatile Organic Compounds) Treatment Facility – Enclosed tubes, acid and alkaline liquid, and activated charcoal within the facility transport, filter, and treat smell and chemicals to reduce PM2.5 emissions, followed by the new national regulation this year 揮發性有機化合物處理設施 – 封閉管、酸鹼性液體和活性炭在設施內的運輸、過濾和處理氣味和化學品，以減少PM2.5的排放，以遵守今年的國家新規	2019 二零一九年
7	Desulphurisation Facility – to install wet flue-gas desulphurisation facility for the removal of sulphur oxides following stricter requirements set by the local government 脫硫設施 – 根據地方政府制定的更嚴格要求，安裝濕式煙氣脫硫設施，以去除二氧化硫	2020 二零二零年
8	Shelter for the water treatment plant and device for emission collection – to treat and lessen the odour and fugitive emission coming from the water treatment plant 為污水處理站加蓋及增加廢氣收集處置裝置 – 以控制污水處理站臭氣及無組織排放	2020 二零二零年

Item 項目	Environmental Protection Project and Their Function 環保項目及其職能	Year of (Expected) Completion (預期)完成年度
9	Online monitoring systems for fugitive emissions – installing detectors that would transmit real time data and emissions to online systems automatically to observe and monitor the fugitive emissions from the plants 溢散排放線上監測系統 – 安裝探測器，將實時數據和排放自動傳送到線上系統，以觀察和監測工廠的溢散排放	2020 二零二零年
<i>Combined Heat and Power Plant</i> 綜合供熱供電發電廠		
10	Rainwater Collection Pond – collect rainwater for greening projects within the Plant areas and lessening dust on roads 雨水收集池 – 收集雨水用於廠區內的綠化工程，減少道路上的灰塵	2019 二零一九年
11	Partition Boards – Half transparent boards were attached to the sides of the sheltered Plant to further reduce loose matters from being carried away and polluting nearby areas 隔板 – 將半透明的板連接在工廠遮蔽物的兩側，以進一步減少鬆散的物質被帶走和污染附近地區	2019 二零一九年
12	Desulphurisation Facility – Wet flue-gas desulphurisation facility was installed to remove sulphur oxides following stricter requirements set by the local government 脫硫設施 – 根據地方政府規定的更嚴格要求，安裝了濕式煙氣脫硫設施，以去除氧化硫	2019 二零一九年
13	Warehouse for Waste Oil – for the collection and temporary storage of hazardous waste such as used machine oil 廢油倉庫 – 用於收集和臨時儲存危險廢物，如舊機油	2019 二零一九年
<i>Chemical Plant</i> 化工廠		
14	VOC (Volatile Organic Compounds) Treatment Facility – Enclosed tubes, acid and alkaline liquid, and activated charcoal within the facility transport, filter, and treat smell and chemicals to reduce PM2.5 emissions, followed by the new national regulation this year 揮發性有機化合物處理設施 – 封閉管、酸鹼性液體和活性炭在設施內的運輸、過濾和處理氣味和化學品，以減少PM2.5的排放，以遵守今年的國家新規	2019 二零一九年
<i>Materials Plant</i> 物料廠		
15	Partition Boards – Half transparent boards were attached to the sides of the sheltered Materials Plant to further reduce loose matters from being carried away and polluting nearby areas 隔板 – 將半透明的板連接在物料廠遮蔽物的兩側，以進一步減少鬆散的物質被帶走和污染附近地區	2019 二零一九年

Aside from managing and controlling emissions of such substances, these substances are also closely monitored, and real time data can be obtained on-site and online. During the Reporting Year, all emissions were below the permissible level set by the applicable national standards, including but not limited to:

- GB16171-2012 Emission Standard of Pollutants for Coking Chemical Industry
- GB13271-2014 Emission Standard of Air Pollutants for Boilers
- All standards listed on the Emission Standard of Air Pollutants for Coal-fired Power Plants

1.2 Greenhouse Gas (GHG) Emissions

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

There were 924,312 tonnes of carbon dioxide equivalent (tCO_{2e}) GHG (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation during the Reporting Period. The overall intensity of the GHG emissions for the Group was 1.51 tCO_{2e} per tonne of coke produced.

除了管理和控制該等物質的排放外，該等物質也受到密切監測，可以在現場和線上獲得實時數據。於報告年度，所有排放量均低於適用的國家標準規定的允許水準，包括但不限於：

- GB16171-2012焦化化工行業污染物排放標準
- GB13271-2014鍋爐大氣污染物排放標準
- 火電廠大氣污染物排放標準內所列的所有標準

1.2 溫室氣體排放

範圍1溫室氣體排放直接來自固定燃燒的煤炭消耗以及移動源燃燒的燃料消耗。本集團並無產生範圍2能源間接溫室氣體排放，因為本集團使用自產的電和熱。其他間接(範圍3)溫室氣體排放包括商務航空旅行、市政淡水和污水處理以及於填埋場處理的廢紙。由於缺乏數據，未計算商務航空旅行所產生的排放量。

於報告期間內，本集團的營運排放溫室氣體924,312噸二氧化碳當量(主要為二氧化碳、甲烷及氧化亞氮)。本集團的溫室氣體放整體密度為每生產一噸焦炭1.51噸二氧化碳當量。

Table 2 Annual GHG emissions

表2 年度溫室氣體排放量

Scope of GHG emissions	Emission sources	GHG Emission 溫室氣體 排放量 (in tCO _{2e}) (以噸二氧化碳 當量計)	Sub-total 小計 (in tCO _{2e}) (以噸二氧化碳 當量計)	Total GHG emission 溫室氣體 總排放量 (in%) (以百分比計)
Scope 1 Direct emission 範圍1直接排放	Combustion of petrol ¹ 汽油燃燒 ¹	628	923,347	99.90
	Combustion of diesel ¹ 柴油燃燒 ¹	2,902		
	Boiler for Coking 焦化鍋爐	127,421		
	Boiler for Power Generation 發電鍋爐	375,179		
	Boiler for Heat Generation 發熱鍋爐	417,228		
	Assimilation of carbon dioxide through tree planting ² 通過植樹吸收二氧化碳 ²	-11		
Scope 2 Energy indirect emission ³ 範圍2能源間接排 ³	Not applicable 不適用			
Scope 3 Other indirect emission 範圍3其他間接排放	Electricity used for processing fresh water and sewage ¹ 處理淡水及污水用電 ¹	958	965	0.10
	Paper waste disposed at landfills ¹ 於填埋場處理廢紙 ¹	7		
Total 總計			924,312	100

Note 1: Emission factors were made reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

附註1: 除另有述明外, 排放因素參考主板上市規則附錄27及其由香港交易及結算有限公司載列的參考文件。

Note 2: Removal factor of CO₂ per tree planted was 23, with reference made to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited.

附註2: 每棵樹的二氧化碳去除係數為23, 參照主板上市規則附錄27及香港交易所及結算有限公司所載參考文件。

Note 3: The Group did not involve in scope 2 energy indirect emission since it generated electricity and heat on-site and did not purchase energy from external entities.

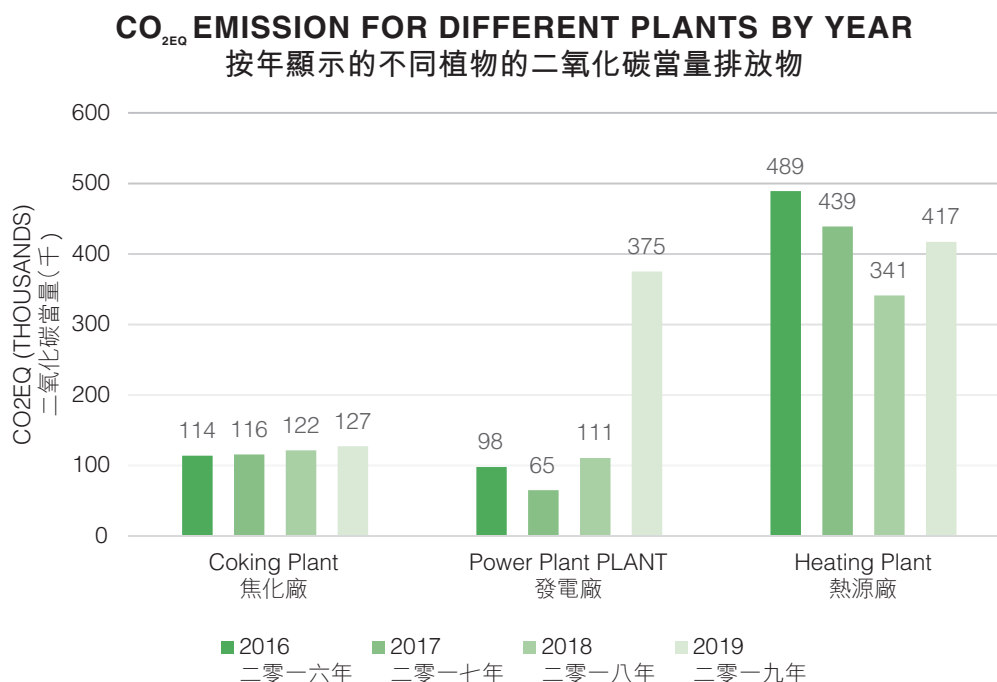
附註3: 由於本集團於現場生產電和熱且並無向外部實體購買能源, 故其不涉及範圍2能源間接排放。

The above table shows that 99.5% of the CO₂ emission was contributed by the boilers for coking, power generation, and heat generation. This is due to the business nature of the operations. See Figure 1 for their CO₂ emission comparison by year.

上表顯示99.5%的二氧化碳排放量由焦化、發電及發熱鍋爐產生。此乃由於營運的業務性質使然。請參閱表一按年度顯示的二氧化碳排放比較。

Figure 1 CO₂ Emission Contributed by Each Plant by Year

圖1 按年顯示每類植物產生的二氧化碳排放量



During the Reporting Period, the amount of CO₂ emission for all plants increased. This was due to the adjustment of emission factor for per tonne of coal burnt from being 1.2 to 1.5. The CO₂ emission factor changed as emission of desulfuriser was newly included into the calculation this year. These were therefore the main reasons that contributed to a rise in CO₂ emissions. For the Power Plant specifically, there was a threefold increase because its revamp for environmental purposes had finally finished. This enabled the Plant to be brought into full service during the Reporting Year, hence, further adding up its CO₂ emission.

於報告期間，所有廠區的二氧化碳排放量都有所增加。此乃由於每噸燃煤的排放係數從1.2調整到1.5，二氧化碳排放係數隨著脫硫劑的排放在今年新納入計算而變化。因此，該等乃導致二氧化碳排放量增加的主要原因。就發電廠而言，其二氧化碳排放量錄得三倍增長，乃因為其環境改造工程於報告年度完成並全面投入使用，進一步增加了其二氧化碳排放量。

1.3 Measures to Mitigate Emissions

Direct air emissions such as those listed under section A1.1 are controlled by installing state-of-the-art pollution control equipment and facilities listed on Table 1. Additionally, emission levels are regularly sampled, monitored, updated on-site and online to ensure all emissions are following the requirements. In-house training on the proper use and maintenance of equipment has also been provided by the environmental service provider (see Section B3). To take an active role in mitigating emissions, the Group also planted various types of plants throughout the Reporting Period, 489 of which exceeded a height of 5 meters. In total, these 489 trees helped offset a total of 11 tonnes of CO₂. With the Group's effort, strict requirements set by the local government had all been met by the operations during the Reporting Year.

1.4 Hazardous Waste and Waste Reduction Initiatives

The Group generated a total of 20,780 tonnes of hazardous waste during the Reporting Period, with an overall intensity of 0.03 tonne of hazardous waste per tonne of coke produced.

Most of the wastes were coal tar, contributing to over three-quarters of the overall hazardous waste, followed by refinery coke, which contributed to 18% of the Group's hazardous waste. See Table 3 for the rest of the source of hazardous waste.

Hazardous waste is usually collected and treated by external parties, which include municipal hazardous waste treatment plants, or appointed recyclers. As for chemicals, to avoid pollution to the environment and increase effort in cleaner production, waste products, such as liquified natural gas, are recycled by downstream factories to extract and reproduce chemicals like, synthetic ammonia, urea, and ethylene glycol. These will then be used again by the coal industry.

1.3 減排措施

集團透過安裝如表一所列的最先進的污染控制設備及設施，控制直接大氣排放量，(如第A1.1條所列者等)。此外，排放水平亦定期進行現場及線上抽樣、監測及更新，以確保所有排放遵守要求。環境服務供應商亦已提供有關妥當使用及維護設備的內部培訓(見B3條)。為了在減少排放方面發揮積極作用，本集團在整個報告期間內亦種植了各種類型的植物，其中489株超過了5米的高度。總共該489棵樹幫助抵銷了總共11噸二氧化碳。在本集團的努力下，本集團在報告年度內達到了地方政府制定的嚴格要求。

1.4 有害廢廢物及減廢舉措

於報告期間內，本集團共產生了20,780噸有害廢物，總強度為每生產一噸焦炭產生0.03噸有害廢物。

大多數廢物是煤焦油，佔總有害廢物的四分之三以上，其次是石油焦，佔本集團有害廢物的18%。有害廢物來源的其餘部分見表3。

有害廢物通常由外部各方收集和處理，其中包括城市有害廢物處理廠或指定的回收商。至於化學品，為了避免對環境產生污染，並加大清潔生產的力度，液化天然氣等廢物產品由下游工廠回收，以提取和再生產合成氨、尿素及乙二醇等化學品。這些廢物將再次被煤炭工業使用。

Table 3 Annual hazardous waste generation and treatment methods

表3 年度有害廢物生成及處理方法

Hazardous waste 有害廢物	Annual waste amount (in tonnes) 年度廢物數量(以噸計)	Waste treatment method 廢物處理方法
Coal Tar 煤焦油	16,530	Collected and treated by qualified parties 由合格方收集和處理
Refinery Coke 石油焦	3,825	
Tar residue 焦油殘渣	17	Mixed with refined coal for coking 與煉焦用精煤混合
Asphalt residue 瀝青渣	8	
Crude benzene slag 粗苯	33	
Biochemical sludge 生化污泥	10	
Waste from desulfurization 脫硫廢物	356	
Waste oil 廢油	1	Reused for lubrication of coal loaders 重新使用於裝載機的潤滑

Note: as defined by and listed on the Directory of National Hazardous Wastes

附註：根據國家危險廢物名錄所定義及列明

1.5 Non-hazardous Waste and Waste Reduction Initiatives

The Group generated a total of 109,330 tonnes of non-hazardous waste from production processes during the Reporting Period, with an overall intensity of 0.51 tonne of hazardous waste per tonne of coke produced.

Production waste are all transported to the Materials Plant onsite for 100% recovery for making building bricks. Office waste, which is partly composed of wastepaper, are all consumed and disposed of at landfills. For organic waste, the Group continues to send leftover food from the canteen to nearby farms as animal feed, or to appointed sections to make organic fertilizers for office gardening.

1.5 無害廢物及減廢舉措

於報告期間，本集團共產生了109,330噸無害廢物，總強度為每生產一噸焦炭產生0.51噸有害廢物。

生產廢物全部運往現場材料廠進行100%回收，用於製造建築磚。辦公廢物部份由廢紙組成，均在垃圾填埋場銷毀和處置。對於有機廢物，本集團繼續將剩餘的食物從食堂送到附近的農場作為動物飼料，或指定的部門為辦公室園藝製造有機肥。

Table 4 Annual non-hazardous waste generation and treatment methods

表4 年度無害廢物生成及處理方法

Non-hazardous waste 無害廢物	Annual waste amount (in tonnes) 年度廢物數量(以噸計)	Waste treatment method 廢物處理方法
Coal gangue 煤矸石	13,517	Sent to building materials manufacturers for recovery 送交建材製造商回收
Fly ash 飛塵	130,349	
Boiler slag 爐渣	165,443	
Office waste 辦公室垃圾	12	Landfilled 垃圾填埋
Organic waste 有機廢物	9	Turned into organic fertilisers or animal feed 變成有機肥或動物飼料

To reduce waste produced and disposed at landfills, the Group reuses most of its non-hazardous production wastes for its operations and bricks production. This also ensures the reduction in virgin materials consumed. For example, coal gangue left from the coking process will be used to generate electricity and steam for the plant's operations, such as coking, bricks production, etc., or used as a material to produce bricks itself.

為減少填埋場產生及處置的廢物，本集團將其大部分無害生產廢物重新用於其營運和磚塊生產。此舉亦確保降低原材料消耗。例如，從焦化過程中留下的煤矸石將用於為工廠的營運(如焦化、磚塊生產等)生產電力和蒸汽，或用作生產磚塊本身的材料。

A2. Use of Resources

2.1 Energy Consumption and Use Efficiency

During the Reporting Year, a total of 1,529,549,990 Kilowatt-hour (kWh) of energy was used by the Group. The overall energy intensity was 2,499 kWh/tonne of coke produced.

Of all energy consumed, 92% was contributed by coal gas used in the Group's coking plant. 7% was contributed by electricity generated by coal from its power and heating plants. The remaining 1% was contributed by its petrol and diesel usage in mobile vehicles.

A2. 資源使用

2.1 能源消耗及利用效率

於報告年度，本集團使用合共1,529,549,990千瓦時(kWh)的能源，產生的總能源強度為每噸焦炭2,499千瓦時。

在消耗的所有能源中，92%來自本集團焦化廠使用的煤氣，7%來自其發電廠和熱源廠的煤炭發電，剩餘1%來自其機動車輛的汽油及柴油用量。

Table 5 Energy Use in 2019

表5 二零一九年能源使用

Energy Usage	能源使用	Direct Consumption 直接消耗	Consumption (kWh) 消耗(以千瓦時計)
Coal gas	煤氣	142,637,125 m ³ 平方米	1,409,552,068
Electricity	電力	106,912,120 kWh 以千瓦時計	106,912,120
Petrol	汽油	233,204 litres公升	2,066,570
Diesel	柴油	1,101,206 litres公升	11,010,232
Total	總計		1,529,540.990

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

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

Table 6 Distribution of Electricity Used in 2019

表6 二零一九年電力使用分佈

Electricity Usage	電力使用	Consumption (kWh) 消耗(以千瓦時計)
Coal washing plant	洗煤廠	2,764,000
Coking plant	焦化廠	32,706,520
Power plant	發電廠	33,159,692
Heating plant	熱源廠	33,982,148
Transportation	運輸	215,100
Office	辦公室	4,084,660
Total	總計	106,912,120

The Group continues to upgrade its equipment for increasing energy efficiency. Due to the combustion processes in boilers, heat recovery technology has been considered as one of the best energy efficient technologies to be adopted. Hence, the Group uses waste heat boilers that ensures a temperature reduction of waste flue gas below 150 Degrees Celsius and makes full utilisation of the waste heat from the flue gas. When possible, the plant also uses steam to produce bricks instead of using electricity to reduce energy consumption. During the Reporting Period, variable-frequency drives were also adopted to replace traditional electric machines for its high energy efficiency and flexibility in changing speeds.

本集團繼續升級其設備，以提高能源效率。由於鍋爐的燃燒過程，熱回收技術被認為是最好的節能技術之一。因此，本集團使用餘熱鍋爐，確保將廢氣溫度降低到150攝氏度以下，並充分利用煙氣中的餘熱。在可能的情况下，工廠還使用蒸汽生產磚塊，而不是使用電力來減少能源消耗。於報告期間，變頻驅動也被用來取代傳統的電機，因為它具有高的能量效率和改變速度的靈活性。

2.2 Water Consumption and Use Efficiency

The total water consumption for the Group was 803,285 m³, with an overall intensity of 1.31 m³ of water per tonne of coke produced, an 11% decrease from that of the previous Reporting Period. Water was sourced from underground. No issues on sourcing water were reported during the Reporting Period.

Table 7 Annual water consumption

Water consumption	用水量	Consumption (m ³) 消耗(立方米)
Coal washing plant	洗煤廠	97,785
Coking plant	焦化廠	554,495
Power plant	發電廠	97,625
Heating plant	熱源廠	53,380

The major source of wastewater for the Group's operational sites was from production wastewater such as coal quenching, as well as domestic wastewater. Following the upgrade of the wastewater treatment facility in the previous Reporting Period, all wastewater was monitored and its parameters (e.g., pH, suspended solids, total phosphorus, total nitrogen, volatile phenol, polyaromatic hydrocarbon (PAH), benzene, BOD, COD_{cr}) were within permissible level set by GB16171-2012 Emission Standard of Pollutants for Coking Chemical Industry.

The Group continuously conserves water resources and recycles water whenever possible. Apart from the closed circulation system for coal washing water, there are also closed-circuit systems for water used for coke quenching, treating chemicals, and a biochemical sewage treatment plant. Wastewater is to be concentrated and filtered, after which will re-enter the coal washing, coking, and coke quenching system. They will finally be used up and therefore water will not be discharged. A new rain-water collection pond project is expected to further save water resources once constructed.

2.2 用水及使用效率

本集團用水總量為803,285立方米，生產每噸焦炭用水的總體強度為1.31立方米，較上個報告期間下降11%。於報告期間內，並無報告求取水源方面的問題。

表7 年度用水量

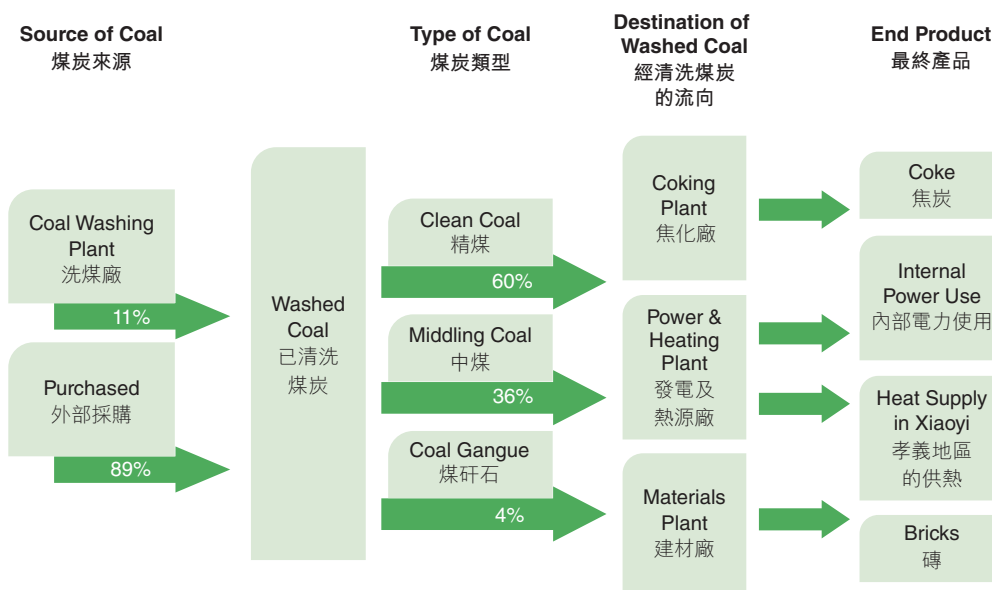
本集團經營場所的廢水主要來源是生產廢水，如煤淬，以及生活廢水。在上一報告期廢水處理設施升級後，我們對所有廢水進行了監測，其參數(如pH、懸浮固體、總磷、總氮、揮發性檳榔醇、多芳烴(PAH)、苯、生化需氧量(BOD)、化學需氧量(COD_{cr}))均在GB16171-2012焦化化工污染物排放標準規定的允許水準內。

本集團不斷儲存水資源，並盡可能回收水。除了洗煤水的封閉循環系統外，還有用於熄焦、處理化學品和生化污水處理廠的水的閉路系統。廢水要集中過濾，然後再進入洗煤、焦化和熄焦系統，最後將用盡故不會被排出。預計待新的雨水收集池項目建成後，將進一步節省水資源。

2.3 Coal Consumption and Use Efficiency

Coal is a key resource of the Group as it is the most important raw material for the Group's main business, coking. During the Reporting Period, 1,319,342 tonnes of coal were used. Apart from being coked, a significant part of coal used was also used for generating power and heat. Figure 2 shows a more detailed description of how coal was used and each procedures amount.

Figure 2 Flow of Coal Consumption in 2019



As shown on Figure 2, after raw coal is washed, they are grouped according to their quality. The finest coal, clean coal, is selected to be coked, the end-product of which will be used in blast furnaces for pig iron production. Coal of the middle quality, the middling coal, will enter the power plant to generate electricity for internal uses. Middling coal are also utilised for heating purposes in houses of Xiaoyi. In 2019, the Group provided a heating coverage for approximately 30% of Xiaoyi's area, which is around 4.1 million m² of land area combined. And for coal gangue which are lower-rank coals, they are sent to the materials plant to make bricks together with the waste fly ash and slag generated in other processes.

2.3 煤炭消耗及使用效率

煤炭為本集團的主要資源，因為其為本集團主要業務煉焦的最重要原料。於報告期內，共使用煤炭1,319,342噸。除進行焦化外，所使用的煤炭中一部分亦用於發電和供熱。圖2顯示煤炭如何使用以及各個過程數量的詳細說明。

圖2 二零一九年煤炭消耗流向

如圖2所示，原煤經清洗後，根據其質量進行分組。最好的煤即精煤將被選擇進行焦化，其最終產品將用於高爐煉鋼。中等質量的煤即中煤，將進入發電廠發電，供內部使用。中煤亦被用於孝義房屋的取暖用途。在二零一九年，本集團的供暖覆蓋範圍合共約為410萬平方米，亦即約孝義市的30%房屋。較低質量的煤矸石被送到材料廠，與其他工序產生的廢粉煤灰和礦渣一起製造磚塊。

The usage of coal therefore shows that the resource is used to its fullest capacity, and not limited only to those of the highest quality. The Group will keep an effort in using all coal materials and residue to their fullest potential.

2.4 Packaging Material

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

A3. The Environment and Natural Resources

3.1 Significant Impacts of Activities on the Environment

Following the issuing of several major policies by local government, the Group has formulated and implemented various controlling schemes to control its impacts on the environment. The Group aims to achieve cleaner production by monitoring waste composition from within raw materials till the end product.

Table 8 Actions taken to combat significant environmental impacts caused by the Group's operations and control schemes implemented

Actions taken to lessen environmental impacts caused by the Group's operations	採取措施以減少本集營運造成的環境影響	Control schemes (corresponding to the item number in Table 1) 控制計劃 (相應表1內的項目編號)
To control and suppress the dust	控制及抑制灰塵	3, 6, 10, 11, 15
To control and purify SO _x , NO _x , and PM emissions	控制和淨化SO _x 、NO _x 及PM排放	1, 4, 8, 12
To monitor real-time emissions	實時監測排放	4, 9
To control fugitive emissions	控制散逸性排放	1, 2, 6, 9
To reduce volatile organic compounds	減少揮發性有機化合物	5, 7, 14
To reduce pollution into nearby lands and waters	減少對附近土地及水域的污染	3

因此，煤炭的使用表明資源已得到最大限度的利用，而不僅限於質量最高者。本集團將繼續致力於利用所有的煤炭材料和殘渣，以充分發揮其潛力。

2.4 包裝材料

本集團業務概不涉及任何大量使用包裝材料。

A3. 環境及自然資源

3.1 活動對環境造成的重大影響

繼當地政府頒佈數項重大政策後，本集團已制定並實施各種控制方案，以控制其對環境造成的影響。本集團旨在透過監測從原材料直至終端產品的廢物組成，以實現更為清潔的生產。

表8 採取行動以對抗本集團營運及已實施的控制計劃造成的重大環境影響

Beside emission and discharges, the Group's use of ground water and pollution may also put a risk on surrounding lands in terms of soil condition caused by decreasing humidity. Hence, the Group had grown some hundreds of trees around the site to reduce the further loss of ground water and prevent soil erosion. The Group will continue to monitor its air emission, solid waste generation, wastewater discharge, and noise level to ensure minimal impacts on the surrounding environment.

B. SOCIAL

1. Employment and labour practices

B1. Employment

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

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

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

Employment Figures

As of 31 December 2019, there was a total of 515 employees working in the Mainland operations of the Group. All of them worked full time and were Chinese. The workforce was dominated by male and people of the age of 36–55. See Figure 3–5 for the detailed distribution.

除了排放外，本集團對地下水的使用和污染亦可能對周圍土地造成因濕度降低而造成的土壤狀況風險。因此，本集團在場地周圍種植了數百棵樹，以減少地下水的進一步流失，防止水土流失。本集團將繼續監測其空氣排放、固體廢物產生、廢水排放和噪音水準，以確保對周圍環境的影響最小。

B. 社會

1. 僱傭及勞工常規

B1. 僱傭

本集團嚴格遵守國家及當地有關僱傭及勞工常規的法律法規，包括惟不限於下列各項：

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

於報告期間內，本集團概無發現未遵守對本集團有重大影響的有關薪酬及解聘、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視以及其他待遇及福利的相關法律及法規的情況。

僱傭數字

截至二零一九年十二月三十一日，共有515名員工在本集團的內地業務中工作。彼等均全職中國籍員工。員工主要是男性和年齡介乎36至55歲之間的人士。詳細分佈見圖3至5。

Figure 3 Total Workforce by Job Grade

圖3 按職級劃分的員工總數

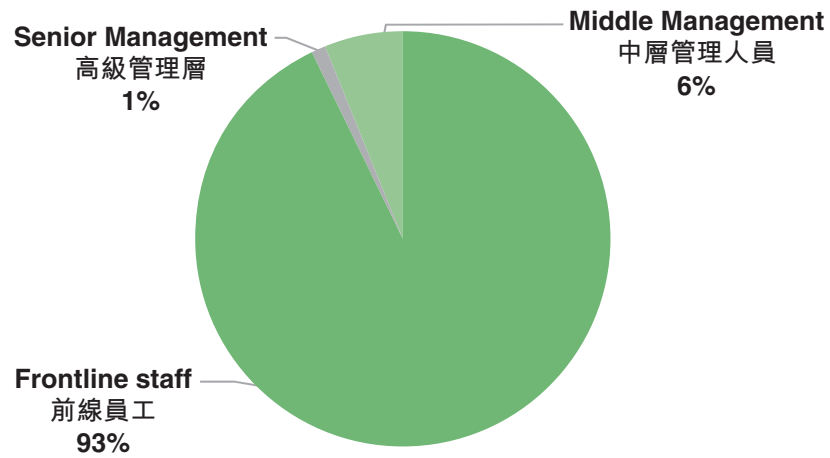


Figure 4 Total Workforce by Age

圖4 按年齡劃分的員工總數

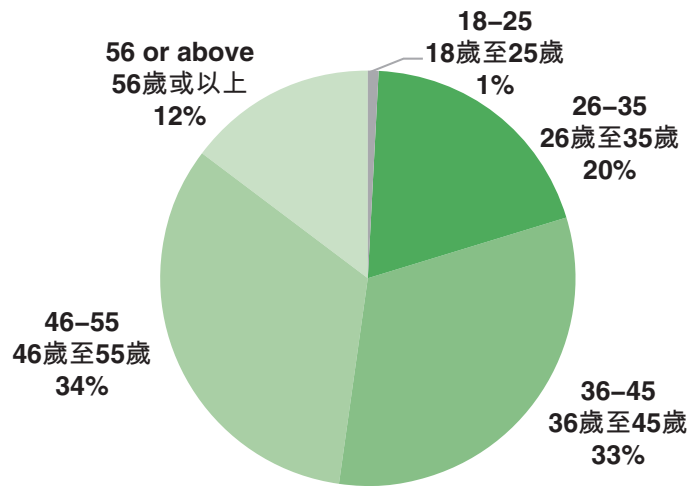
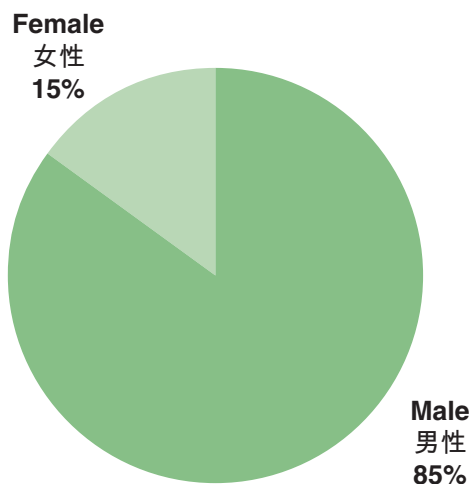


Figure 5 Total Workforce by Gender

圖5 按性別劃分的員工總數



1.1 Employee Compensation and Benefits

The Group values input of its employees, hence offers generous welfare to them in return of their hard work. This has contributed to a relatively low staff turnover rate, especially for management-level positions. Not only does the Group ensure employees' benefits and welfare by strictly following the above-mentioned laws and regulations, the Group also established its own policies as an internal guideline. There had been no non-compliance regarding recruitment, compensation and dismissal, promotion, rest periods, equal opportunity, diversity, and benefits and welfare during the Reporting Year.

1.1 僱員酬金及福利

本集團重視員工的投入，因此為彼等提供慷慨的福利，以回報彼等的辛勤工作。這導致了相對較低的員工流失率，特別是對於管理級別的職位。本集團不僅通過嚴格遵守上述法律法規來確保員工的福利和待遇，而且亦制定了自身的政策作為內部準則。於報告年度，在招聘、薪酬和解僱、晉升、休息時間、平等機會、多樣性以及福利待遇方面並無未遵守規定的情況。

In terms of remuneration, the Group continuously reviews its salaries to maintain its competitiveness. After conducting thorough market research, the Group has started to determine employees' base salary on the three major categories of, position salary, working age, and education level. And on this basis, the Group raised salaries of employees by around 53% during the Reporting Period, such that all staff could be paid the amount their work deserve. Besides, employees are entitled to paid annual leave, sick leave, marriage leave, maternity leave, paternity leave, injury leave, compensation leave and breastfeeding breaks, which are all performed with accordance to the principle, "everyone is equal regardless of the position hold", where the Group treats all employees fairly.

On top of that, the Group also strives to provide all-rounded welfare to retain talents. Some benefits that employees enjoy are, free accommodation, free domestic-use heating, economical meal plans, free access to a well-equipped gym room, one-off subsidies for workers' children who obtain offers into universities, etc.

1.2 Employee Communication

As the Group values ideas from employees, the Group also has a labour union for its employees. In case of any complaints or feedback from employees to the Group, the union acts as a bridge to communicate employees' needs and demands to the Group, whereas the Group understands its employees better through the union.

在薪酬方面，本集團不斷檢討其薪酬，以保持其競爭力。經過深入的市場調查，本集團已開始根據職位工資、工作年齡和教育水準三大類別確定員工的基本工資。在此基礎上，本集團於報告期間將僱員的工資提高了約53%，以便所有員工都能得到應得的報酬。此外，僱員有權享受帶薪年假、病假、婚假、產假、陪產假、工傷假、補償假和哺乳假，均按照「無論職位高低，人人平等」的原則進行，本集團公平對待所有僱員。

除此之外，本集團亦努力提供全方位的福利，以留住人才。員工享受的若干福利為：免費住宿、免費房屋供暖、實惠的膳食計畫、免費使用設備齊全的健身房、對獲得大學錄取的工人子女的一次性補貼等。

1.2 僱員溝通

由於重視員工的想法，本集團還為其員工建立了工會。如果員工向本集團提出任何投訴或反饋，工會充當向本集團溝通員工需求和訴求的橋樑，而本集團通過工會更好地瞭解員工。

The Group also believes that well-established communication is key to improving teamwork and efficiency. Thus, the Group actively encouraged staff to bond with one another outside of work by applying for local sports and talents, such as singing, competitions for them during the Reporting Year.

B2. Employee Health and Safety

The Group regards providing a safe and accident-free working environment for employees as of paramount importance. Therefore, both external and internal guidelines and regulations are followed by the Group. External guidelines and regulations cover national, provincial, and local level instructions. Some instructions that the Group abides by include (but is not limited to):

- Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases
- Requirements and Evaluation Criteria for the Standardized Production of Hazardous Chemicals in Shanxi Province
- Xiaoyi People's Government Safe Production Committee's Guideline on the Further Strengthening of Occupational Diseases Prevention Work

本集團亦認為，良好的溝通是提高團隊合作和效率的關鍵。因此，本集團積極鼓勵員工在工餘時間保持團結，並於報告年度為彼等申請參加當地的體育和如歌唱比賽的才藝競賽。

B2. 僱員健康與安全

本集團認為，為員工提供一個安全和無事故的工作環境至關重要。因此，本集團遵守所有外部及內部的指引及法規。外部指引及法規涵蓋國家級、省級，及地方級別的指令。本集團遵守的若干指示包括惟不限於：

- 《中華人民共和國職業病防治法》
- 《山西省危險化學品從業單位安全生產標準化評審標準》
- 《孝義市人民政府關於進一步加強職業病預防工作的指引》

Internal policies outlined by the Group cover areas including:

- restriction and control on air composition;
- mandatory and regular health checks for certain types of staff (such as those who are likely to get occupational health diseases);
- education and training on safety precautions and importance of adhering to the policies;
- provision of personal protection equipment;
- regular fire or hazardous drills, and feedback and reflection on such drills, to constantly prepare for and improve reactions to emergencies;
- restriction on over-time work and operating machines that produce radiance, noise, pungent odour, etc. for women who are pregnant, breastfeeding, or on mensuration, etc.

Such policies and implementation continue to ensure that employees can work under a safe environment. During the Reporting Period, no employee was injured or passed away from working on their tasks. No non-compliance had been recorded regarding the Group's health and safety policies.

Apart from measures preventing employees from getting injured in work-induced accidents, various measures are also taken to control and minimise chances of employees being endangered by non-work-related hazards. For example, as the Group provides accommodation, showering, and laundry facilities for employees, devices and equipment, such as showerheads and heating system, within these facilities are regularly upgraded to ensure they are safe to use. There was no injury recorded regarding non-work-related accidents.

本集團概述的內部政策涵蓋以下各項：

- 限制及控制大氣成分；
- 對若干類別的員工(例如可能患職業病者)進行強制性和定期的健康檢查；
- 關於安全防範措施和遵守政策重要性的教育和培訓；
- 提供個人保護設備；
- 定期進行消防演習或危險演習，並就此類演習作出反饋和反思，不斷準備和改進對緊急情況的反應；
- 禁止懷孕、哺乳或月經期等狀況的女員工超時工作和操作產生輻射、噪音、刺激性氣味等的機器。

該等政策及其落實繼續確保員工能在一個安全的環境下工作。於報告期間，並無員工因工作而受傷或死亡。概無出現本集團未遵守健康和安全管理政策的情況。

除了採取措施防止僱員出現工傷事故而受傷外，本集團亦採取了各種措施，控制和盡量減少僱員受到與工作無關的危險的機會。例如，由於本集團為僱員提供住宿、淋浴和洗衣設施，我們該等設施內的裝備和設備(如淋浴頭和供暖系統)定期保養，以確保其安全使用。並無錄得與工作無關的事故引發的傷害。

B3. Development and Training

The Group strives to constantly deliver comprehensive career training to employees to equip them with the necessary knowledge of the industry and maintain their professionalism. Hence, employees get a 2-day training when they get into their positions, followed by regular training conducted by training companies, usually monthly. A wide range of topics such as internal occupation health and safety training was provided to employees.

During the Reporting Year, there was a large-scale training for all employees in Xiaoyi on safety or business managing. Monthly trainings were provided to the Finance department in Taiyuan by a third-party organisation. The Safety and Environmental Department also had regular trainings on relevant practices. As for other management-level employees, training was arranged for them often as well when it was not peak season. Overall, all the 515 employees received training, and the average training hours per employee was 20 hours.

To keep up with the constantly updating environmental protection policies and facilities, on-site training is provided to staff by contractors to ensure the proper functioning of the newly installed equipment, topics include but not limited to:

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

B3. 發展與培訓

本集團致力不斷向僱員提供全面的職業培訓，以讓彼等具備行業的必要知識及維持彼等專業性。因此，當員工入職時，彼等會接受為期兩天的培訓，然後由培訓公司進行定期培訓，通常是每月一次。本集團向僱員提供內部職業健康和安全教育培訓等各種主題。

於報告年度，孝義的全體員工接受了安全或業務管理方面的大規模培訓。第三方機構每月在太原向財務部提供培訓。安全和環境部門還定期進行相關實務的培訓。至於其他管理級別的員工，在非旺季的時期內，亦經常為彼等安排培訓。總體而言，所有515名員工均接受了培訓，每名員工的平均培訓時數為20小時。

為了順應不斷更新的環境保護政策和設施，承包商已提供現場培訓以確保新安裝設備的正常運轉，主題包括但不限於：

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

B4. Labour Standards

The Group strictly follows relevant laws and regulations such as the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law on the Protection of Minors to manage labour practices. Screening and background checks are performed when recruiting new employees. Working hours are also strictly restricted as 8 hours to prevent excess workload. Forced labour is restrained as the Group is confined to Article 38 of the Labour Contract Law.

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

2. Operating Practices

B5. Supply Chain Management

During the Reporting Period, the Group updated on the Procurement Policy and Standardized Purchasing Procedure. The newly implemented policies would require suppliers of the Group to provide proofs of basic qualifications they have acquired relating to the environmental aspects, such as sewage discharge permission. The suppliers' effort and means of reducing their environmental impacts are also looked into when the Group screens and chooses suppliers, for example, the Group prioritises suppliers who take steps to reduce dust and pollution into air during transportation by covering materials on trucks. The information is then audited, followed by a site visit conducted by the Group to respective factories the suppliers to confirm that the practices are well taken place.

B4. 勞工準則

本集團嚴格遵循中國《勞動法》、中國《勞動合同法》及《未成年保護法》以管理勞工常規。本集團於招聘新僱員時已進行篩選及背景核查。工作時長也嚴格限制為8小時，以防止超額工作量。本集團嚴格遵守《勞動合同法》第38條，禁止強迫勞動。

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

2. 營運常規

B5. 供應鏈管理

於報告期間，本集團更新了採購制度及標準化採購工作流程。新實施的政策將要求本集團的供應商提供他們所獲得的與環境方面有關的基本資質證明，如污水排放許可，或於篩選時優先考慮為減少環境影響而採取相關措施的供應商，例如，通過在卡車上覆蓋材料，減少運輸過程中的灰塵和污染的供應商。然後我們對資料進行審核，接著由本集團對供應商各自的工廠進行現場考察，以確認彼等執行良好的操作規範。

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

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

B6. Product Responsibility

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

6.1 Intellectual Property

Due to the nature of the Group, there is no policy on intellectual property rights protection.

6.2 Quality Assurance

The Group continues to guide the general quality assurance and quality control processes. No non-compliance outgoing products were reported during the Reporting Period as strict measures were taken to keep up with the quality of products during the whole process of production.

除了上述政策外，本集團亦在合同中規定了詳細條款，以確保業務合夥人對其社會和環境影響實施充足的管理政策。例如，在環境和能源財產管理合同中，本集團要求雙方遵守安全和環境保護規定：

- 服務供應商應設立管理委員會，以確保安全生產；
- 當本集團發現潛在風險時，服務供應商應服從本集團的監督；
- 服務供應商應安排其員工接受本集團提供的必要培訓；及
- 本集團將會派出指定人員進行現場調查，以監察服務供應商的表現。

B6. 產品責任

由於本集團業務性質使然，產品標籤、健康與安全以及廣告並不適用。

6.1 知識產權

由於本集團性質使然，故並無制定有關知識產權保護之政策。

6.2 質量保證

本集團持續指導壹般質量保證和質量控制過程。於報告期間，由於在整個生產過程中採取了嚴格的措施，以嚴格控制產品的質量，故並無出現不合規的出廠產品。

Amongst all, to ensure quality of the production from the beginning, all incoming supplies are examined before entering the plant. The laboratory closely monitors parameters of key supplies of the operations in terms of their quality, such as water content, ash content, sulphur content, volatile matter content of the raw coal. Sampling methods strictly follow national standards such as GB482-1995, GB481-93, and GB475-1996. Other national standards were also followed during quality assurance and quality control processes, including but not limited to:

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

After quality checks, the supplies are distributed to different plants for different productions according to their quality. At the end of the production process, products would be checked for quality again by the sales department. Products that are not up to standard would be arranged to be produced again to assure the quality of products sold to market.

其中，為了從源頭確保產品質量，我們對所有供應物料在進入工廠之前均進行檢查。實驗室持續緊密監測各業務主要供應物料的质量參數，如原煤的水含量、灰分含量、硫含量及揮發物含量。抽樣方法嚴格遵循GB482-1995、GB481-93及GB475-1996等國家標準。我們亦在質量保證與質量控制流程中遵循其他國家標準，包括但不限於：

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

經品質檢查後，根據不同的產品品質，將供應物料分配給不同的工廠進行不同的生產。在生產過程結束時，銷售部將再次檢查產品的品質。不符合標準的產品將安排返工，以確保售予市場的產品的品質。

6.3 Data Protection

The Group acknowledges the importance of protecting the privacy and confidentiality of relevant stakeholders. Therefore, various schemes are constantly taken to prevent data leakage, and misuse, or, abuse of customer sensitive information. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to privacy matters had been identified during the Reporting Period.

To prevent leakage of sensitive data from virus attacks, several anti-virus protection practices are taken. For example, security systems are updated regularly, the newest version of Huawei firewall was purchased and installed in 2019. The Group also keeps an eye on alerts released by the market and does assessments and audits with external collaborators to look for bugs, suspicious activities, or flaw in the security systems. On top of that, some computers used are restricted in terms of the application and software that they can download.

Data are also backed up every six hours to prevent a loss of data in case of any hacking. To minimise the chance of employee misconduct, leading to any sensitive information being leaked out or used improperly, such data is only accessible by a small number of staff.

6.3 數據保護

本集團明白保護相關利益相關方的私隱及機密的重要性。因此，本集團持續實行各種方案以防止數據洩露及誤用或濫用客戶敏感資料。於報告期間內，本集團並無發現未遵守對本集團有重大影響的有關私隱事宜的相關法律及法規的情況。

為了防止敏感性資料從病毒攻擊中洩漏，本集團採取了若干防病毒保護措施。例如，定期更新安全系統，於二零一九年購買和安裝華為防火牆的最新版本。本集團亦關注市場發佈的預警，並與外部合作者進行評估和審核，以尋找安全系統中的漏洞、可疑活動或缺陷。除此之外，我們使用的若干電腦限制了可下載的應用程式和軟件。

本集團亦每六小時備份一次數據，以防止任何黑客攻擊時資料丟失。為了儘量減少員工不當行為的機會，導致任何敏感資料被洩露或不當使用，該等數據僅供少數員工查閱。

B7. Anti-corruption

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

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

B8. Community Investment

The Group strives to implement corporate social responsibility and actively participates in public welfare activities. During the Reporting Year, the Group planted trees around its plant to offset potential impacts, such as soil erosion and dust pollution, that would be brought about by its operations. For employees from the Xiaoyi office especially, they get a one-off subsidy of RMB 2,000–3,000 if their children manage to get a university offer. The Group also offers internship programmes to local university students to provide them opportunities of working at a genuine workplace. Those who have performed excellently would be given a return offer for when they graduate and can formally work at the Group.

B7. 反貪污

本集團規定，全體僱員須遵守中國《反不正當競爭法》、中國《刑法》及其他法律、法規及有關商業賄賂之監管文件。本集團亦與已建立業務聯繫的每一個供應商簽訂了反貪污協議。本集團的法律部門繼續執行監測系統以確保對貪污、賄賂、敲詐、詐騙、洗黑錢，以及任何其他非法活動採取零容忍態度。

本集團並無輔助、教唆、協助或串通任何進行任何非法活動的人士或合謀進行任何非法活動。於報告期間內，本集團並無發現未遵守對本集團有重大影響的有關貪污、賄賂、欺詐及洗黑錢的相關法律及法規的情況。

B8. 社區投資

本集團致力於實踐企業社會責任並積極參與公益活動。於報告年度，本集團在其工廠周圍種植樹木，以抵銷其營運可能帶來的潛在影響，如水土流失和灰塵污染。另外，倘孝義辦事處的員工的子女獲大學錄取，彼等可獲得人民幣2,000至3,000元的一次性補貼。本集團亦向當地大學生提供實習方案，為彼等提供實踐機會。表現卓越的實習生將獲得提前錄用，待彼等畢業時可正式加入本集團工作。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of Huscoke Holdings Limited
(Incorporated in the Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Huscoke Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 99 to 247, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

致和嘉控股有限公司
(於百慕達註冊成立的有限公司)

意見

吾等已審核和嘉控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第99頁至247頁之綜合財務報表，當中載有於二零一九年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》真實公允地呈列貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

意見之基礎

吾等根據香港會計師公會頒佈之《香港核數準則》(「香港核數準則」)進行審核。根據該等準則下，吾等之責任於本報告「核數師審核綜合財務報表的責任」一節中進一步闡述。根據香港會計師公會之《職業會計師道德守則》(「守則」)，吾等獨立於貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能夠充分及適當地為吾等之意見提供基礎。

關鍵審核事項

關鍵審核事項乃根據吾等之專業判斷，認為對吾等審核本期間綜合財務報表最為重要之事項。該等事項是在吾等對綜合財務報表整體進行審核並形成意見之背景下處理，吾等不對該等事項提供意見。

LOSS ALLOWANCE IN RESPECT OF TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

Refer to the notes 19, 20 and 40(b) to the consolidated financial statements.

As at 31 December 2019, the Group had trade receivables, deposits and other receivables, net of provision amounting to approximately HK\$643,781,000 and HK\$770,041,000 respectively. Loss allowance amounting to approximately HK\$52,187,000 and HK\$13,688,000 has been made on trade receivables, deposits and other receivables respectively.

Loss allowances for trade receivables and deposits and other receivables are based on management's estimate of the lifetime or 12-month expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' and debtors' repayment history, collaterals and financial position and the assessment of both the current and forecast general economic conditions, all of which involve significant degree of management judgement and estimation.

Our response:

Our principal audit procedures in relation to the valuation of trade receivables, deposits and other receivables included:

- Assessing whether items in the trade receivables ageing report were classified within the appropriate ageing bracket by comparing, on a sample basis, individual items in the report with the relevant sales invoices and credit terms;
- Assessing the reasonableness of management's loss allowance estimates on trade receivables, amount due from the non-controlling shareholder and deposits and other receivables by examining the information used by management to form such judgements, including on a sample basis, testing the accuracy of the historical default data, assessing the validity and value of the assets pledged, evaluating whether the historical loss rates are appropriately adjusted based on current conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; and

就貿易應收帳款、按金及其他應收帳款之虧損撥備

參閱綜合財務報表附註19、20及40(b)。

二零一九年十二月三十一日，貴集團分別有貿易應收帳款、按金及其他應收帳款(扣除撥備)約643,781,000港元及770,041,000港元。就貿易應收帳款、按金及其他應收帳款已分別作出約52,187,000港元及13,688,000港元之虧損撥備。

貿易應收帳款、按金及其他應收帳款之虧損撥備乃根據管理層對將予產生的全期或12個月預期信貸虧損之估計計算，其計入信貸虧損經驗、逾期貿易應收帳款之帳齡、客戶及債務人之還款歷史、抵押品及財務狀況及當期及預期經濟整體狀況而估計，所有事項涉及管理層之重大判斷及估計。

吾等之答覆：

吾等就貿易應收帳款、按金及其他應收帳款之估值之主要審核程序包括：

- 評估貿易應收帳款帳齡報告內的項目是否透過按樣品基準將報告內之個別項目與相關銷售發票及信貸期限進行比較而在適當之帳齡範圍內分類；
- 評估管理層就貿易應收帳款、應收非控股股東款項及按金及其他應收款透過審閱管理層的資料以形成有關判斷之虧損撥備估計之合理性，包括按樣品基準測試過往違約數據的準確性，評估已質押資產之有效性及價值，評價當前條件及前瞻性資料是否適當地調整過往虧損率及審閱當前財務年度錄得之實際虧損及評估在確認虧損撥備時是否存在管理層偏見的跡象；及

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- Assessing the reasonableness of recoverability of trade receivables, deposits and other receivables with reference to historical utilisation pattern and credit history of trade debtors including default or delay in payments, settlement records, subsequent settlements and ageing analysis.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 28 March 2019.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

- 參照過往使用模式及貿易債務人之信貸歷史(包括付款違約或延誤、結算記錄、其後結算及帳齡分析)評估貿易應收帳款、按金及其他應收帳款之可收回性之合理性。

其他事項

貴集團截至二零一八年十二月三十一日止年度的綜合財務報表已於二零一九年三月二十八日由另一名核數師審核，其對該等綜合財務報表表示有保留意見。

年報內之其他資料

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

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

就審核綜合財務報表而言，吾等之責任為閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解之情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行之工作，如吾等認為其他資料出現重大錯誤陳述，吾等需要報告有關事實。吾等對此並無須報告事項。

董事就綜合財務報表須承擔之責任

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

董事亦須負責監督貴集團財務報告過程。審核委員會協助董事履行彼等於此方面的責任。

核數師就審核綜合財務報表須承擔之責任

吾等之責任為按照香港會計師公會頒佈之《香港核數準則》審核貴集團之綜合財務報表，並發出核數師報告。吾等根據吾等的委聘條款僅向全體股東報告吾等的意見，除此以外，並無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

在根據《香港核數準則》進行審核之過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險、設計及執行審核程序以應對該等風險，以及獲取充分及適當之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險較因錯誤而導致之重大錯誤陳述之風險為高。

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- 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.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對 貴集團內部監控之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審核憑證，決定是否存在與事件或情況有關之重大不確定性，而可能對 貴集團持續經營之能力構成重大疑慮。如吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露。假若有關披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致 貴集團無法持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就 貴集團實體或業務活動之財務資料獲取充分及適當之審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部責任。

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

吾等與審核委員會溝通(其中包括)計劃審計範圍、時間安排及重大審核發現等事項，包括吾等在審核期間識別出內部監控之任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

BDO Limited

Certified Public Accountants

Lam Tsz Ka

Practising Certificate Number P06838

Hong Kong, 30 March 2020

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

就與董事溝通之事項中，吾等釐定對本期綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。吾等於核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見之情況下，若合理預期下於吾等報告中溝通某事項造成之負面後果將會超過其產生之公眾利益，吾等將不會在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

林子嘉

執業證書編號P06838

香港，二零二零年三月三十日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019	2018
			二零一九年	二零一八年
			HK\$'000	HK\$'000
			千港元	千港元
				(Restated)
				(重列)
		<i>Notes</i>		<i>(Note 43)</i>
		<i>附註</i>		<i>(附註43)</i>
Revenue	收入	7	1,605,356	1,478,049
Cost of sales	銷售成本		(1,429,499)	(1,232,228)
Gross profit	毛利		175,857	245,821
Other income and gains, net	其他收入及收益，淨額	7	68,452	44,953
Selling and distribution costs	銷售及分銷成本		(123,024)	(137,637)
Administrative expenses	管理費用		(88,018)	(103,301)
Finance costs	財務費用	8	(11,409)	(2,200)
Other operating income, net	其他經營收入，淨額	9b	4,392	29,970
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回	14	-	99,053
PROFIT BEFORE TAX	除稅前溢利	9	26,250	176,659
Income tax expense	所得稅開支	12	(11,547)	(29,951)
PROFIT FOR THE YEAR	本年度溢利		14,703	146,708
Other comprehensive income/ (expense) Items that may be reclassified subsequently to profit or loss	其他全面收益／(開支)其後期間可能重新分類之項目			
Exchange differences arising on translation of foreign operations	海外業務折算產生之兌換差額		2,067	(28,592)
Other comprehensive income/ (expenses) for the year, net of tax	本年度其他全面收益／(開支)，除稅後		2,067	(28,592)
Total comprehensive income for the year	本年度全面收益總額		16,770	118,116

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
		Notes 附註	
Profit for the year	應佔本年度溢利：		
attributable to:			
Owners of the Company	本公司擁有人	9,761	129,118
Non-controlling interests	非控股權益	4,942	17,590
		14,703	146,708
Total comprehensive income	應佔全面收益總額：		
attributable to:			
Owners of the Company	本公司擁有人	12,148	103,104
Non-controlling interests	非控股權益	4,622	15,012
		16,770	118,116
Earnings per share	每股盈利	13	
Basic	基本	HK0.35 cents 港仙	HK4.95 cents港仙
Diluted	攤薄	HK0.35 cents 港仙	HK4.77 cents港仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
			Notes 附註	
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	576,422	570,644
Goodwill	商譽	15	–	–
Interest in an associate	於一間聯營公司之權益	16	–	79,790
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	17	1,508	24,249
Total non-current assets	非流動資產總額		577,930	674,683
Current assets	流動資產			
Inventories	存貨	18	43,459	85,377
Trade receivables	貿易應收帳款	19	643,781	367,083
Prepayments, deposits and other receivables	預付款項、按金及其他應收帳款	20	770,041	365,808
Restricted bank deposits	受限制銀行存款	22	5,038	–
Cash and bank balances	現金及銀行結存	22	20,839	18,894
Total current assets	流動資產總額		1,483,158	837,162
Current liabilities	流動負債			
Trade payables	貿易應付帳款	23	476,658	237,326
Other payables, accruals and deposit received	其他應付帳款、應計款項及已收按金	24	735,312	625,982
Other borrowings	其他借貸	25	18,188	–
Lease liabilities	租賃負債	26	1,134	–
Convertible bonds	可換股債券	32	–	43,526
Tax payable	應付稅項		16,116	5,150
Total current liabilities	流動負債總額		1,247,408	911,984
Net current assets/(liabilities)	流動資產/(負債)淨額		235,750	(74,822)
Total assets less current liabilities	資產總額減流動負債		813,680	599,861

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

			2019	2018
			二零一九年	二零一八年
			HK\$'000	HK\$'000
			千港元	千港元
				(Restated)
				(重列)
		<i>Notes</i>		<i>(Note 43)</i>
		<i>附註</i>		<i>(附註43)</i>
Non-current liabilities	非流動負債			
Other payables and deferred income	其他應付帳款及遞延收入	24	5,034	8,205
Other borrowings	其他借貸	25	200,000	18,188
Lease liabilities	租賃負債	26	8,424	-
Deferred tax liability	遞延稅項負債	27	5,593	11,253
Total non-current liabilities	非流動負債總額		219,051	37,646
NET ASSETS	資產淨值		594,629	562,215
EQUITY	股權			
Equity attributable to owners of the company	本公司擁有人應佔股權			
Share capital	股本	28	28,707	27,264
Reserves	儲備		512,813	486,464
			541,520	513,728
Non-controlling interests	非控股權益	31	53,109	48,487
TOTAL EQUITY	股權總額		594,629	562,215

Approved and authorised for issue by the Board of Directors on 30 March 2020 and signed on its behalf by:

於二零二零年三月三十日經董事會批准及授權發佈，並由下列董事代表簽署：

Mr. ZHAO Xu Guang

趙旭光先生

Director

董事

Mr. Wong Siu Hung, Patrick

黃少雄先生

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Attributable to owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Treasury share	Contributed surplus	Special reserve	Other reserve	Share option reserve	Exchange fluctuation reserve	Statutory reserve	Capital redemption reserve	Convertible bonds reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total
														本公司擁有人應佔		
		股本	股份溢價	庫存股份	撥入盈餘	特別儲備	其他儲備	購股期權儲備	兌換波動儲備	法定儲備	資本贖回儲備	可換股債券儲備	累計虧損	應佔股權	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					Note (a)	Note (b)	Note (c)			Note (d)		Note 32				
					附註(a)	附註(b)	附註(c)			附註(d)		附註32				
At 1 January 2018	於二零一八年一月一日	25,966	341,361	-	1,689,847	18,236	(10,354)	2,509	96,157	-	85	368	(1,787,307)	376,868	39,101	415,969
Profit for the year (restated, note 43)	本年度溢利 (重列·附註43)	-	-	-	-	-	-	-	-	-	-	-	129,118	129,118	17,590	146,708
Other comprehensive loss for the year:	本年度其他全面虧損:															
Exchange differences on translation of foreign operations	海外業務折算產生之兌換差額	-	-	-	-	-	-	-	(26,014)	-	-	-	-	(26,014)	(2,578)	(28,592)
Total comprehensive (expenses)/income for the year (restated, note 43)	本年度全面(開支)/收益總額 (重列·附註43)	-	-	-	-	-	-	-	(26,014)	-	-	-	129,118	103,104	15,012	118,116
Transactions with owners:	與擁有人之交易:															
Share allotment	股份配發	1,298	32,458	-	-	-	-	-	-	-	-	-	-	33,756	-	33,756
Dividends to non-controlling interests of a subsidiary	向附屬公司非控股權益派發股息	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,626)	(5,626)
Total transactions with owners	與擁有人之交易總額	1,298	32,458	-	-	-	-	-	-	-	-	-	-	33,756	(5,626)	28,130
At 31 December 2018 (restated, note 43)	於二零一八年十二月三十一日 (重列·附註43)	27,264	373,819	-	1,689,847	18,236	(10,354)	2,509	70,143	-	85	368	(1,658,189)	513,728	48,487	562,215

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											Equity attributable to owners of the Company 本公司擁有人應佔		Non-Controlling interest 非控股權益	Total
		Share capital 股本	Share premium 股份溢價	Treasury share 庫存股份	Contributed surplus 繳入盈餘	Special reserve 特別儲備	Other reserve 其他儲備	Share option reserve 購股期權儲備	Exchange fluctuation reserve 兌換波動儲備	Statutory reserve 法定儲備	Capital redemption reserve 資本贖回儲備	Convertible bonds reserve 可換股債券儲備	Accumulated losses 累計虧損	Equity attributable to owners of the Company 本公司擁有人應佔	Non-Controlling interest 非控股權益	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
					Note (a) 附註(a)	Note (b) 附註(b)	Note (c) 附註(c)			Note (d) 附註(d)		Note 32 附註32				
At 1 January 2019 (as previously reported)	於二零一九年一月一日 (如先前申報)	27,264	373,819	-	1,689,847	18,236	(10,354)	2,509	70,143	-	85	368	(1,658,916)	513,001	48,487	561,488
Prior year adjustment (Note 43)	上年度調整 (附註43)	-	-	-	-	-	-	-	-	-	-	-	727	727	-	727
At 1 January 2019, as restated	於二零一九年一月一日， 如重列	27,264	373,819	-	1,689,847	18,236	(10,354)	2,509	70,143	-	85	368	(1,658,189)	513,728	48,487	562,215
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	-	-	9,761	9,761	4,942	14,703
Other comprehensive loss for the year:	本年度其他全面虧損：															
Exchange differences on translation of foreign operations	海外業務折算產生之兌換差額	-	-	-	-	-	-	-	2,387	-	-	-	-	2,387	(320)	2,067
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	-	2,387	-	-	-	9,761	12,148	4,622	16,770
Transactions with owners:	與擁有人之交易：															
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	5,269	-	-	-	(5,269)	-	-	-
Extinguishment of the 2017 Convertible Bonds	已消除之二零一七年可換股債券	-	-	-	-	-	-	-	-	-	-	(368)	-	(368)	-	(368)
Recognition of the 2019 Convertible Bonds	已確認之二零一九年可換股債券	-	-	-	-	-	-	-	-	-	-	12	-	12	-	12
Conversion of convertible bonds	轉換可換股債券	1,443	-	-	41,834	-	-	-	-	-	-	(12)	-	43,265	-	43,265
Transfer of consideration shares (note 16)	轉讓代價股份 (附註16)	-	-	(27,265)	-	-	-	-	-	-	-	-	-	(27,265)	-	(27,265)
Distribution of treasury shares	分派庫存股份	-	(27,265)	27,265	-	-	-	-	-	-	-	-	-	-	-	-
Lapsed share option	已生效之購股權	-	-	-	-	-	(2,509)	-	-	-	-	-	2,509	-	-	-
Total transactions with owners	與擁有人之交易總額	1,443	(27,265)	-	41,834	-	(2,509)	-	5,269	-	(368)	(2,760)	15,644	-	15,644	
At 31 December 2019	於二零一九年十二月三十一日	28,707	346,554	-	1,731,681	18,236	(10,354)	-	72,530	5,269	85	-	(1,651,188)	541,520	53,109	594,629

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Notes:

- a. *The contributed surplus represents the excess of the value of shares converted upon conversion of the 2008 Convertible Bonds and 2019 Convertible Bonds over the nominal amount of the ordinary shares issued pursuant to section 40(1) of the Bermuda Companies Act 1981 and the credit arising from the capital reorganisation.*
- b. *The special reserve represents the difference between the nominal value of the shares of the subsidiaries at the date when the shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.*
- c. *The other reserve represents the difference between the fair value of the consideration paid and the relevant share of carrying value of the subsidiary's net assets acquired from the non-controlling interest.*
- d. *In accordance with the relevant regulations applicable in the PRC, subsidiaries established in the PRC are required to transfer a certain percentage of their profit after tax, if any, to the statutory reserve funds, which are non-distributable, before profit distributions to shareholders. The amount of the transfer is subject to the approval of the boards of directors of these subsidiaries*

附註：

- a. 根據百慕達一九八一年公司法第40(1)條，繳入盈餘指兌換二零零八年可換股債券及二零一九年可換股債券時兌換之股份價值超出已發行普通股面值之差額及資本重組產生之進帳。
- b. 特別儲備指附屬公司於本公司收購股份當日之股份面值與本公司就收購發行之股份面值之差額。
- c. 其他儲備指已付代價公允值與分佔向非控股權益收購附屬公司資產淨值帳面值相關份額之間之差額。
- d. 根據中國有關適用的法規，於中國成立之附屬公司須在向股東分派利潤之前向法定儲備基金轉撥若干百分比的稅後利潤(如有)，該法定儲備基金是不可分派的。轉撥的金額須獲該等附屬公司之董事會批准。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Cash flows from operating activities	來自經營業務之現金流量		
Profit before income tax expense	除所得稅開支前溢利	26,250	176,659
Adjustments for:	調整：		
Finance costs	財務費用	11,409	2,200
Interest income	利息收入	(3,799)	(22)
Depreciation	折舊	20,767	42,286
Reversal of impairment loss on items of property, plant and equipment (Reversal)/loss allowance of trade receivables, net	物業、廠房及設備項目減值虧損撥回 貿易應收帳款虧損(撥回)/撥備，淨額	-	(99,053)
Loss allowance of prepayment, net	預付款項虧損撥備，淨額	(381)	154
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	1,235	-
Compensation income from contract with customer	客戶合約補償收入	(2,023)	-
Share of result of interest in an associate	應佔一間聯營公司權益業績	(10,126)	-
Loss arising from amendments to convertible bonds	可換股債券修訂產生的虧損	8,982	286
Gain on exercise the put option for the disposal of interest in an associate, net	行使認沽期權以出售聯營公司權益的收益，淨額	185	-
Increase in financial assets at fair value through profit or loss	按公允值計入損益之金融資產增加	(1,054)	-
		51,445	121,104
Decrease/(increase) in inventories	存貨減少/(增加)	41,707	(35,077)
Increase in trade receivables	貿易應收帳款增加	(215,900)	(117,772)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收帳款增加	(408,201)	(37,332)
Increase in an amount due from the non-controlling shareholder of a subsidiary	應收附屬公司非控股股東款項增加	(64,518)	(1,324)
Increase in trade payables	貿易應付帳款增加	242,406	91,452
Increase in other payables, accruals and deposits received and deferred income	其他應付帳款、應計款項、已收按金及遞延收入增加	153,485	133,262
Net cash generated from operations	經營業務產生之現金淨額	(199,576)	154,313
Interest paid	已付利息	-	(101)
Income taxes (paid)/refund	(已付)/已退所得稅	(5,721)	8
Net cash flows (used in)/generated from operating activities	經營業務(所用)/產生之現金流量淨額	(205,297)	154,220

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Cash flows from investing activities			
Purchases of items of property, plant and equipment	來自投資業務之現金流量 購買物業、廠房及設備項目	(17,836)	(47,367)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備之 收益	2,732	-
Acquisition of an associate	收購一間聯營公司	-	(23,040)
Decrease/(increase) in other receivables due from the non-controlling shareholder of a subsidiary	應收一間附屬公司非控股股東之其他應收帳款 減少/(增加)	25,921	(134,592)
Interest received	已收利息	1,429	22
Net cash generated from/(used in) investing activities		12,246	(204,977)
Cash flows from financing activities (Note 37(a))			
Proceeds from borrowings	來自融資業務之現金流量 (附註37(a)) 借貸之收益	200,000	-
Net cash generated from financing activity		200,000	-
Net increase/(decrease) in cash and cash equivalents		6,949	(50,757)
Cash and cash equivalents at beginning of year	現金及現金等價物增加/ (減少)淨額 年初之現金及現金等價物	18,894	69,655
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及 現金等價物之影響	34	(4)
Cash and cash equivalents at end of year		25,877	18,894
Analysis of the balances of cash and cash equivalents			
Restricted bank deposits	現金及現金等價物結餘分析 受限制銀行存款	5,038	-
Cash and bank balances	現金及銀行結存	20,839	18,894
		25,877	18,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. CORPORATE INFORMATION

Huscoke Holdings Limited was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The registered office at the end of the reporting period is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and the principal office at the end of the reporting period is located at Room 2301, 23/F., Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

At 31 December 2019, the directors consider that the immediate and ultimate controlling party of the Group to be Shun Wang Investments Limited, a company incorporated in British Virgin Islands.

During the year, the Company and its subsidiary (collectively, the "Group") were involved in the following activities:

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

Information about subsidiaries

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

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

1. 公司資料

和嘉控股有限公司於百慕達註冊成立為獲豁免有限公司，其股份在聯交所上市。於報告期末，註冊辦事處及主要辦事處分別位於Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda及香港金鐘金鐘道89號力寶中心第1座23樓2301室。

於二零一九年十二月三十一日，董事認為本集團的直接和最終控股方為順旺投資有限公司（一家於英屬處女群島註冊成立的公司）。

於本年度，本公司及其附屬公司（統稱「本集團」）涉及以下業務：

- 焦炭貿易業務；
- 煤炭相關附屬業務；及
- 焦炭生產業務。

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權 百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Joy Wisdom International Limited* 智悅國際有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	-	100%	Investment holding 投資控股
Huscoke International Investment Limited 和嘉國際投資有限公司	Hong Kong/Hong Kong 香港/香港	HK\$1 1港元	-	100%	Investment holding 投資控股
GRG Huscoke (Shan Xi) LTD ("GRG Huscoke")* (Note a)	People's Republic of China (the "PRC")/ Mainland China	HK\$715,000,000	-	90%	Coal-related ancillary business; coke production and coke trading 煤炭相關附屬業務； 焦炭生產及買賣 焦炭
山西金岩和嘉能源有限公司 (「金岩和嘉」)*(附註a)	中華人民共和國 (「中國」)/中國內地	715,000,000港元			
Wealth Guardian Holdings Limited* 富御控股有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	-	Investment holding 投資控股
Good Guardian Investments Limited* 佳衛投資有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	-	100%	Investment holding 投資控股
Fruitful International Investments Limited 富豐國際投資有限公司	Hong Kong/Hong Kong 香港/香港	HK\$10,000 10,000港元	-	100%	Investments 投資
Joint Bloom Enterprises Limited* 合盛企業有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	-	Investment holding 投資控股
True Tycoon Limited* 誠亨有限公司*	Cayman Islands/Hong Kong 開曼群島/香港	US\$1 1美元	-	100%	Investment holding 投資控股
Heroic Global Enterprises Limited* (Note b) 英雄環球企業有限公司*(附註b)	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	-	100%	Investment holding 投資控股
Bloom Wealth Investment Limited (Note b) 興財投資有限公司(附註b)	Hong Kong/Hong Kong 香港/香港	HK\$1 1港元	-	100%	Investment holding 投資控股

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

1. 公司資料(續)

有關附屬公司之資料(續)

* 該等附屬公司之法定財務報表並非由香港立信德豪會計師事務所有限公司或香港立信德豪全球網絡之另一成員事務所審核。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Notes:

- a. GRG Huscoke is a Sino-foreign equity joint venture company established in the PRC.
- b. The companies were incorporated during the year ended 31 December 2019.

None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at anytime during the reporting period.

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

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features and Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23	Annual Improvements to HKFRSs 2015–2017 Cycle

1. 公司資料(續)

有關附屬公司之資料(續)

附註：

- a. 金岩和嘉為於中國成立之中外合資合營公司。
- b. 該等公司於截至二零一九年十二月三十一日止年度註冊成立。

於報告期末或於報告期內任何時間，概無附屬公司擁有任何尚未償還之債務證券。

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

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效

本集團已於二零一九年一月一日開始的年度報告期間首次應用以下準則及修訂：

香港財務報告準則 第16號	租賃
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不確定性
香港財務報告準則 第9號修訂本	具有反向補償之提前還款特徵
香港會計準則 第19號修訂本	計劃修訂、縮減或清償
香港會計準則 第28號修訂本	於聯營企業及合營企業之長期權益
香港財務報告準則 第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則23號修訂本	香港財務報告準則二零一五年至二零一七年週期之年度改進

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), HK(IFRIC) – Int 4 Determining whether an Arrangement contains a Lease, HK(SIC) – Int 15 Operating Leases-Incentives and HK(SIC) – Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as a right-of-use assets and a lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (iv) of this note.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃

(i) 採納香港財務報告準則第16號之影響

香港財務報告準則第16號為租賃會計(主要為承租人之會計)之會計處理帶來重大變動。其取代香港會計準則第17號租賃(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會) – 詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會 – 詮釋第15號經營租賃 – 優惠及香港(準則詮釋委員會) – 詮釋第27號評估涉及租賃法律形式交易的內容。在承租人之角度，幾乎所有租賃均於財務狀況表內確認為使用權資產及租賃負債，該原則中少數例外情況為租賃之相關資產為低價值或釐定為短期租賃。在出租人之角度，會計處理大致上與香港會計準則第17號維持不變。有關香港財務報告準則第16號對租賃的新定義、對本集團會計政策的影響以及香港財務報告準則第16號項下允許本集團採納之過渡方法之詳情，請參閱本附註第(ii)至(iv)節。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(i) Impact of the adoption of HKFRS 16 (continued)

The Group has applied HKFRS 16 using the cumulative effect approach and recognised the right-of-use assets at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018 at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

Consolidated statement of financial position as at 1 January 2019	於二零一九年一月一日之 綜合財務狀況表	HK\$'000 千港元
Right-of-use assets presented in property, plant and equipment	以物業、廠房及設備列報之使用權 資產	12,801
Lease liabilities (non-current)	租賃負債(非流動)	9,612
Lease liabilities (current)	租賃負債(流動)	3,189

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(i) 採納香港財務報告準則第16號之影響(續)

本集團已採用累計影響法應用香港財務報告準則第16號及按等於租賃負債之金額確認使用權資產，並調整於初始應用日期於二零一八年十二月三十一日之綜合財務狀況表內確認之該租賃相關之任何預付帳款或應計租賃付款之金額。二零一八年所呈列比較資料並未重列，並繼續根據香港會計準則第17號及香港財務報告準則第16號內過渡規定所允許的相關註釋呈報。

下表概述過渡至香港財務報告準則第16號對於二零一八年十二月三十一日至二零一九年一月一日之綜合財務狀況表之影響(增加／(減少))如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(i) Impact of the adoption of HKFRS 16 (continued)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the statement of financial position as at 1 January 2019:

Reconciliation of operating lease commitment to lease liabilities	經營租賃承擔與租賃負債之對帳	HK\$'000 千港元
Operating lease commitment as of 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	34,123
Discounted using the lessee's incremental borrowing rate as at the date of initial application	於首次應用日期採用承租人增量借貸率貼現	(242)
Add: contract liabilities arising from exercising an option to extend a lease	加：因行使期權以延期租賃之合約負債	8,296
Less: contracts outside the scope of HKFRS 16 (Note)	減：香港財務報告準則第16號範圍以外之合約(附註)	(29,221)
Less: short term lease for which lease terms end on or before 31 December 2019	減：租賃於二零一九年十二月三十一日或之前結束之短期租賃	(155)
Total lease liabilities as of 1 January 2019	於二零一九年一月一日之租賃負債總額	<u>12,801</u>

Note: The lease agreement is cancelled before the commencement date of the lease. Accordingly, the lease is outside the scope of HKFRS 16.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(i) 採納香港財務報告準則第16號之影響(續)

以下對帳說明截至二零一八年十二月三十一日應用香港會計準則第17號披露之經營租賃承擔如何可與於二零一九年一月一日之財務狀況表中確認於首次應用日期租賃負債進行對帳：

附註：租賃協議於租賃開始日期前被取消。因此，該租賃在香港財務報告準則第16號的範圍以外。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(i) Impact of the adoption of HKFRS 16 (continued)

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 is ranging from 4.9% to 5.3%.

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(i) 採納香港財務報告準則第16號之影響(續)

於二零一九年一月一日之綜合財務狀況表內確認之租賃負債所應用之加權平均承租人增量借款利率介乎4.9%至5.3%。

(ii) 租賃之新定義

根據香港財務報告準則第16號，租賃界定為賦予權利於一段時間內使用一項資產(相關資產)以換取代價之合約或合約之一部分。當客戶於整段使用期間內擁有：(a) 權利從使用已識別資產中取得絕大部分經濟利益及(b) 權利指示已識別資產之用途，則合約賦予權利於一段時間控制使用已識別資產。

就包含租賃部分及一項或多項額外租賃或非租賃部分之合約而言，承租人須按租賃部分之相對單獨價格及非租賃部分之總單獨價格向各租賃部分分配合約內之代價，除非承租人應用實際權宜方法，其使承租人可選擇按相關資產類別不將非租賃部分從租賃部分中分離，而將各租賃部分及任何相關非租賃部入帳為單一租賃部分。

本集團已選擇不分離非租賃部分及將所有各項租賃部分及任何相關非租賃部分入帳為所有租賃之單一租賃部分。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(iii) 作為承租人之會計處理

根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人之相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下之租賃付款確認為一項開支。租賃項下之資產將不會於承租人之財務狀況報表內確認。

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i)屬短期租賃的租賃及／或(ii)相關資產為低價值之租賃進行資本化。本集團已選擇不就低價值資產及於開始日期租賃期少於12個月之租賃確認使用權資產及租賃負債。與該等租賃相關之租賃付款已於租賃期內按直線法支銷。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(iii) Accounting as a lessee (continued) Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(iii) 作為承租人之會計處理(續) 使用權資產

使用權資產應按成本確認並將包括：(i)租賃負債之初步計量金額(見下文有關租賃負債入帳之會計政策)；(ii)於開始日期或之前作出之任何租賃付款減任何已收取之租賃優惠；(iii)承租人產生之任何初步直接成本；及(iv)承租人在租賃條款及條件規定情況下拆除及移除相關資產時將產生之估計成本，惟該等成本乃因生產存貨而產生者除外。本集團應用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權，並就租賃負債之任何重新計量作出調整。

租賃負債

租賃負債應按於租賃開始日期未付之租賃付款之現值確認。租賃付款將按租賃隱含利率(倘該利率可輕易釐定)貼現。倘該利率無法輕易釐定，本集團將採用本集團之增量借款利率。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(iii) Accounting as a lessee (continued) Lease liability (Continued)

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(iii) 作為承租人之會計處理(續) 租賃負債(續)

下列於租賃期內就並非於租賃開始日期支付之相關資產使用權所作付款被視為租賃付款：(i) 固定付款減任何應收租賃優惠；(ii) 初步按於開始日期之指數或利率計量之可變租賃付款（其取決於指數或利率）；(iii) 承租人根據剩餘價值擔保預期應支付之款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權之行使價；及(v) 於承租人行使終止租賃之選擇權之租賃期內支付之終止租賃罰款。

於開始日期後，承租人將透過下列方式計量租賃負債：(i) 增加帳面值以反映租賃負債之利息；(ii) 減少帳面值以反映作出之租賃付款；及(iii) 重新計量帳面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產之評估變動。

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綜合財務報表附註

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(iv) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 January 2019 to assess if there was any impairment as on that date.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(iv) 過渡

誠如上文所述，本集團已採用累計影響方法應用香港財務報告準則第16號並按等租賃負債之金額確認使用權資產，並對於二零一八年十二月三十一日之綜合財務狀況表內已確認之租賃相關之任何預付款項或應計租賃付款之金額作出調整。於二零一八年呈報之比較資料並未重列及繼續根據香港會計準則第17號及香港財務報告準則第16號內之過渡條文所允許之相關詮釋進行報告。

本集團已於二零一九年一月一日就先前應用香港會計準則第17號分類為經營租賃之租賃確認租賃負債，並按餘下租賃付款之現值(按於二零一九年一月一日之承租人增量借款利率貼現)計量該等租賃負債。

本集團已選擇於二零一九年一月一日就先前應用香港會計準則第17號分類為經營租賃之租賃確認所有使用權資產，猶如香港財務報告準則第16號自開始日期起已獲應用，並使用承租人於首次應用日期之增量借款利率貼現。就所有該等使用權資產而言，本集團已於二零一九年一月一日應用香港會計準則第36號資產減值以評估於該日是否有任何減值。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

A. HKFRS 16 – Leases (continued)

(iv) Transition (continued)

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 January 2019 and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group’s lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 Determining whether an Arrangement contains a Lease and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC) – Int4.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

A. 香港財務報告準則第16號 – 租賃(續)

(iv) 過渡(續)

本集團亦已應用下列實際權宜方法：(i)對具有合理相若特徵之租賃組合應用單一貼現率；(ii)對於首次應用日期(二零一九年一月一日)起12個月內結束期限之租賃豁免不確認使用權資產及租賃負債並將該等租賃入帳為短期租賃；(iii)計量於二零一九年一月一日之使用權資產不包括初步直接成本及(iv)倘包括期權之合約延期或終止租賃，釐定租賃條款時使用事後法。

此外，本集團亦已應用實際權宜方法以便：(i)將香港財務報告準則第16號應用於本集團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號識別為租賃之所有租賃合約及(ii)並無將香港財務報告準則第16號應用於先前並無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號識別為含有租賃之合約。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

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

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

Amendments to HKAS 19 – Plan amendments, curtailment or settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the period. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

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

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

香港(國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及之不確定性之影響提供指引，支持香港會計準則第12號所得稅之規定。根據該詮釋，企業須決定分開抑或集中考慮各項不確定稅務處理，以更佳預測不確定性之解決方法。企業亦須假設稅務機關將會查驗其有權查驗之金額，並在作出上述查驗時全面知悉所有相關資料。如企業決定稅務機關可能會接受一項不確定稅務處理，則企業應按與其稅務申報計量即期及遞延稅項。倘企業決定稅務機關不可能會接受一項不確定稅務處理，則採用「最可能金額」或「預期值」兩個方法中較能預測不確定性解決方式的方法來反映釐定稅務涉及的不確定性。

香港會計準則第19號修訂本 – 計劃修訂、縮減或清償

該等修訂澄清界定福利計劃之修訂、縮減或清償，公司應使用經更新之精算假設以釐定即期服務成本及期內利息淨額。此外，在計算計劃之任何清償之損益時，資產上限之影響忽略不計並在其他全面收益內單獨處理。

香港財務報告準則第9號修訂本 – 附帶負補償之預付款項

該等修訂澄清，倘若符合指明條件，具有負補償的可預付金融資產可以攤餘成本或以按公允值計入其他全面收益計量，而不按公允值計入損益計量。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015–2018 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015–2018 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

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

該項修訂澄清，香港財務報告準則第9號適用於構成於聯營公司或合營企業之投資淨額之一部分之於聯營公司或合營企業之長期權益(「長期權益」)，並規定在香港會計準則第28號項內之減值虧損指引之前對該等長期權益應用香港財務報告準則第9號。

香港財務報告準則二零一五年至二零一八年週期之年度改進 – 香港財務報告準則第3號修訂本 – 業務合併

根據年度改進過程發出之修訂對準則目前不清晰之處作出輕微而不緊急的更改。其中包括對香港財務報告準則第3號之修訂，該修訂澄清，當企業之共同營運商取得對共同業務之控制權時，此乃分階段實現之業務合併及先前持有之股本權益因而應重新計量至其收購日之公允值。

香港財務報告準則二零一五年至二零一八年週期之年度改進 – 香港財務報告準則第11號修訂本 – 共同安排

根據年度改進過程發出之修訂對準則目前不清晰之處作出輕微而不緊急的更改。其中包括對香港財務報告準則第11號之修訂，該修訂澄清，當參股惟並未共同控制其為一間企業之共同業務之一方隨後取得對共同業務之控制權時，先前持有之股本權益不應重新計量至其收購日之公允值。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (continued)

Annual Improvements to HKFRSs 2015–2018 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015–2018 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效(續)

香港財務報告準則二零一五年至二零一八年週期之年度改進 – 香港會計準則第12號修訂本所得稅

根據年度改進過程發出的修訂對準則目前不清晰之處作出輕微而不緊急的更改。其包括對香港會計準則第12號的修訂，其澄清，股息的所有所得稅後果均以與產生可分派溢利的交易一致的方式，在損益、其他全面收益或直接在權益內確認。

香港財務報告準則二零一五年至二零一八年週期之年度改進 – 香港會計準則第23號修訂本借貸成本

根據年度改進過程發出的修訂對準則目前不清晰之處作出輕微而不緊急的更改。其包括對香港會計準則第23號的修訂，其澄清，為取得符合條件的資產而專門借入的借款，如在有關符合條件的資產可作其擬定用途或出售時仍未償還，其將成為企業一般借入資金的一部分，因此包括在一般資金池內。

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

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

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a business ¹
Amendments to HKAS 1 and HKAS 8	Definition of material ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest rate benchmark reform ¹
HKFRS 17	Insurance contracts ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之與本集團綜合財務報表潛在有關之香港財務報告準則之新訂／修訂本。當變動生效時，目前本集團有意適時應用。

香港財務報告準則第3號修訂本	業務之定義 ¹
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 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率基準改革 ¹
香港財務報告準則第17號	保險合約 ²
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

¹ 於二零二零年一月一日或之後開始之年度期間生效

² 於二零二一年一月一日或之後開始之年度期間生效

³ 該等修訂原擬於二零一七年一月一日或之後開始之期間生效。生效日期現已延遲／移除。該等修訂仍可提早應用。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

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

Amendments to HKFRS 3 – Definition of a business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 – Definition of material

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第3號修訂本 – 業務之定義

該項修訂澄清，倘一個業務必須至少包括一項投入和一項實質性過程，並共同顯著促進創造產出的能力，連同對「實質性過程」提供廣泛指導。

此外，該修訂刪除了對市場參與者是否有能力取代任何丟失之投入或過程並能持續產生產出的評估，同時縮小重點關注所取得的投入和所取得的實質性過程是否共同顯著促進創造產出的能力。該修訂縮小「產出」及「業務」之定義範圍，重點關注向顧客提供的商品或服務收益，而不是關注削減成本。

亦加入一項可選性之集中度測試，以允許對所取得的一組活動和資產是否不構成業務進行簡化評估。

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

該等修訂澄清「重大」之定義及解釋，協調所有香港財務報告準則及概念性框架之定義，並將香港會計準則第1號內之支持性要求納入該定義。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂本 – 利率基準改革

該等修訂對特定對沖會計規定作修改，緩解利率基準改革所造成的不確定性所帶來的潛在影響。此外，該等修訂要求公司向投資者提供有關其受該等不確定直接影響之對沖關係之額外資料。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

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

HKFRS 17 – Insurance Contracts

HKFRS 17 will replace HKFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

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

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

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

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

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第17號 – 保險合約

香港財務報告準則第17號作為基於單一原則之準則將取代香港財務報告準則第4號，以在該等合約發行人之財務報表中確認、計量、呈報及披露保險合約。

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

該等修訂釐清企業向其聯營公司或合營企業出售資產或注資時將予確認的盈虧範圍。倘交易涉及一項業務，則確認全部收益或虧損，否則，倘交易涉及不構成業務的資產，則僅以無關聯投資者於合營企業或聯營公司權益為限確認盈虧。

本集團尚不能說明是否該等新宣佈將會引致本集團之會計政策及財務報表之重大變動。

3. 編製基準

(a) 合規聲明

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

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. BASIS OF PREPARATION (continued)

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

(c) Basis of presentation

These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

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

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

3. 編製基準(續)

(b) 計量基準

該等綜合財務報表乃根據歷史成本基準編製，惟按公允值計量之若干金融資產則除外。

(c) 呈報基準

該等財務報表以港元(「港元」)及除另有指明外，所有金額均調整至最接近之千位數。

4. 主要會計政策

(a) 業務合併及綜合賬目基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團公司之間公司間交易及結餘以及未變現溢利於編製綜合財務報表時予以全數抵銷。未變現虧損亦予抵銷，除非交易提供所轉讓資產之減值證據，於此情況下，虧損於損益中確認。

年內收購或出售之附屬公司之業績自收購之日起或至出售之日(如適用)併入綜合全面收益表。必要時將對附屬公司之財務報表進行調整，以使其會計政策與本集團其他成員公司所採用者保持一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

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

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

4. 主要會計政策(續)

(a) 業務合併及綜合賬目基準(續)

收購附屬公司或業務以收購法入帳。收購成本按所轉讓資產、所產生之負債及本集團(作為收購方)所發行之股本權益於收購日之公允值總和計量。所收購之可識別資產及所承擔負債主要按收購日之公允值計量。本集團事先於被收購方中所持有之股本權益按收購日之公允值重新計量，產生之收益或虧損則於損益內確認。本集團或可選擇以逐筆交易之基準，按公允值或被收購方可識別之資產淨值之適當份額計量代表目前於附屬公司擁有權益之非控股權益。所有其他非控股權益乃以公允值計量，惟香港財務報告準則規定之其他計量基準則除外。收購產生之費用以開支列帳，惟發行股本工具所產生之費用從權益扣除。

將由收購方轉讓之任何或然代價按收購日期之公允值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起12個月)內所取得有關於收購日期之公允值之新資料時方就商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

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

(b) Subsidiaries

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

4. 主要會計政策(續)

(a) 業務合併及綜合賬目基準(續)

倘本集團失去對附屬公司之控制權，則出售損益按(i)已收代價之公允值及任何保留權益之公允值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之先前帳面值之差額計算。先前附屬公司於其他全面收益確認之款額，會按猶如已出售相關資產或負債之所需相同基準入帳。

收購後，代表目前於附屬公司之擁有權權益之非控股權益之帳面值為該等權益於初步確認時之金額另加有關非控股權益應佔之其後權益變動。即使全面收益總額歸屬於該等非控股權益會導致非控股權益出現虧絀結餘，全面收益總額仍須歸屬於該等非控股權益。

(b) 附屬公司

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

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries (continued)

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

(c) Associates

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

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

4. 主要會計政策(續)

(b) 附屬公司(續)

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

(c) 聯營公司

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates (continued)

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

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

(d) Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

4. 主要會計政策(續)

(c) 聯營公司(續)

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

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

(d) 商譽

當可識別資產及負債之公允值超出已支付之代價公允值、於被收購方之任何非控股權益之金額及收購方先前於被收購方持有之股本權益於收購日之公允值總和，超額部分在重新評估後於收購日之損益內確認。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Goodwill (continued)

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Property, plant and equipment

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

4. 主要會計政策(續)

(d) 商譽(續)

商譽按成本減減值虧損計量。就減值測試而言，收購產生之商譽乃被分配到各有關現金產生單位，預期彼等從收購之協同效應中受益。現金產生單位為賺取現金流入之最小可識別資產組別，彼等大部分獨立於其他資產或資產組別之現金流入。已獲配商譽之現金產生單位每年及凡單位有可能出現減值跡象時進行減值測試，將其帳面值與其可收回金額進行比較。

就於某個財政年度之收購所產生之商譽而言，已獲配商譽之現金產生單位於該財政年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之帳面值，則減值虧損被分配，以削減首先分配到該單位，及其後以單位各資產之帳面值為基準按比例分配到該單位之其他資產之任何商譽之帳面值。然而，分配至各資產之虧損不會將個別資產之帳面值減少至低於其公允值減出售成本(尚可計量)或其使用價值(尚可釐定)(以較高者為準)。商譽之任何減值虧損乃損益內確認及於其後期間不予撥回。

(e) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列帳。物業、廠房及設備項目之成本包括其購買價及將資產達至其擬定用途之營運狀況及地點之任何直接應佔成本。保養及維修於其產生年度在損益扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

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

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

Leasehold land under finance leases

根據融資租賃持有之租賃土地

Building

樓宇

Leasehold improvement

租賃物業改良

Furnaces and infrastructure

熔爐及基建

Plant and machinery

廠房及機器

Computer equipment

電腦設備

Furniture and fixtures

傢俬及裝置

Motor vehicles

汽車

Over the lease terms

於租期內

Over the shorter of the term of the lease of the land and 50 years

土地租期與50年之較短者

Over the lease terms

於租期內

25 years

25年

8 years

8年

5 years

5年

5 years

5年

5 years

5年

4. 主要會計政策(續)

(e) 物業、廠房及設備(續)

在建工程按成本減任何已識別減值虧損列帳，其包括相關建築及借貸成本(如適用)。在建工程成本於工程完工後投入使用以及轉撥至特定物業、廠房及設備類別前不會予以攤銷。

在建工程以外之物業、廠房及設備之折舊乃由彼等可供使用之日期，按下列估計可使用年期及扣除彼等估計殘餘值後，以直線法提撥折舊，以撇銷成本減累計減值虧損。倘物業、廠房及設備項目各部份之可使用年期不同，則該項目之成本會合理分配並分開計算折舊：

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

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

(f) Leasing (accounting policies applied from 1 January 2019)

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

4. 主要會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時終止確認。終止確認資產產生之任何損益(按該項目出售所得款項之淨額及帳面值間之差額計算)於終止確認該項目之年度計入損益內。

(f) 租賃(自二零一九年一月一日起應用之會計政策)

所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債,惟為實體提供會計政策選擇,可選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

使用權資產

使用權資產應按成本確認並將包括:(i)首次計量租賃負債的金額(見下文有關租賃負債入帳的會計政策);(ii)於開始日期或之前作出的任何租賃付款減已收取的任何租賃優惠;(iii)承租人產生的任何首次直接成本;及(iv)承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本,除非該等成本乃為生產存貨而產生則除外。除了符合投資物業之定義之使用權資產外,本集團採用成本模式計量使用權資產。根據成本模式,本集團按成本減任何累計折舊及任何減值虧損計量使用權,並就租賃負債的任何重新計量作出調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leasing (accounting policies applied from 1 January 2019) (continued)

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(g) Leasing (accounting policies applied until 31 December 2018)

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

4. 主要會計政策(續)

(f) 租賃(自二零一九年一月一日起應用之會計政策)(續)

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款將採用租賃隱含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用本集團的增量借款利率。

下列並非於租賃開始日期支付的租賃期內就使用相關資產權利支付的款項視為租賃付款：(i)固定付款減任何應收租賃優惠；(ii)按開始日期之指數或利率首次計量的浮動租賃付款(取決於指數或利率)；(iii)承租人根據剩餘價值擔保預期將支付的款項；(iv)倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v)倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

於開始日期後，承租人將透過下列方式計量租賃負債：(i)增加帳面值以反映租賃負債的利息；(ii)減少帳面值以反映作出的租賃付款；及(iii)重新計量帳面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

(g) 租賃(直至二零一八年十二月三十一日應用之會計政策)

凡租賃之條款將擁有權之絕大部分風險及回報轉由承租人承擔，即歸類為融資租賃。所有其他租賃歸類為經營租賃。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leasing (accounting policies applied until 31 December 2018) (continued)

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(h) Financial instruments

Financial assets – recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire; or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset; or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

4. 主要會計政策(續)

(g) 租賃(直至二零一八年十二月三十一日應用之會計政策)(續)

本集團作為承租人

根據融資租約持有的資產初步按公允值或最低租金付款的現值(如金額較低)確認為資產。相應的租賃承擔以負債列示。租金付款按資本及利息進行分析。利息部分於租期內於損益內扣除，並以於租賃負債中佔固定比例方式計算。資本部分減去欠負出租人的餘額。

根據經營租賃應付之租金總額將以直線法於租期內在損益確認。已收取之租賃獎勵於租期內確認為租金開支總額之一部分。

物業租賃之土地及樓宇部分就租賃分類而言單獨考慮。

(h) 金融工具

金融資產 – 確認及終止確認

金融資產乃當且僅當本集團成為該等工具之合約條文一方時按交易日之基準確認。

金融資產被終止確認乃當且僅當(i)本集團於獲取金融資產未來現金流量之合約權利到期；或(ii)本集團轉讓金融資產及(a)本集團已轉讓金融資產擁有權之絕大部份風險及回報；或(b)本集團既無轉讓也不保留金融資產擁有權之絕大部份風險及回報但本集團不會保留對金融資產之控制權。

倘本集團保留轉讓金融資產擁有權之絕大部份風險及回報，則繼續確認此金融資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Financial assets – recognition and derecognition (continued)

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Financial assets – classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

4. 主要會計政策(續)

(h) 金融工具(續)

金融資產 – 確認及終止確認(續)

倘本集團既無轉讓也不保留轉讓資產擁有權之絕大部份風險及回報及繼續控制該資產時，則本集團會根據其持續參與程度及可能需繳付之相關負債確認該金融資產。

金融資產 – 分類及計量

金融資產(並無重大融資組成部份之貿易應收帳款除外)初步按公允值加上(就並非按公允值計入損益列帳之金融資產而言)收購金融資產直接應佔之交易成本確認。該等貿易應收帳款初步按其交易價格計量。

於初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)強制按公允值計入其他全面收益；(iii)指定按公允值計入其他全面收益；或(iv)按公允值計入損益。

初始確認時之金融資產分類取決於本集團管理金融資產之業務模式及金融資產之合約現金流特徵。除非本集團改變管理金融資產之業務模式，在此情形下，所有受影響之金融資產在業務模式發生變更後之首個年度報告期間之第一天進行重新分類，否則金融資產在初始確認後不得進行重新分類。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Financial assets – classification and measurement (continued)

(i) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include cash and bank balances, restricted bank deposits, trade and other receivables, deposits paid and amount due from the non-controlling shareholder of a subsidiary.

4. 主要會計政策(續)

(h) 金融工具(續)

金融資產 – 分類及計量(續)

(i) 按攤銷成本計量之金融資產

倘金融資產同時符合下列條件且未被指定為按公允值計入損益，則按攤銷成本計量：

- 於一個業務模式內持有金融資產，而其持有金融資產之目的是為了收取合約現金流；及
- 其合約條款引致於指定日期之現金流僅為支付本金和未償還本金之利息。

以攤銷成本列帳之金融資產隨後採用實際利率法計量並可予減值。減值、終止確認或透過攤銷程序產生之盈虧於損益內確認。

本集團以攤銷成本列帳之金融資產包括現金及銀行結存、受限制銀行存款、貿易及其他應收帳款、已付按金及應收附屬公司非控股股東款項。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Financial assets – classification and measurement

(continued)

(ii) Financial assets at fair value through profit or loss

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

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

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

The Group's financial assets mandatorily measured at FVPL include the financial assets disclosed in note 17 to the consolidated financial statements.

4. 主要會計政策(續)

(h) 金融工具(續)

金融資產 – 分類及計量(續)

- (ii) 按公允值計入損益之金融資產
- 該等投資包括並非按攤銷成本或按公允值計入其他全面收益計量之金融資產，其中包括持作買賣金融資產、於初始確認時指定為按公允值計入損益之金融資產、因香港財務報告準則第3號適用之業務合併中之或然代價安排而產生之金融資產及須另行按公允值計入損益計量之金融資產。該等投資按公允值列帳，而任何因此產生之收益及虧損於損益確認，不包括金融資產賺取之任何股息或利息。股息或利息收入與公允值收益或虧損分開呈列。

金融資產如屬以下各項，則分類為持作買賣：

- 收購目的主要為於短期內出售；
- 屬於受集中管理之已識別金融工具組合之一部分，且有證據顯示其於初始確認時近期確實出現短期獲利模式；或
- 並非財務擔保合約或並非指定有效對沖工具之衍生工具。

本集團強制按公允值計入損益計量之金融資產包括綜合財務報表附註17披露的金融資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Financial liabilities – recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Financial liabilities – classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, accruals, other borrowings, lease liabilities and convertible bonds. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

(h) 金融工具(續)

金融負債 – 確認及終止確認

金融負債當及僅當本集團成為工具合約條文之一方時確認。

金融負債當及僅當負債消除(即相關合約訂明之責任解除、取消或到期)時方終止確認。

金融負債 – 分類及計量

金融負債初步按其公允值確認，而倘金融負債並未按公允值計入損益，則另加發行金融負債直接應佔之交易成本。

本集團之金融負債包括貿易及其他應付帳款、應計費用、其他借貸、租賃負債及可換股債券。所有金融負債初步按其公允值確認，其後以實際利率法按攤銷成本計量，惟倘貼現之影響不重大時，金融負債則按成本入帳。

實際利息法

實際利息法為計算金融資產或金融負債之攤銷成本以及分配於有關期間之利息收入或利息開支之方法。實際利率是可將金融資產或負債在預計年期或(倘適用)在較短期間內的估計未來現金付款準確貼現的利率。

股本工具

本公司所發行之股本工具以已收所得款項(扣除直接發行費用)入帳。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of financial assets

The Group recognises loss allowances for ECL on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- past due information
- nature of instrument
- nature of collateral
- industry of debtors
- geographical location of debtors

4. 主要會計政策(續)

(i) 金融資產減值

本集團就適用於根據香港財務報告準則第9號減值規定之金融資產(按攤銷成本計量)之預期信貸損確認虧損撥備。於各報告日期，倘金融資產之信貸風險已自初步確認起大幅增加，本集團按相等於全期預期信貸虧損之金額計量該金融資產之虧損撥備。倘金融資產之信貸風險自初步確認起並無大幅增加，則本集團按相等於十二個月預期信貸虧損之金額計量該金融資產之虧損撥備。

計量預期信貸虧損

預期信貸虧損是於金融工具之預期年期對信貸虧損之概率加權估計(即所有現金短缺之現值)。

就金融資產而言，信貸虧損為根據合約應付一間實體之合約現金流量與實體預期收取之現金流量之間之差額之現值。

全期預期信貸虧損指於金融工具於預計年期內所有可能違約事件產生之預期信貸虧損，而十二個月預期信貸虧損指預計於報告日期後12個月內可能發生之金融工具違約事件產生之部分全期預期信貸虧損。

倘預期信貸虧損按集體基準計量，則金融工具按下列一項或多項共同信貸風險特徵基準歸類：

- 逾期資料
- 工具性質
- 抵押品性質
- 債務人之行業
- 債務人之地理位置

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of financial assets (continued)

Measurement of ECL (continued)

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

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

Assessment of significant increase in credit risk

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

4. 主要會計政策(續)

(i) 金融資產減值(續)

計量預期信貸虧損(續)

於各報告日期重新計量虧損撥備以反映金融工具之信貸風險及虧損自初始確認以來出現之變動。所得之虧損撥備之變動於損益中確認為減值盈虧，並對金融工具之帳面值作出相應調整。

違約定義

倘金融工具符合任何一項下列標準，本集團認為以下事項構成內部信貸風險管理違約事件，此乃由於以往經驗顯示本集團可能不會悉數收取未償還之合約金額。

- (i) 內部制訂或得自外界來源之資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持之任何抵押品)；或
- (ii) 交易對手違反財務契諾。

不論上文分析為何，本集團都認為，已於金融資產逾期超過90日後發生違約，除非本集團有合理及可靠資料證明更加滯後之違約標準更為恰當，則當別論。

評估信貸風險大幅增加

於評估金融工具之信貸風險是否自初步確認起大幅增加時，本集團比較金融工具於報告日期出現違約之風險與該金融工具於初步確認日期出現違約之風險。作此評估時，本集團會考慮合理及有理據之定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得之前瞻性資料。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of financial assets (continued)

Assessment of significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial assets has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. 主要會計政策(續)

(i) 金融資產減值(續)

評估信貸風險大幅增加(續)

當合約付款逾期超過30日，不論以上評估結果如何，本集團假設金融資產之信貸風險自初始確認起已大幅增加。

儘管如此，本集團假定倘金融工具於報告日期被釐定為擁有低信貸風險，則金融工具之信貸風險自初步確認起並無大幅增加。

低信貸風險

倘出現下列情況，則金融工具被釐定為擁有低信貸風險：

- (i) 其擁有低違約風險；
- (ii) 借款人有強大能力於短期履行其合約現金流量責任；及
- (iii) 長遠而言經濟及業務狀況出現之不利變動可能但不一定會減弱借款人履行其合約現金流量責任之能力。

預期信貸虧損之簡化方法

就貿易應收帳款而言，本集團計算預期信貸虧損時應用簡化方法。本集團於各報告日期根據全期預期信貸虧損確認虧損撥備，並根據其以往信貸虧損經驗，建立撥備矩陣，並就債務人之特定前瞻性因素及經濟環境作出調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of financial assets (continued)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (i) significant financial difficulty of the issuer or the borrower.
- (ii) a breach of contract, such as a default or past due event.
- (iii) 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.
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (v) the disappearance of an active market for that financial asset because of financial difficulties.
- (vi) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

4. 主要會計政策(續)

(i) 金融資產減值(續)

信貸減值金融資產

當發生會對金融資產估計未來現金流量造成不利影響之一項或多項事件，則該金融資產出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：

- (i) 發行人或借款人出現重大財政困難。
- (ii) 違反合約(如違約或逾期事件)。
- (iii) 借款人之貸款人因有關借款人出現財政困難之經濟或合約理由而向借款人批出貸款人不會另行考慮之優惠。
- (iv) 借款人有可能面臨破產或其他財務重組。
- (v) 因財政困難而導致該金融資產失去活躍市場。
- (vi) 以大幅折讓購買或產生一項金融資產，其反映已產生之信貸虧損。

撇銷

當本集團並無收回全部或部分金融資產之合約現金流量之合理預期時，會撇銷金融資產。本集團根據以往收回類似資產之經驗設有撇銷總帳面值之政策。本集團預期並無金額之重大收回遭撇銷。然而，經考慮法律意見後(倘適當)，遭撇銷之金融資產仍須根據本集團收回到期款項之程序進行強制執行活動。任何其後收回於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Convertible bond

The component of the convertible bond that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs.

On the issue of the convertible bond, the fair value of the liability component is determined using a market rate for a similar bond that does not have a conversion option; and this amount is carried as a current liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible bond equity reserve is transferred to share capital or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible bond equity reserve is transferred to accumulated profits/losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of proceeds.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

4. 主要會計政策(續)

(j) 可換股債券

可換股債券中具有負債特性之部分已於扣除發行成本後在財務狀況表內確認為負債。

當發行可換股債券時，負債部分之公允值乃以無兌換權之類似債券之市場比率計算，而該金額則按攤銷成本列作流動負債，直至於兌換或贖回時消除為止。

所得款項餘額於扣除發行成本後分配至在股東權益內確認及計入之兌換權。於權益內列帳之兌換權價值在其後年度不會變動。當行使兌換權時，可換股債券權益儲備之結餘會轉撥至股本或其他適當儲備。當兌換權於到期日仍未行使時，可換股債券權益儲備內之餘額會轉撥至累計溢利／虧損。概不會於兌換或兌換權到期時在損益內確認盈虧。

發行成本於工具首次確認時根據所得款項於負債及權益部分之間之分配，在可換股債券負債及權益部分之間分配。有關發行可換股債券之交易成本按所得款項分配之比例分配至負債及權益部分。

(k) 存貨

存貨乃按成本及可變現淨值兩者之較低者列帳。成本按加權平均基準釐定。倘屬在製品及製成品，成本則包括直接物料費用、直接勞工及適當比例之間接生產成本。可變現淨值按估計售價減完成及出售將產生之任何估計成本計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Revenue recognition

Nature of goods or services

The Group engaged in the manufacture and sale of medium coal, coke and by products, sales of electricity and heat and transportation service.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (i) a good or service (or a bundle of goods or services) that is distinct; or
- (ii) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (i) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (ii) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

4. 主要會計政策(續)

(l) 現金等價物

就綜合現金流量表而言，現金等價物指可隨時兌換為已知現金金額並承受極小價值變動風險之短期高流通性投資。

(m) 收入確認

貨物或服務之性質

本集團從事生產及銷售中煤、焦炭及副產品、銷售電及熱以及運輸服務。

識別履約義務

於合約初始時，本集團評估與客戶訂立之合約內承諾之貨物或服務，並識別向客戶轉讓以下貨物或服務之每項承諾為履約義務：

- (i) 明確貨物或服務(或一組貨物或服務)；或
- (ii) 一系列大致相同及具有相同向客戶轉讓模式的明確貨物或服務。

倘達致以下兩項標準，則向客戶承諾之貨物或服務屬明確：

- (i) 客戶可單獨或與客戶隨時可獲得之其他資源(即貨物或服務可區分)一起從貨物或服務中受益；及
- (ii) 本集團向客戶轉讓貨物或服務之承諾可與合約中之其他承諾分開識別(即轉讓貨物或服務之承諾在合約範圍內屬明確)。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of medium coal, coke and by-products are recognised at a point of time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Sale of electricity and heat are recognised at a point of time when they are transferred to the customers.

4. 主要會計政策(續)

(m) 收入確認(續)

收入確認之時間

當(或於)本集團透過向客戶轉讓承諾貨物或服務(即資產)而達致履約義務時確認收入。資產乃當(或於)客戶取得其控制權時轉讓。

本集團於一段時間轉讓貨物或服務之控制權，而倘滿足以下其中一項標準，則達致履約義務及於一段時間確認收入：

- (a) 隨本集團履約，客戶同時取得並耗用本集團履約所提供之利益；
- (b) 本集團之履約創建或強化一資產(例如在建工程)，該資產於創建或強化之時即由客戶控制；或
- (c) 本集團之履約並未產生對本集團有替代用途之資產，且本集團對迄今已完成履約之款項具有可執行之權利。

倘本集團並非於一段時間內達致履約義務，則當客戶取得承諾資產之控制權時於某一時點達致履約義務。於釐定何時發生控制權轉移時，本集團會考慮控制權之概念以及諸如合法所有權、實際擁有權、支付權利，資產所有權之重大風險和回報以及客戶接受度等指標。

銷售中煤、焦炭及副產品乃於客戶取得承諾資產之控制權之時間點確認，一般與貨物向客戶交付及所有權轉交之時間相符。

銷售電及熱乃於電及熱轉移至客戶之時間點確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

Timing of revenue recognition (continued)

Service income of transportation services is recognised at a point of time when the goods transferred are received by customers.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

(n) Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 29 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

4. 主要會計政策(續)

(m) 收入確認(續)

收入確認之時間(續)

運輸服務之服務收入於客戶收到轉讓貨物時某一時間點確認。

利息收入

金融資產之利息收入採用實際利率法確認。就按攤銷成本計量且並無信貸減值之金融資產而言，實際利率用於計算資產之總帳面值，而就信貸減值金融資產而言，則用於計算攤銷成本(即扣除虧損撥備後之總帳面值)。

(n) 股份付款

本公司實施一項購股期權計劃，旨在為對本集團業務成功作出貢獻之合資格參與者提供獎勵及回報。本集團之僱員(包括董事)以股份付款之方式收取報酬，而僱員則提供服務作為股本工具之代價(「股權結算交易」)。

就於二零零二年十一月七日後之授出而與僱員進行之股權結算交易之成本，乃參考授出日期之公允值計量。公允值乃根據外部估值師採用二項模式釐定，進一步詳情載於綜合財務報表附註29。

股權結算交易之成本連同股權之相應增加，乃於以僱員福利開支履行表現及／或服務條件期內確認。直至歸屬日期前，於各報告期末就股權結算交易確認之累計開支，反映歸屬期已到期部分及本集團對最終將會歸屬之股本工具數目之最佳估計。於某期間扣除自或計入損益之金額，代表於期初及期終確認之累計開支之變動。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

4. 主要會計政策(續)

(n) 股份付款(續)

釐定獎勵之授出日公允值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團權益工具數目之最佳估計之一部份。市場表現條件將反映在授出日之公允值。附帶於獎勵中但並無相關服務要求之其他任何條件皆視為非歸屬條件。反映非歸屬條件之獎勵公允值若當中不包含服務及／或表現條件乃即時予以支銷。

因未能達至非市場表現及／或服務條件，而導致最終並無歸屬之獎勵並不會確認支銷，惟包括一項市場或非歸屬條件之獎勵無論市場或非歸屬條件是否達成，其均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

倘股權結算獎勵之條款有所變更而獎勵之原有條款已達成，則最少須確認猶如條款並無變更之開支。此外，倘按變更日期之計量，任何變更導致股份付款之總公允值有所增加，或對僱員有利，則會就該等變更確認開支。

倘股權結算獎勵被註銷，會被視為已於註銷日期歸屬，而任何尚未就獎勵確認之開支，均會即時確認。此包括本集團或僱員控制範圍內之非歸屬條件未達成之任何獎勵。然而，倘授出新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷及新獎勵，均會如前段所述被視為原有獎勵之變更。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share-based payments (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(o) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of Hong Kong dollars, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency (the "foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

4. 主要會計政策(續)

(n) 股份付款(續)

計算每股盈利時，尚未行使購股期權之攤薄影響乃反映為額外股份攤薄。

(o) 外幣換算

本集團各實體之財務報表所列項目，乃按該實體經營所在之主要經濟環境貨幣(「功能貨幣」)計量。綜合財務報表以港元呈報，港元亦為本公司之功能貨幣。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，會於損益中確認。

功能貨幣如有別於呈報貨幣之所有集團實體(「海外業務」)之業績及財務狀況乃按下列各項換算為呈報貨幣：

- 於各財務狀況表呈列之資產與負債按報告期末之收市匯率換算。
- 各損益及其他全面收益表之收入與開支按平均匯率換算。
- 所有從上述換算產生之匯兌差異及組成本集團海外業務投資淨額一部分之貨幣項目所產生之匯兌差異，乃確認為權益中之獨立部分。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Foreign currency translation (continued)

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.
- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.
- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

4. 主要會計政策(續)

(o) 外幣換算(續)

- 於出售海外業務(包括出售本集團於海外業務之全部權益、涉及失去對一間附屬公司(包括海外業務)之控制權之出售或部分出售於合營安排或聯營公司之權益(包括其保留權益不再入帳列為股權之海外業務)時,有關於其他全面收益確認且於權益中獨立部分累計之海外業務之匯兌差額之累計款項,於出售盈虧獲確認時自權益重新分類至損益。
- 於部分出售本集團於一間包括有海外業務之附屬公司之權益(但本集團並無因此而失去對該附屬公司之控制權)時,於權益之獨立部分中確認之累計匯兌差額之比例份額會由該海外業務之非控股權益重新分估且不會重新分類至損益。
- 於所有其他部分出售(包括對聯營公司或合營企業之部分出售,而該出售不會導致本集團失去重大影響或共同控制權)時,於權益之獨立部分中確認之累計匯兌差額之比例份額會重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investments in subsidiaries and associates

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

4. 主要會計政策(續)

(p) 資產(金融資產除外)減值

於各報告期末，本集團審閱下列資產，釐定是否有任何跡象顯示該等資產已遭受減值或以往確認之減值虧損是否不再存在或可能已經減少：

- 物業、廠房及設備；及
- 於附屬公司及聯營公司之投資

倘資產之估計可收回款額(即公允值減出售成本及使用價值兩者中之較高者)估計少於其帳面值，則將該資產之帳面值撇減至其可收回款額。減值虧損乃即時確認為支出，除非有關資產根據另一香港財務報告準則按重新估值之款額列帳，在此情況下，減值虧損根據該香港財務報告準則按重估減少處理。

倘其後撥回減值虧損，該等資產之帳面值增加至其可收回數額之經修訂估計，以已增加之帳面值並未超過倘過往年度並未確認減值虧損原本會釐定之帳面值為限。減值虧損撥回隨即確認為收入，除非有關資產根據另一香港財務報告準則按經重估之數額列帳，在該情況下，減值虧損撥回根據該香港財務報告準則按重估增加處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of assets (other than financial assets) (continued)

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(e)), 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 cash generating unit.

(q) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contribution to Mandatory Provident Fund Scheme in Hong Kong are recognised in profit or loss as incurred. The assets of the Scheme held separately from those of the Group in an independent administrated fund.

Contributions to the state-managed retirement benefit schemes in the PRC, which are calculated on certain percentages of the applicable payroll costs, are charged as expense when employees have rendered services entitling them to the contributions.

4. 主要會計政策(續)

(p) 資產(金融資產除外)減值(續)

使用價值根據預期資產或現金產生單位(參閱附註4(e))產生之估計未來現金流量計算,並使用除稅前貼現率(其反映現時市場對金錢時間價值及資產或現金產生單位特定風險的評估)對其現值貼現。

(q) 借貸成本資本化

收購、建設或生產符合條件的資產(即必須花費大量時間準備以作擬定用途或銷售)直接應佔的借貸成本作為該資產成本的一部分撥充資本。就特定借貸以其於該等資產之開支之暫時投資賺取之收入從資本化之借貸成本中扣除。所有其他借貸成本均於產生期間計入損益。

(r) 僱員福利

短期僱員福利

薪金、年度花紅、帶薪年假、定額供款退休計劃之供款及非貨幣福利成本乃於僱員提供相關服務之年度累計。

界定供款計劃

向香港強制性公積金計劃之供款責任於產生時在損益確認。計劃之資產於獨立管理基金內與本集團之資產分開持有。

於中國均就該國家管理退休福利計劃按適用工資成本之若干百分比計算供款,並於僱員提供服務及有權享有該筆供款時作為開支扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

4. 主要會計政策(續)

(s) 撥備及或然負債

當本集團因過去事項須承擔法律責任或推定責任，而履行該責任很可能需要經濟利益流出並能可靠估計其款項時，則對該等未確定時間或金額的負債作出撥備。

倘不大可能流出經濟利益或無法可靠估計金額，則該責任披露為或然負債，除非經濟利益流出的可能性甚微。潛在責任（其存在僅透過一項或多項未來事件發生與否確認）亦披露為或然負債，除非經濟利益流出的可能性甚微。

(t) 所得稅

本年度之所得稅包括當期稅項及遞延稅項。

當期所得稅根據日常業務之損益並就所得稅目的對不可評估或可否決之項目作出調整而計算及使用報告期末已制定或實質制定的稅率計算。

遞延稅項乃就資產與負債就財務報告目的而言之帳面值與就稅務目的所用之相應數額之暫時差異而確認。除不影響會計或應課稅溢利之商譽及已確認資產與負債之外，所有應課稅暫時差異之遞延稅項負債均會確認。在有可能出現可運用可扣稅之暫時差異抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按適用於資產或負債之帳面值獲變現或結算之預期方式及於報告期末已制定或大致上制定之稅率計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income taxes (continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4. 主要會計政策(續)

(t) 所得稅(續)

就釐定計量遞延稅項金額時所用適當稅率的一般規定而言，有一個例外情況，即投資物業乃根據香港會計準則第40號「投資物業」按公平值列帳。除非該假定被推翻，否則此等投資物業的遞延稅項金額乃以出售此等投資物業時所適用的稅率以及按其於報告日期的帳面值而計量。當投資物業為可計提折舊並根據一個業務模式而持有，而該業務模式的目的為隨著時間推移而消耗該物業所體現的絕大部分經濟利益(而非通過出售)時，該假定即被推翻。

遞延稅項負債就於附屬公司、聯營公司及共同控制實體的投資產生的應課稅暫時差額確認，惟本集團可控制暫時差額的撥回及暫時差額可能不會於可見將來撥回者除外。

所得稅於損益中確認，惟倘所得稅與於其他全面收益內確認的項目相關除外，在此情況下，稅項亦在其他全面收益中確認；或倘所得稅與直接於權益中確認的項目相關，在此情況下，稅項亦直接於權益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

4. 主要會計政策(續)

(u) 關連人士

(a) 倘一名人士屬下列情況，則該名人士家族之人士或直系親屬與本集團有關連：

- (i) 對本集團擁有控制權或共同控制權；
- (ii) 對本集團擁有重大影響力；或
- (iii) 為本集團或本公司母公司之主要管理層成員。

(b) 倘任何以下條件適用，則一個實體與本集團有關連：

- (i) 該實體及本集團為同一集團之成員公司（即各母公司、附屬公司或同系附屬公司互為關連）。
- (ii) 一實體為另一實體之聯營公司或合營企業（或另一實體屬成員公司之集團成員公司之聯營公司或合營企業）。
- (iii) 兩間實體均為同一第三方之合營企業。
- (iv) 一實體為一第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Related parties (continued)

(b) (continued)

- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策(續)

(u) 關連人士(續)

(b) (續)

- (v) 該實體為本集團或與本集團有關連之實體之僱員利益而設之離職後福利計劃。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) (a)(i)所識別之人士對該實體有重大影響力，或為該實體(或該實體之母公司)之主要管理層成員。
- (viii) 實體或其所屬之集團任何成員公司提供主要管理人員服務予本集團或本集團之母公司。

該名人士之直系親屬成員是指有關人士在與實體交易時，預期可影響或受該人士影響之親屬成員並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受供養人士。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. 主要會計政策(續)

(v) 政府補助金

政府補助金乃在可合理確定將取得該補助金並將可符合所有附帶條件時按其公允值確認。倘補助金涉及開支項目，則按相關年度確認為收入，以按系統基準將補助金與擬補償之相關成本抵銷。倘補助金與資產有關，則公允值計入遞延收入帳，並於有關資產之預期可使用年期按每年等額分期款項撥入損益。

(w) 分類報告

綜合財務報表內所呈報之經營分類及各分類項目之金額，與定期就本集團各項業務及地域之資源分配及表現評估而向本集團主要經營決策者提供之財務資料一致。

就財務報告而言，個別重大之經營分類不會彙集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務之方法以及監管環境性質方面類似之分類除外。個別不重大之經營分類倘具備大部分該等特質，亦可以彙集計算。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) *Deferred tax liabilities*

At the end of the reporting period, deferred tax liabilities of approximately HK\$5,593,000 (2018: approximately HK\$11,253,000) were provided for, in relation to the withholding tax on the distribution of retained profits of the PRC subsidiary to be remitted out of the PRC in foreseeable future. Further details are set out in note 27 to the consolidated financial statements.

(b) *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

5. 關鍵會計估計及判斷

編製本集團之財務報表要求管理層作出可影響收入、開支、資產及負債及其相關披露事項以及或然負債披露事項之呈報金額之判斷、估計及假設。

此等假設及估計之不確定因素可能導致需要對日後受影響之資產或負債之帳面值作出重大調整之後果。

判斷

於應用本集團之會計政策時，除涉及對財務報表已確認金額構成最大影響之估計外，管理層已作出以下判斷：

(a) *遞延稅項負債*

於報告期末，本集團就於可見將來將匯出中國之中國附屬公司之保留溢利分派之預扣稅作出遞延稅項負債約5,593,000港元(二零一八年：約11,253,000港元)撥備。進一步詳情載於綜合財務報表附註27。

(b) *估計之不確定性*

於報告期末就未來及其他估計不確定性之主要來源所作之主要假設，很大機會引致須於下一個財政年度就資產及負債帳面值作出重大調整者載述如下。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Judgements (continued)

(c) Impairment of property, plant and equipment

The Group determines whether property, plant and equipment are impaired or the impairment no longer exists and this requires an estimation of the value in use of the cash-generating units to which these assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose suitable discount rates in order to calculate the present value of those cash flows. Any change in the business environment may lead to the change in expected future cash flows. The carrying amount of property, plant and equipment as at 31 December 2019 was HK\$576,422,000 (2018: HK\$570,644,000). Further details are set out in note 14 to the consolidated financial statements.

(d) Depreciation

The Group depreciates its property, plant and equipment over their estimated useful lives, commencing from the date the property, plant and equipment are ready for their intended use. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the property, plant and equipment. The depreciation will be changed when the useful life is expected to be different from the estimate and would affect profit or loss for the period in which such change of estimate takes place.

5. 關鍵會計估計及判斷(續)

判斷(續)

(c) 物業、廠房及設備減值

本集團釐定物業、廠房及設備是否出現減值或減值是否已消失，就此需要估計獲分配該等資產之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位之預期未來現金流量，並須選擇適合之貼現率以計算該等現金流量之現值。任何業務環之變動均可導致預期未來現金流量出現變動。於二零一九年十二月三十一日，物業、廠房及設備之帳面值為576,422,000港元(二零一八年：570,644,000港元)。進一步詳情載於綜合財務報表附註14。

(d) 折舊

本集團由物業、廠房及設備可作擬定用途當日開始按物業、廠房及設備之估計可使用年期計算折舊。估計可使用年期反映管理層對本集團擬自使用物業、廠房及設備中得到未來經濟利益的估計使用期限。倘可使用年期預期與估計有所不同，折舊將會改變，並可能會對估計變動發生期間之損益造成影響。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Judgements (continued)

(e) Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade receivables, amount due from non-controlling shareholder and deposits and other receivables, by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, recoverable amount of collateral, past collection history of debtors, concentration risk of debtors, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 40(b) to the consolidated financial statements.

6. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the coke trading segment – purchases and sales of coke and coal;
- (b) the coal-related ancillary segment – washing of raw coal into refined coal for sale and for further processing, and sale of electricity and heat which are generated as the by-products during the washing of raw coal; and
- (c) the coke production segment – processing of refined coal into coke for sales, and sale of coke by-products that are generated during coke production.

5. 關鍵會計估計及判斷(續)

判斷(續)

(e) 預期信貸虧損之虧損撥備

本集團管理層採用若干輸入數據及假設(包括違約風險及預期虧損率)估計以攤銷成本列帳之金融資產之虧損撥備(包括貿易應收帳款、應收非控股股東款項及按金及其他應收帳款)。估計涉及較高之不確定性，其乃基於各報告期末本集團之過往資料、抵押品之可收回金額、債務人之過往收款記錄、債務人之集中風險、本集團之實際虧損經驗、現行市況及前瞻性估計。倘預期與原本估計有差異，有關差異將影響以攤銷成本列帳之金融資產之帳面值。估計預期信貸虧損時採用之主要假設及輸入數據詳情載於綜合財務報表附註40(b)。

6. 經營分類資料

就管理目的而言，本集團根據產品及服務組織業務單位，而可呈報經營分類如下：

- (a) 焦炭貿易分類 – 買賣焦炭及煤炭；
- (b) 煤炭相關附屬分類 – 洗原煤以產生作銷售用途及進一步加工之精煤，以及銷售電及熱(與洗原煤過程所產生之副產品一同產生)；及
- (c) 焦炭生產分類 – 加工精煤以產生作銷售用途之焦炭，以及銷售焦炭生產過程產生之焦炭副產品。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. OPERATING SEGMENT INFORMATION (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and sundry income, corporate and administrative expenses, unallocated other operating income, unallocated finance costs and income tax expense are excluded from such measurement.

Segment assets exclude cash and bank balances, restricted bank deposits, financial assets at fair value through profit or loss, interest in an associate and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings, lease liabilities, convertible bonds for corporate use, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted at cost plus a certain percentage of mark-up.

6. 經營分類資料(續)

管理層獨立監察本集團經營分類之業績，以作出有關資源分配及表現評估之決策。分類表現乃根據可呈報分類溢利／(虧損)(其為經調整除稅前溢利之計量基準)予以評估。經調整除稅前溢利乃貫徹以本集團之除稅前溢利計量，惟利息收入及雜項收入、公司及管理費用、未分配其他經營收入、未分配財務費用及所得稅開支不計入於該計量內。

分類資產不包括現金及銀行結存、受限制銀行存款、按公允值計入損益之金融資產、於一間聯營公司之權益以及其他未分配總辦事處及公司資產，此乃由於此等資產乃按集團基準管理。

分類負債不包括公司用途之其他借貸、租賃負債及可換股債券、遞延稅項負債以及其他未分配總辦事處及公司負債，此乃由於此等負債乃按集團基準管理。

分類間銷售及轉讓乃參考按成本加若干百分比之加成進行交易。

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6. OPERATING SEGMENT INFORMATION (continued)

Segment revenue and results

For the year ended 31 December 2019

6. 經營分類資料(續)

分類收入及業績

截至二零一九年十二月三十一日止年度

		Coke trading	Coal-related ancillary	Coke Production	Eliminations	Total
		焦炭貿易	煤炭相關附屬分類	焦炭生產	對銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Segment revenue	分類收入					
- external sale	- 對外銷售	2,540	168,505	1,434,311	-	1,605,356
- intersegment sale	- 分類間銷售	-	108,288	-	(108,288)	-
Other income	其他收入	-	45,878	-	-	45,878
Total	總計	2,540	322,671	1,434,311	(108,288)	1,651,234
Segment results	分類業績	-	861	97,849	-	98,710
Interest income and sundry income	利息收入及雜項收入					8,809
Compensation income from contract with customer	客戶合約的補償收入					10,126
Interest income from other receivables	其他應收帳款的利息收入					3,639
Gain on exercise the put option for the disposal of interest in an associate, net	行使認沽期權以出售聯營公司權益的收益，淨額					1,054
Unallocated other operating income	未分配其他經營收入					12,321
Share of results from an associate	應佔一間聯營公司的業績					(8,982)
Corporate administrative expenses (note)	公司管理費用(附註)					(88,018)
Unallocated finance costs	未分配財務費用					(11,409)
Profit before tax	除稅前溢利					26,250
Income tax expense	所得稅開支					(11,547)
Profit for the year	本年度溢利					14,703

Note: Unallocated corporate administrative expenses mainly include corporate's staff cost and Directors' remuneration, legal and professional fee, PRC local tax and depreciation of unallocated property, plant and equipment

附註：未分配公司管理費用主要包括公司的員工成本及董事薪酬、法律及專業費用、中國地方稅項以及未分配物業、廠房及設備的折舊。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. OPERATING SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 December 2018 (restated (note 43))

6. 經營分類資料(續)

分類收入及業績(續)

截至二零一八年十二月三十一日止年度(重列(附註43))

		Coke trading 焦炭貿易 HK\$'000 千港元	Coal-related ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Segment revenue	分類收入					
- external sale	- 對外銷售	35,884	91,119	1,351,046	-	1,478,049
- intersegment sale	- 分類間銷售	-	189,753	-	(189,753)	-
Other income	其他收入	-	41,316	-	-	41,316
Total	總計	35,884	322,188	1,351,046	(189,753)	1,519,365
Segment results	分類業績	315	(232,904)	504,755	(854)	271,312
Interest income and sundry income	利息收入及雜項收入					3,637
Corporate administrative expenses (Note)	公司管理費用(附註)					(103,301)
Share of results from an associate	應佔一間聯營公司之業績					(286)
Unallocated other operating income	未分配其他經營收入					7,497
Unallocated finance costs	未分配財務費用					(2,200)
Profit before tax	除稅前溢利					176,659
Income tax expense	所得稅開支					(29,951)
Profit for the year	本年度溢利					146,708

Note: Unallocated corporate administrative expenses mainly include corporate's staff cost and Directors' remuneration, legal and professional fee, PRC local tax and depreciation of unallocated property, plant and equipment.

The revenue of coal-ancillary segment includes revenue from transportation service of HK\$986,000 (2018: HK\$9,042,000), sales of electricity and heat of HK\$75,119,000 (2018: HK\$71,508,000) and sales of by-products of HK\$92,400,000 (2018: HK\$10,569,000).

附註：未分配公司管理費用主要包括公司的員工成本及董事薪酬、法律及專業費用、中國地方稅項以及未分配物業、廠房及設備的折舊。

煤炭相關附屬分類收入包括運輸服務收入986,000港元(二零一八年：9,042,000港元)、銷售電及熱收入75,119,000港元(二零一八年：71,508,000港元)及銷售副產品收入92,400,000港元(二零一八年：10,569,000港元)。

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6. OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities

At 31 December 2019

		Coke trading 焦炭貿易 HK\$'000 千港元	Coal-related ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Corporate and unallocated 公司及 未分配分類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產	2,851	358,889	1,038,714	660,634	2,061,088
Liabilities	負債	1,135	493,775	572,425	399,124	1,466,459

At 31 December 2018 (restated (note 43))

於二零一八年十二月三十一日(重列
(附註43))

		Coke trading 焦炭貿易 HK\$'000 千港元	Coal-related ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Corporate and unallocated 公司及 未分配分類 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)	Total 總計 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Assets	資產	755	260,471	793,263	457,356	1,511,845
Liabilities	負債	4,302	402,208	352,505	190,615	949,630

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

就監察分類表現及各分類間分配資源而言：

- all assets are allocated to operating segments other than certain plant and equipment, financial assets at fair value through profit or loss, certain prepayments, deposits and other receivables, restricted bank deposits and cash and bank balances; and
- all liabilities are allocated to operating segments other than certain other payables and accruals, lease liabilities, other borrowings, tax payable, deferred tax liability.

- 所有資產分配至營運分類，惟若干廠房及設備、按公允值計入損益之金融資產、若干預付款項、按金及其他應收帳款、受限制銀行存款以及現金及銀行結存除外；及

- 所有負債分配至營運分類，惟若干其他應付帳款及應計款項、租賃負債、其他借貸、應付稅項及遞延稅項負債除外。

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6. OPERATING SEGMENT INFORMATION (continued)

Other segment information

For the year ended 31 December 2019

6. 經營分類資料(續)

其他分類資料

截至二零一九年十二月三十一日止年度

		Coke trading 焦炭貿易 HK\$'000 千港元	Coal-related ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Corporate and unallocated 公司及 未分配分類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Additions of property, plant and equipment	添置物業、廠房及設備	-	999	2,791	14,046	17,836
Depreciation	折舊	-	2,777	12,148	2,429	17,354
Compensation income from contract with customer	客戶合約的補償收入	-	-	-	(10,126)	(10,126)
Interest income from other receivables	其他應收帳款的利息收入	-	-	-	(3,639)	(3,639)
Gain on exercise the put option for the disposal of interest in an associate, net	行使認沽期權以出售聯營公司權益的收益，淨額	-	-	-	(1,054)	(1,054)
Share of results from an associate	應佔一間聯營公司的業績	-	-	-	8,982	8,982
Unallocated interest expenses on other borrowings, convertible bonds and lease liabilities	未分配其他借貸、可換股債券及租賃負債之利息開支	-	-	-	11,409	11,409
(Reversal)/provision of loss allowance of trade receivables, net	貿易應收帳款減值虧損(撥回)/撥備，淨額	-	(6,305)	5,924	-	(381)
Provision of loss allowance of other receivables, net	其他應收款虧損撥備，淨額	-	-	-	1,235	1,235

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6. OPERATING SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2018 (restated (note 43))

6. 經營分類資料(續)

其他分類資料(續)

截至二零一八年十二月三十一日止年度
(重列(附註43))

		Coke trading 焦炭貿易 HK\$'000 千港元	Coal-related ancillary 煤炭相關 附屬分類 HK\$'000 千港元	Coke Production 焦炭生產 HK\$'000 千港元	Corporate and unallocated 公司及 未分配分類 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)	Total 總計 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Additions of property, plant and equipment	添置物業、廠房及設備	-	10,612	29,644	7,111	47,367
Depreciation	折舊	-	6,605	29,765	5,916	42,286
Share of results from an associate	應佔一間聯營公司的業績	-	-	-	(286)	(286)
Fair value changes on financial assets at fair value through profit or loss	按公允值計入損益之金融資產之公允值變動	-	-	-	(1,406)	(1,406)
Interest expenses on discount bills, other borrowings and convertible bonds	貼現票據、其他借貸及可換股債券之利息開支	-	-	-	2,200	2,200
Provision/(reversal) of loss allowance of trade receivables, net	貿易應收帳款虧損撥備/(撥回), 淨額	-	3,799	(3,645)	-	154
Provision/(reversal) of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥備/(撥回)	-	268,943	(367,996)	-	(99,053)

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. OPERATING SEGMENT INFORMATION (continued)

Geographical Information

(a) Revenue from external customers

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations during the years ended 31 December 2019 and 2018. Therefore, no analysis by geographical region is presented. The revenue information is based on the locations of the customers.

(b) Non-current assets

The non-current asset information is based on the locations of the assets and excludes interest in an associate and financial instruments.

Information about major customers

Revenues from external customers individually contributing 10% or more of the total revenue from the Group are as follows:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D

* These customers did not individually contribute 10% or more of the total revenue from Group in 2019 or 2018.

6. 經營分類資料(續)

地區資料

(a) 來自外部客戶之收益

截至二零一九年及二零一八年十二月三十一日止年度，本集團之收入、開支、業績、資產及負債，以及資本開支絕大部分來自單一地區，即中國(本集團主要業務及營運地點)。因此，並無呈報地區分析。收入資料乃根據客戶所在地劃分。

(b) 非流動資產

有關非流動資產資料乃根據資產所在地區劃分，且不包括於一間聯營公司之權益及金融工具。

有關主要客戶之資料

來自外部客戶之收入個別貢獻本集團總收入之10%或以上的情況如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	2,746	3,764
The PRC	573,676	566,880
	576,422	570,644

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	—*	327,365
Customer B	279,356	190,857
Customer C	—*	184,444
Customer D	455,622	—*
	734,978	702,666

* 該等客戶於二零一九年或二零一八年並未個別貢獻本集團總收入的10%或以上。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year. An analysis of revenue and other income and gains are as follows:

7. 收入及其他收入及收益

收入指年內已售出貨物之淨發票價值扣除退貨撥備及貿易折扣和提供服務之價值。收入及其他收入及收益之分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers within HKFRS 15	香港財務報告準則第15號範圍內之客戶合約收入		
Transportation service	運輸服務	986	9,042
Sales of electricity and heat	銷售電及熱	75,119	71,508
Sales of medium coal, coke and by-products	銷售中煤、焦炭及副產品	1,529,251	1,397,499
		1,605,356	1,478,049
Other income and gains, net	其他收入及收益，淨額		
Compensation income from contract with customer	客戶合約收入之補償收入	10,126	-
Interest income from bank deposits, calculated using effective interest method	銀行存款之利息收入，採用實際利率法計算	160	22
Interest income from other receivables	其他應收帳款之利息收入	3,639	-
Governments grant (Note a)	政府補助金(附註a)	45,878	41,316
Loss arising from amendments to convertible bonds	可換股債券修正產生的虧損	(185)	-
Sundry income	雜項收入	8,834	3,615
		68,452	44,953

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7. REVENUE AND OTHER INCOME AND GAINS

(continued)

Note:

- (a) Government grant have been received for supplying heat in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time. The amount of revenue recognised for the year ended 31 December 2019 that was included in the contract liabilities at the beginning of the year is approximately HK\$188,452,000 (2018: HK\$170,341,000)

8. FINANCE COSTS

An analysis of finance costs are as follows:

7. 收入及其他收入及收益(續)

附註：

- (a) 已就於中國供應熱收取政府補助金。概無有關該等資助之未達成條件或或然事項。

香港財務報告準則第15號範圍內之客戶合約收入乃按固定價格計算並於某個時間點確認。年初之合約負債金額中約188,452,000港元(二零一八年：170,341,000港元)於二零一九年十二月三十一日止年度確認為收入。

8. 財務費用

財務費用分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on discounted bills	貼現票據利息	—	101
Interest expenses on other borrowings	其他借貸利息開支	9,638	—
Interest expenses on convertible bonds	可換股債券利息開支	1,123	2,099
Interest expenses on lease liabilities (Note)	租賃負債之利息開支(附註)	648	—
		11,409	2,200

Note: The Group has initially applied HKFRS 16 as at 1 January 2019 using the cumulative effect approach. Under this approach, comparative information is not restated.

附註：本集團已於二零一九年一月一日使用累計影響法首次應用香港財務報告準則第16號。根據此方法，並未重列比較性資料。

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9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

9. 除稅前溢利

本集團之除稅前溢利扣除／(計入)下
列各項後得出：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Auditor's remuneration	核數師酬金	1,300	1,050
Cost of inventories	存貨成本	1,429,499	1,232,228
Depreciation	折舊		
– Owned	– 自有	17,354	42,286
– Right-of-use assets (Note c)	– 使用權資產(附註c)	3,413	–
Operating lease payments in respect leasehold interests in land and rented properties (Note c)	土地及租用物業租賃 權益之經營租賃 款項(附註c)	–	4,484
Employee benefit expense (including Director's remuneration):	僱員福利開支 (包括董事酬金)：		
– Wages and salaries	– 工資及薪金	42,108	71,957
– Pension scheme contributions (Note a)	– 退休福利計劃供款 (附註a)	12,797	23,360
		54,905	95,317
(Reversal)/provision of allowance of trade receivables, net (Note b)	貿易應收帳款虧損(撥回)／ 撥備，淨額(附註b)	(381)	154
Provision of loss allowance of prepayments, net (Note b)	預付款項虧損撥備，淨額 (附註b)	1,235	–
Reversal of impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值 虧損撥回	–	(99,053)
Gain on exercise the put option for the disposal of interest in an associate, net (Note b)	行使認沽期權以出售聯營公司 權益的收益，淨額(附註b)	(1,054)	–
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之 收益	(2,023)	–
Fair value changes on financial assets at fair value through profit or loss (Note b)	按公允值計入損益之金融資產 之公允值變動(附註b)	–	(1,406)
Share of result from interest in an associate (Note b)	應佔一間聯營公司的業績 (附註b)	8,982	286

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9. PROFIT BEFORE TAX (continued)

Notes:

- (a) As at 31 December 2019 and 2018, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.
- (b) These balances are included in "Other operating income, net" in the consolidated profit or loss.
- (c) The Group has initially applied HKFRS 16 using the cumulative effect approach. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising operating lease payments in respect leasehold interests in land and rented properties incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated.

10. DIRECTORS' EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

9. 除稅前溢利(續)

附註：

- (a) 於二零一九年及二零一八年十二月三十一日，本集團並無可用作扣減未來年度退休福利計劃供款之已沒收供款。
- (b) 結餘計入綜合損益之「其他經營收入，淨額」內。
- (c) 本集團已使用累計影響法初步應用香港財務報告準則第16號。在於二零一九年一月一日初步確認使用權資產後，本集團須作為承租人確認使用權資產之折舊，取代以往根據經營租賃按直線法於租賃期間產生之土地及租賃物業之租賃權益確認經營租賃付款之政策。根據此方法，並未重列比較資料。

10. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之本年度董事薪酬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	4,591	2,663
Other emoluments:	其他酬金：		
- Salaries, allowances and benefits in kind	- 薪金、津貼及實物福利	3,315	3,472
- Pension scheme contributions	- 退休福利計劃供款	56	29
		3,371	3,501
		7,962	6,164

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10. DIRECTORS' EMOLUMENTS (continued)

For the year ended 31 December 2019

10. 董事酬金(續)

截至二零一九年十二月三十一日

		Salaries, allowances and benefit	Pension scheme		
		Fees	in kind	contributions	Total
		薪金、津貼 袍金	及實物福利	退休福利 計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive Directors:	執行董事：				
Zhao Xu Guang	趙旭光	845	3,315	18	4,178
Li Qinghua (appointed on 10 June 2019)	李清華(於二零一九年 六月十日獲委任)	1,452	-	11	1,463
So Chiu Fung	蘇晁鋒	1,066	-	18	1,084
Wang Yijun (appointed on 10 July 2019)	王義軍(於二零一九年 七月十日獲委任)	508	-	9	517
		3,871	3,315	56	7,242
Non-executive Directors:	非執行董事：				
Wong Siu Hung, Patrick	黃少雄	180	-	-	180
Huang Man Yem	黃文鑫	180	-	-	180
		360	-	-	360
Independent non- executive Directors:	獨立非執行董事：				
Lam Hoy Lee, Laurie	林開利	120	-	-	120
To Wing Tim, Paddy	杜永添	120	-	-	120
Wang Wei Hsin	王維新	120	-	-	120
		360	-	-	360
Total	總計	4,591	3,315	56	7,962

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10. DIRECTORS' EMOLUMENTS (continued)

For the year ended 31 December 2018

10. 董事酬金(續)

截至二零一八年十二月三十一日

		Fees	Salaries, allowances and benefit in kind 薪金、津貼 及實物福利	Pension scheme contributions 退休福利 計劃供款	Total
		袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors:	執行董事：				
Zhao Xu Guang	趙旭光	845	3,315	18	4,178
Wong Siu Hung, Patrick (re-designated as non-executive Director on 9 April 2018)	黃少雄 (於二零一八年四月九日 調任為非執行董事)	212	157	5	374
So Chiu Fung (appointed on 7 September 2018)	蘇晁鋒(於二零一八年 九月七日獲委任)	394	-	6	400
Li Baoqi (appointed on 9 April 2018 and resigned on 7 September 2018)	李寶琦(於二零一八年 四月九日獲委任及 於二零一八年九月七日辭任)	543	-	-	543
		1,994	3,472	29	5,495
Non-executive Directors:	非執行董事：				
Wong Siu Hung, Patrick (re-designated on 9 April 2018)	黃少雄(於二零一八年 四月九日調任)	131	-	-	131
Huang Man Yem	黃文鑫	180	-	-	180
		311	-	-	311
Independent non-executive Directors:	獨立非執行董事：				
Lam Hoy Lee, Laurie	林開利	120	-	-	120
To Wing Tim, Paddy	杜永添	120	-	-	120
Lau Ka Ho (resigned on 14 December 2018)	劉家豪(於二零一八年 十二月十四日辭任)	114	-	-	114
Wang Wei Hsin (appointed on 19 December 2018)	王維新(於二零一八年 十二月十九日獲委任)	4	-	-	4
		358	-	-	358
Total	總計	2,663	3,472	29	6,164

During the years ended 31 December 2019 and 2018, no emolument of any director was waived or agreed to waive and no emolument was paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一九年及二零一八年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金，而本集團概無向任何董事支付任何酬金作為鼓勵加入本集團之獎勵或離職補償。

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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three Directors (2018: four, including Li Baoqi who was appointed as executive Director on 9 April 2018 and resigned on 7 September 2018 and So Chiu Fung who was appointed as executive Director on 7 September 2018), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (2018: one) highest paid employees, who are not a Director, are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Pension scheme contributions	退休福利計劃供款

11. 五名最高薪僱員

本年度之五名最高薪僱員包括三名本公司董事(二零一八年:四名,包括李寶琦(彼於二零一八年四月九日獲委任為執行董事及於二零一八年九月七日辭任)及蘇晁鋒(彼於二零一八年九月七日獲委任為執行董事)),其薪酬詳情載於上文附註10。本年度餘下兩名(二零一八年:一名)非本公司董事之最高薪僱員之薪酬詳情如下:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	1,209	677
	27	11
	1,236	688

Number of employees 僱員數目

	2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000 零港元至1,000,000港元	2	1

During the years ended 31 December 2019 and 2018, no emolument was paid by the Group to any of the above two (2018: one) highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一九年及二零一八年十二月三十一日止年度,本集團概無向任何上述兩名(二零一八年:一名)最高薪人士支付任何酬金作為鼓勵加入本集團之獎勵或離職補償。

12. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as there were no assessable profits arising in Hong Kong during the years ended 31 December 2019 and 2018.

12. 所得稅開支

由於香港並無應課稅溢利,故於截至二零一九年及二零一八年十二月三十一日止年度並無就香港利得稅計提撥備。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. INCOME TAX EXPENSE (continued)

The income tax provision in respect of operations in the PRC is calculated at the applicable tax rates of 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices.

12. 所得稅開支(續)

有關中國業務之所得稅撥備乃以現行有關法例、詮釋及慣例為基礎就年內估計應課稅溢利按照25%之適用稅率計算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current – Hong Kong	即期 – 香港	–	–
Current – The PRC	即期 – 中國	17,564	5,440
Charge for the year	本年度支出		
Over provision in prior years	過往年度超額撥備	(385)	–
		17,179	5,440
Deferred tax (credit)/charge for the year	年內遞延稅項(抵免)/ 開支	(5,632)	24,511
Total tax expenses for the year	本年度總稅項開支	11,547	29,951

For the year ended 31 December 2018, included in deferred tax charge was approximately HK\$11,886,000 (equivalent to RMB10,000,000) in relation to provision for 10% withholding tax of approximately HK\$5,063,000 (equivalent to RMB4,500,000) on dividend attributable to the Group of approximately HK\$50,634,000 (equivalent to RMB45,000,000) out of dividend declared by GRG Huscoke (Shanxi) LTD of approximately HK\$56,260,000 (equivalent to RMB50,000,000).

於二零一八年十二月三十一日止年度，遞延稅項費用約為11,886,000港元(相等於人民幣10,000,000元)，是與山西金岩和嘉能源有限公司宣派的股息約56,260,000港元(相等於人民幣50,000,000元)當中本集團應佔股息約50,634,000港元(相等於人民幣45,000,000元)的10%預扣稅撥備約5,063,000港元(相等於人民幣4,500,000元)相關。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. INCOME TAX EXPENSE (continued)

A reconciliation of tax applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) are as follows:

For the year ended 31 December 2019

12. 所得稅開支(續)

按本公司及其大部分附屬公司註冊司法權區之法定稅率計算之除稅前溢利適用之稅項與稅項開支/(抵免)之對帳如下:

截至二零一九年十二月三十一日止年度

		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Total 總計 HK\$'000 千港元
(Loss)/profit for the year	本年度(虧損)/溢利	(34,714)	60,964	26,250
Tax at the statutory tax rate	按法定稅率計算之稅項	(5,728)	15,241	9,513
Tax effect of expenses not deductible for tax purposes	不可扣稅的開支之稅務影響	6,334	13,792	20,126
Tax effect of income not subject to tax purposes	毋須課稅的收入之稅務影響	(2,088)	(11,469)	(13,557)
Tax effect of share of result of an associate	應佔聯營公司業績之稅務影響	1,482	—	1,482
Over-provision in prior year	上年度超額撥備	—	(385)	(385)
Withholding tax on undistributable profits of the PRC subsidiary	中國附屬公司不可分派溢利之預扣稅	—	(5,632)	(5,632)
Tax expense	稅項開支	—	11,547	11,547

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12. INCOME TAX EXPENSE (continued)

For the year ended 31 December 2018

12. 所得稅開支(續)

截至二零一八年十二月三十一日止年
度

		Hong Kong 香港	The PRC 中國	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Restated) (重列)		(Restated) (重列)
		(note 43) (附註43)		(note 43) (附註43)
(Loss)/profit for the year	本年度(虧損)/ 溢利	(29,302)	205,961	176,659
Tax at the statutory tax rate	按法定稅率計算之 稅項	(4,835)	51,490	46,655
Expenses not deductible for tax	不可扣稅之開支	6,053	5,304	11,357
Income not subject to tax	毋須課稅之收入	(1,371)	(26,780)	(28,151)
Tax effect of share of result of an associate	應佔一間聯營公司 業績的稅務影響	47	-	47
Tax losses utilised from previous periods	動用過往期間稅項 虧損	-	(11,843)	(11,843)
Withholding tax on undistributable profits of the PRC subsidiary	中國附屬公司 不可分派溢利之 預扣稅	-	11,886	11,886
Tax (credit)/expense	稅項(抵免)/ 開支	(106)	30,057	29,951

13. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$9,761,000, and the weighted average number of ordinary shares of 2,778,693,956 in issue during the year ended 31 December 2019.

For the year ended 31 December 2018, the calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$129,118,000 (Restated) and the weighted average number of ordinary shares of 2,608,007,725.

13. 每股盈利

每股基本盈利金額乃根據本公司擁有人應佔本年度溢利9,761,000港元，以及截至二零一九年十二月三十一日止年度已發行普通股加權平均數2,778,693,956股計算。

截至二零一八年十二月三十一日止年度，每股基本盈利金額乃根據本公司擁有人應佔本年度溢利129,118,000港元(重列)及年內已發行普通股加權平均數2,608,007,725股計算。

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13. EARNINGS PER SHARE (continued)

The calculation of diluted earnings per share amount for the years ended 31 December 2019 and 2018 is based on the profit for the year attributable to owners of the Company, adjusted to reflect the interest and profit arising from amendment to the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

13. 每股盈利(續)

截至二零一九年及二零一八年十二月三十一日止年度每股攤薄盈利乃按本公司擁有人應佔本年度溢利計算，並已調整以反映修訂可換股債券所產生之利息及溢利。正如計算每股基本盈利般，用於計算普通股加權平均數為年內已發行普通股數目，以及假設被視為兌換所有潛在攤薄普通股為普通股時按無償代價發行之普通股加權平均數。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Earnings	盈利		
Profit attributable to owners of the Company used in the basic earnings per share calculation	計算每股基本盈利採用之本公司擁有人應佔溢利	9,761	129,118
Add: Interest expense on convertible bonds	加：可換股債券所之利息開支	1,123	2,099
Profit attributable to owners of the Company used in the diluted earnings per share calculation	計算每股攤薄盈利採用之本公司擁有人應佔溢利	10,884	131,217

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13. EARNINGS PER SHARE (continued)

13. 每股(虧損)/盈利(續)

		Number of shares	
		股份數目	
		2019	2018
		二零一九年	二零一八年
Shares:	股份：		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	計算每股基本盈利採用之年內已發行普通股加權平均數	2,778,693,956	2,608,007,725
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Convertible bonds (Note)	可換股債券(附註)	108,026,135	144,256,976
Weighted average number of ordinary shares used in the diluted earnings per share calculation	計算每股攤薄盈利採用之普通股加權平均數	2,886,720,091	2,752,264,701

Note: Share options were not considered in the effect of dilution as it had no diluting effect on the basic earnings per share for the years ended 31 December 2019 and 31 December 2018 and were ignored in the calculation of diluted earnings per share.

附註：由於截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，每股基本盈利概無攤薄影響，故購股期權不被視為具攤薄影響，並在計算每股攤薄盈利時未有考慮。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Land and building	Other properties leased for own use carried at cost	Leasehold improvement	Furnaces and infrastructure	Plant and machinery	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		土地及樓宇 HK\$ 千港元	其他物業 HK\$ 千港元	租賃物業改良 HK\$ 千港元	熔爐及基建 HK\$ 千港元	廠房及機器 HK\$ 千港元	電腦設備 HK\$ 千港元	傢俬及裝置 HK\$ 千港元	汽車 HK\$ 千港元	在建工程 HK\$ 千港元	總計 HK\$ 千港元
Cost	成本值										
At 1 January 2018	於二零一八年一月一日	369,372	-	1,653	485,726	568,038	73,595	360	47,879	-	1,546,623
Additions	添置	-	-	-	2,458	7,677	1,007	15	4,215	31,995	47,367
Exchange realignment	匯兌調整	(17,365)	-	-	(22,963)	(27,111)	(3,513)	-	(2,284)	(1,706)	(74,942)
At 31 December 2018	於二零一八年十二月三十一日	352,007	-	1,653	465,221	548,604	71,089	375	49,810	30,289	1,519,048
Impact on initial application of HKFRS 16 (note 2(a) A(i))	初步應用香港財務報告準則第16號之影響(附註2(a)A(i))	-	12,801	-	-	-	-	-	-	-	12,801
At 1 January 2019	於二零一九年一月一日	352,007	12,801	1,653	465,221	548,604	71,089	375	49,810	30,289	1,531,849
Additions	添置	-	-	-	-	4,644	-	33	433	12,726	17,836
Disposal	出售	-	-	-	-	-	-	-	(7,002)	-	(7,002)
Exchange realignment	匯兌調整	(2,065)	(58)	-	(2,729)	(3,250)	(417)	-	(225)	(250)	(8,994)
At 31 December 2019	於二零一九年十二月三十一日	349,942	12,743	1,653	462,492	549,998	70,672	408	43,016	42,765	1,533,689
Accumulated depreciation	累計折舊										
At 1 January 2018	於二零一八年一月一日	120,613	-	451	363,772	452,525	71,761	58	42,289	-	1,051,469
Provided for the year	年內撥備	9,774	-	553	19,464	9,837	294	74	2,290	-	42,286
Provision/(reversal) of impairment loss	減值虧損撥備/(撥回)	123,606	-	-	(255,727)	29,918	(2,587)	1	243	5,493	(99,053)
Exchange realignment	匯兌調整	(12,787)	-	-	(4,493)	(23,391)	(3,252)	(1)	(2,081)	(293)	(46,298)
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	241,206	-	1,004	123,016	468,889	66,216	132	42,741	5,200	948,404
Depreciation charge for the year	年內折舊支出	4,204	3,413	552	10,293	1,021	173	78	1,033	-	20,767
Disposal	出售	-	-	-	-	-	-	-	(6,293)	-	(6,293)
Exchange realignment	匯兌調整	(1,440)	(6)	-	(790)	(2,754)	(386)	-	(204)	(31)	(5,611)
At 31 December 2019	於二零一九年十二月三十一日	243,970	3,407	1,556	132,519	467,156	66,003	210	37,277	5,169	957,267
Net carrying amounts	帳面淨值										
At 31 December 2019	於二零一九年十二月三十一日	105,972	9,336	97	329,973	82,842	4,669	198	5,739	37,596	576,422
At 31 December 2018	於二零一八年十二月三十一日	110,801	-	649	342,205	79,715	4,873	243	7,069	25,089	570,644

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Impairment test on property, plant and equipment

At 31 December 2019, the Group assessed there is no indication that impairment loss recognised in prior periods for property, plant and equipment no long exist or have decreased. Accordingly, no reversal of impairment loss on property, plant and equipment is recognised for the year ended 31 December 2019.

For the purpose of impairment testing, property, plant and equipment have been allocated to two cash-generating units, being the coal-related ancillary segment and coke production segment. The carrying amounts of property, plant and equipment as at 31 December 2018 allocated to these units are as follows:

		2018 二零一八年 HK\$'000 千港元
Coal-related ancillary segment	煤炭相關附屬分類	81,449
Coke production segment	焦炭生產分類	432,926
Unallocated	未分配	56,269
		<u>570,644</u>

Coal-related ancillary cash-generating unit

At 31 December 2018, the recoverable amount of the coal-related ancillary cash-generating unit was determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period which is assessed and approved by senior management with reference to the physical conditions of property, plant and equipment at the current status and the expected obsolescence and retirement based on prior year experience. The pre-tax discount rate to the cash flow projections was 25.2%.

14. 物業、廠房及設備(續)

(a) 物業、廠房及設備之減值測試

於二零一九年十二月三十一日，本集團評估概無跡象顯示物業、廠房及設備於過往期間確認之減值虧損不再存在或經已減少。因此，截至二零一九年十二月三十一日之年度並無確認物業、廠房及設備之減值虧損撥回。

就減值測試而言，物業、廠房及設備已分配至兩個現金產生單位，即煤炭相關附屬分類及焦炭生產分類。於二零一八年十二月三十一日，分配至此等單位之物業、廠房及設備之帳面值如下：

煤炭相關附屬現金產生單位

於二零一八年十二月三十一日，煤炭相關附屬現金產生單位之可收回金額已根據使用價值計算方法，採用根據高級管理層在參考物業、廠房及設備目前之實際狀況以及根據過往年度經驗預計之陳舊及報廢後所評估及批准涵蓋5年期間之財務預算為基礎之現金流量預測而釐定。現金流量預測之稅前貼現率為25.2%。

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Impairment test on property, plant and equipment (continued)

Coal-related ancillary cash-generating unit (continued)

Key assumptions were used in the value in use calculation of the coal-related ancillary cash-generating unit as at 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

Budgeted manufacturing capacity utilisation rate – The rate is determined on the basis of the average actual utilisation rate achieved in prior years, decreased gradually for tightening of production safety and environmental protection measures.

Discount rate – The discount rate used reflects specific risks relating to the coal-related ancillary cash-generating unit.

Raw materials purchase costs, production costs and product selling price inflation – The basis used to determine the value assigned to costs and price inflation is the forecasted inflation indices of the budget year.

Coke production cash-generating unit

The recoverable amount of the coke production cash-generating unit as at 31 December 2018 was determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period which is assessed and approved by senior management with reference to the physical conditions of property, plant and equipment at the current status and the expected obsolescence and retirement based on prior year experience. The pre-tax discount rate to the cash flow projections was 27.6%.

14. 物業、廠房及設備(續)

(a) 物業、廠房及設備之減值測試(續)

煤炭相關附屬現金產生單位(續)

於二零一八年十二月三十一日，煤炭相關附屬現金產生單位之使用價值計算方法已採用主要假設。以下闡述管理層進行減值測試時根據現金流量預測所作之各項主要假設：

預算產能使用率 – 按過往年度達致之平均實際使用率為基準而釐定之比率，乃因持續收緊生產安全及環境保護措施而逐步減少。

貼現率 – 所使用之貼現率反映煤炭相關附屬現金產生單位之特定風險。

原材料採購成本、生產成本及產品售價通脹 – 釐定分配至成本及價格通脹價值所使用之基準，乃預算年度之預測通脹指數。

焦炭生產現金產生單位

於二零一八年十二月三十一日，焦炭生產現金產生單位之可收回金額已根據使用價值計算方法，採用高級管理層參考物業、廠房及設備目前之實際狀況以及根據過往年度經驗之預期陳舊及報廢後所評估及批准涵蓋5年期間之財務預算之現金流量預測而釐定。現金流量預測之稅前貼現率為27.6%。

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Impairment test on property, plant and equipment (continued)

Coke production cash-generating unit (continued)

Key assumptions were used in the value in use calculation of the coke production cash-generating unit as at 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

Budgeted manufacturing capacity utilisation rate – The rate is determined on the basis of the average actual utilisation rate achieved in prior years, increased gradually for expected revival and improvement in market.

Discount rate – The discount rate used reflects specific risks relating to the coke production cash-generating unit.

Raw materials purchase costs, production costs and product selling price inflation – The basis used to determine the value assigned to costs and price inflation is the forecasted inflation indices of the budget year.

In light of the favourable market circumstances of coke production, the coke production segment recorded operating profits during the years ended 31 December 2018. The recoverable amount of the coke production segment as at 31 December 2018 was approximately HK\$432,926,000.

On the contrary, the coal-related ancillary segment recorded operating losses during the year ended 31 December 2018 as a result of continuous tightening of the production safety and environmental protection measures on the coal-related ancillary business by the relevant governmental body in the PRC which significantly diminished the Group's revenue from coal-related ancillary segment. The recoverable amount of the coal-related ancillary segment as at 31 December 2018 was approximately HK\$81,449,000.

Based on the results from the discounted cash flows, the Directors considered a reversal of impairment loss on items of property, plant and equipment of HK\$367,996,000 in the coke production segment and additional impairment of HK\$268,943,000 in the coal-related ancillary segment were recognised in profit or loss for the year ended 31 December 2018.

14. 物業、廠房及設備(續)

(a) 物業、廠房及設備之減值測試 (續)

焦炭生產現金產生單位(續)

於二零一八年十二月三十一日，焦炭生產現金產生單位之使用價值計算方法已採用主要假設。以下闡述管理層進行減值測試時根據現金流量預測所作之各項主要假設：

預算產能使用率 – 按過往年度達致之平均實際使用率為基準而釐定之比率，乃按預期市場復甦及發展而逐步增加。

貼現率 – 所使用之貼現率反映有關焦炭生產現金產生單位之特定風險。

原材料採購成本、生產成本及產品售價通脹 – 釐定分配至成本及價格通脹價值所使用之基準，乃預算年度之預測通脹指數。

鑑於焦炭生產市況有利，截至二零一八年止年度，焦炭生產分類錄得經營溢利。於二零一八年十二月三十一日，焦炭生產分類之可收回金額約為432,926,000港元。

相反，截至二零一八年十二月三十一日止年度，煤炭相關附屬分類因中國有關政府機構持續收緊煤炭相關附屬業務之生產安全及環境保護措施而錄得營運虧損，因而大幅降低本集團來自煤炭相關附屬分類之收入。煤炭相關附屬分類於二零一八年十二月三十一日之可收回金額約為81,449,000港元。

根據貼現現金流量之結果，本公司董事認為焦炭生產分類之物業、廠房及設備項目減值虧損撥回367,996,000港元及煤炭相關附屬分類額外減值268,943,000港元乃於截至二零一八年十二月三十一日止年度於損益確認。

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		Land and building	Other properties leased for own use carried at cost	Total
		土地及樓宇	其他物業	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(Note)	(Note)	(Note)
		(附註)	(附註)	(附註)
At 1 January 2019	二零一九年一月一日	9,824	2,977	12,801
Additions	添置	-	-	
Amortisation	攤銷	(861)	(2,552)	(3,413)
Exchange realignment	匯兌調整	(52)	-	(52)
At 31 December 2019	二零一九年 十二月三十一日	8,911	425	9,336

The Group has obtained the right to use other properties as its land and office premise through tenancy agreements. The leases typically run for an initial period of 2 to 10 years. None of the leases includes an option to renew and variable lease payments.

14. 物業、廠房及設備(續)

(b) 使用權資產

按相關資產類別劃分之使用權資產之帳面值分析如下：

本集團透過租約協議已獲得將其他物業作為其土地及辦公場所使用之權利。租賃通常初步運行期為2至10年。租賃概不包括續期及可變租賃付款之選擇權。

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15. GOODWILL

15. 商譽

		HK\$'000
		千港元
Cost:	成本值：	
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	2,269,645
Accumulated impairment:	累計減值：	
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	(2,269,645)
Net carrying amount:	帳面淨值：	
At 31 December 2019 and 2018	於二零一九年及 二零一八年十二月三十一日	—

16. INTEREST IN AN ASSOCIATE

16. 於一間聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Share of net assets of an associate	應佔一間聯營公司資產淨值	—	67,018
Goodwill	商譽	—	12,772
		—	79,790

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16. INTEREST IN AN ASSOCIATE (continued)

Details of the associate at the end of the report period are as follows:

Name of associate	Place of incorporation	Principal place of business	Proportion of value of registered capital indirectly held by the Company		Principal activities
			2019 二零一九年	2018 二零一八年	
聯營公司名稱	註冊成立地點	主要營業地點	本公司間接所持註冊股本價值所佔比例		主要業務
EDB Holding Limited (“EDB”)	Cayman Islands	The PRC	—	20.5%	Software service provider
EDB Holding Limited (“EDB”)	開曼群島	中國			軟件服務供應商

The Group had the power to appoint two out of nine directors of EDB in accordance with the Articles of Association of EDB, therefore the Group is deemed to have significant influence over EDB.

In July 2018, an indirectly wholly-owned subsidiary of the Company (the “Purchaser Subsidiary”) entered into sales and purchase agreement (the “SPA”) with an independent third party (the “Vendor”) in which the Purchaser Subsidiary agreed to buy 10% of the Enlarged Issued Shares (defined below) of EDB, a company incorporated in the Cayman Islands with principal subsidiaries engaged in provision of software services in the PRC, at consideration of approximately HK\$33,756,000 (the “SPA Consideration”) by allotment of 129,831,263 ordinary shares of the Company (the “Consideration Shares”) to the Vendor at the market price of HK\$0.26 each (the “Acquisition”).

16. 於一間聯營公司之權益(續)

於報告期末之聯營公司詳情如下：

本集團有權根據EDB組織章程細則委任EDB九名董事中之兩名，因此，本集團被視為對EDB可行使重大影響力。

於二零一八年七月，本公司一間間接全資附屬公司(「買方附屬公司」)與一名獨立第三方(「賣方」)訂立買賣協議(「買賣協議」)，其中買方附屬公司同意購買EDB(一間於開曼群島註冊成立之公司，其主要附屬公司於中國從事提供軟件服務)的10%經擴大已發行股份(定義見下文)，代價為約33,756,000港元(「買賣協議代價」)，將透過按市價每股0.26港元向賣方配發129,831,263股本公司普通股(「代價股份」)結付(「收購事項」)。

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16. INTEREST IN AN ASSOCIATE (continued)

In July 2018, the Purchaser Subsidiary entered into share subscription agreement (the “**Subscription Agreement**”) with EDB, its major shareholder and the ultimate beneficiary of EDB to subscribe for 13,556,527 ordinary shares of EDB, representing 10.5% of issued shares of EDB (the “**Enlarged Issued Shares**”) at consideration of RMB60,000,000 (equivalent to approximately HK\$68,048,000) (the “**Subscription**”). The details of the Acquisition and Subscription were disclosed in the Company’s announcement dated 20 July 2018.

Under the SPA and Subscription Agreement, the Vendor and EDB will be obliged to compensate to the Purchaser Subsidiary when the guaranteed profit of EDB and its subsidiaries (“**EDB Group**”) for the year ended 31 December 2018 (“**EDB Contingent Consideration**”), subject to audit of the consolidated financial statements of EDB Group prepared in accordance with HKFRSs cannot be achieved. Pursuant to the terms of the SPA and Subscription Agreement, EDB has irrevocably and unconditionally guaranteed the Purchaser Subsidiary that the audited consolidated net profit excluded the non-recurring profit or loss of EDB Group for the financial year ended 31 December 2018 shall be at least RMB25,000,000. In the event that the audited consolidated result is less than the guaranteed profit (the “**Shortfall**”), EDB shall return the premium portion to Purchaser Subsidiary in cash. The premium portion shall be calculated as follows: (SPA Consideration + Subscription) x Shortfall/RMB25,000,000.

16. 於一間聯營公司之權益(續)

於二零一八年七月，買方附屬公司與其主要股東EDB及EDB之最終受益人訂立股份認購協議(「認購協議」)，以認購EDB之13,556,527股普通股，佔EDB已發行股份之10.5%(「經擴大已發行股份」)，代價為人民幣60,000,000元(相等於約68,048,000港元)(「認購事項」)。收購事項及認購事項之詳情於本公司日期為二零一八年七月二十日之公告中披露。

根據買賣協議及認購協議，賣方及EDB將須於EDB及其附屬公司(「EDB集團」)截至二零一八年十二月三十一日止年度之保證溢利(受EDB集團根據香港財務報告準則編製之綜合財務報表之審核所規限)未能達致時對買方附屬公司作出補償(「EDB或然代價」)。根據買賣協議及認購協議的條款，EDB已不可撤回及無條件地向買方附屬公司保證，EDB集團於截至二零一八年十二月三十一日止財政年度的經審核綜合純利(不包括非經常性損益)應為至少人民幣25,000,000元。倘經審核綜合業績少於保證溢利(「缺額」)，則EDB應以現金形式將溢價部分返還予買方附屬公司。溢價部分的計算方法如下：(買賣協議代價+認購事項) X 缺額 / 人民幣25,000,000元。

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16. INTEREST IN AN ASSOCIATE (continued)

Besides, there is protective clause in which the Purchaser Subsidiary can request the Vendor and the major shareholder of EDB together with its ultimate shareholder to repurchase partial or all the sale or subscribed shares when certain conditions occur (“**EDB Put Option**”). The Consideration Shares are pledged to the Company until all the post-acquisition obligations of the SPA and the Subscription Agreement are satisfied. Details have been set out in the Company’s announcement dated 20 July 2018. Pursuant to the terms of the SPA and Subscription Agreement, EDB has irrevocable and unconditionally guaranteed the Purchaser Subsidiary that the sum of audited consolidated net profit excluding non-recurring profit or loss of EDB Group for the financial years ended 31 December 2017 and 2018 are larger than RMB30,000,000; and the audited consolidated net profit excluding non-recurring profit or loss of EDB Group for the financial year ended 31 December 2019 is larger than RMB20,000,000. In the event that the certain conditions is occur, Purchaser Subsidiary can exercise the Put Option within 3 years after the completion of the acquisition and the SPA Consideration and Subscription will be returned to Purchaser Subsidiary.

The Acquisition and the Subscription were completed on 30 November 2018 when the Consideration Shares have been issued to the Vendor and the sale shares and subscribed shares of EDB have been transferred and issued to the Purchaser Subsidiary. As the Group is deemed to have significant influence on EDB, EDB is considered as an associate of the Group.

As at 31 December 2018, the Group has settled RMB20,000,000 (equivalent to approximately HK\$23,040,000) in accordance with the terms of the Subscription Agreement. The outstanding consideration of RMB40,000,000 (equivalent to other payables approximately HK\$45,008,000) was recognised as other payables to an associate (Note 24).

16. 於一間聯營公司之權益(續)

此外，協議訂有保護條款，買方附屬公司可要求賣方及EDB之主要股東連同其最終股東在發生若干情況時購回部分或全部待售股份或已認購股份（「**EDB認沽期權**」）。代價股份乃質押予本公司，直至買賣協議及認購協議之所有收購後責任獲達成為止。詳情載於本公司日期為二零一八年七月二十日之公告內。根據買賣協議及認購協議的條款，EDB已不可撤回及無條件地向買方附屬公司保證，EDB集團於截至二零一七年十二月三十一日及二零一八年十二月三十一日止財政年度的經審核綜合純利總額（不包括非經常性損益）超過人民幣30,000,000元；及EDB集團於截至二零一九年十二月三十一日止年度的經審核綜合純利（不包括非經常性損益）超過人民幣20,000,000元。倘發生若干情況，買方附屬公司可於收購完成後三年內行使認沽期權，而買賣協議代價及認購事項將退還予買方附屬公司。

收購事項及認購事項已於二零一八年十一月三十日當代價股份已發行予賣方及EDB之待售股份及已認購股份已轉讓及發行予買方附屬公司時完成。由於本集團被視為對EDB可行使重大影響力，EDB被視為本集團之聯營公司。

於二零一八年十二月三十一日，本集團已根據認購協議之條款償付人民幣20,000,000元（相等於約23,040,000港元）。未償還代價人民幣40,000,000元（相等於其他應付帳款約45,008,000港元）乃確認為應付一間聯營公司之其他應付帳款（附註24）。

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16. INTEREST IN AN ASSOCIATE (continued)

EDB Contingent Consideration is classified as financial asset and measured at fair value through profit or loss. At the acquisition date, the fair value of EDB Contingent Consideration arrangement has been arrived at on the basis of a valuation carried out by an independent qualified professional valuer not connected to the Group. The fair value of EDB Contingent Consideration on the acquisition date was approximately HK\$8,406,000. At 31 December 2018, the fair value of EDB Contingent Consideration to be HK\$10,532,000 (Note 17).

EDB Put Option is classified as financial asset and measured at fair value through profit or loss. The fair value of the EDB Put option arrangement has been arrived at on the basis of a valuation carried out by an independent qualified professional valuer not connected to the Group. The fair value of EDB Put Option on the acquisition date was approximately HK\$13,322,000. At 31 December 2018, the fair value of EDB Put Option to be HK\$12,209,000 (Note 17).

According to HKAS 28, the Group should account for its interest in the associate, EDB, using the equity method. In 2019, EDB has completed the audit of its consolidated financial statements for the year ended 31 December 2018 prepared in accordance with HKFRSs, as stipulated in the SPA and the Subscription Agreement. The management obtain reliable audited financial information of EDB for accounting for the Group's interest in EDB, using the equity method, as at 31 December 2018. Accordingly, prior year adjustments have been made and certain comparative amounts as at the year ended 31 December 2018 have been restated to reflect the recognition of the interest in an associate and financial assets at fair value through profit or loss (Note 43).

16. 於一間聯營公司之權益(續)

EDB或然代價被分類為金融資產，並以公允值計量且其變動計入當期損益。於收購日，EDB或然代價之公允值已根據與本集團並無關連之獨立合資格專業估值師進行之估值而達成。EDB或然代價於收購日之公允值為約8,406,000港元。於二零一八年十二月三十一日，EDB或然代價之公允值為約10,532,000港元(附註17)。

EDB認沽期權被分類為金融資產，並以公允值計量且其變動計入當期損益。EDB認沽期權安排之公允值已根據與本集團並無關連之獨立合資格專業估值師進行之估值而達成。EDB認沽期權於收購日之公允值為約13,322,000港元。於二零一八年十二月三十一日，EDB認沽期權之公允值為約12,209,000港元(附註17)。

根據香港會計準則第28號，本集團將使用權益法將其於聯營公司EDB之權益入帳。於二零一九年，EDB已完成根據香港財務報告準則編製之截至二零一八年十二月三十一日止年度之其綜合財務報表之審核工作(誠如買賣協議及認購協議所規定)。管理層已獲得EDB之可靠經審核財務資料，以使用權益法將本集團於二零一八年十二月三十一日於EDB之權益入帳。因此，已作出上年度調整並對截至二零一八年十二月三十一日止年度之若干比較金額進行重列，以反映確認於一間聯營公司之權益及按公允值計入損益之金融資產(附註43)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16. INTEREST IN AN ASSOCIATE (continued)

As disclosed in the announcement of the Company dated 27 June 2019, based on the audited consolidated financial statements of EDB, the aggregate audited consolidated after-tax net profits of EDB attributable to its shareholders for the year ended 31 December 2017 and the year ended 31 December 2018 had not been reached. As such, on 27 June 2019, the Group issued written notifications to the vendor and guarantor to exercise EDB Put Option under the sale and purchase agreement and the subscription agreement respectively. EDB ceased to be an associate of the Group with effect from 27 June 2019, the date of the notifications.

After executing the EDB Put Option on 27 June 2019, EDB, the Vendor and the Purchaser Subsidiary entered into a settlement agreement (the “**EDB Settlement Agreement**”) on 6 September 2019, in which the Purchaser Subsidiary would return the EDB shares to the Vendor and get back the Consideration Shares and the Subscription as well as the derecognition of the EDB Contingent Consideration. After that, EDB, the Vendor and the Purchaser Subsidiary would not have any further obligations and rights as stated in SPA and the Subscription Agreement, as well as the derecognition of the EDB Contingent Consideration.

As a result, a gain on disposal of an associate of HK\$23,795,000 was recognised. Loss from execution of EDB Put Option and derecognition of EDB Contingent Consideration of HK\$10,532,000 and HK\$12,209,000 were recognised respectively during the financial year ended 31 December 2019.

16. 於一間聯營公司之權益(續)

誠如本公司日期為二零一九年六月二十七日之公告所披露，根據EDB之經審核綜合財務報表，截至二零一七年十二月三十一日止年度及截至二零一八年十二月三十一日止年度的股東應佔經審核綜合除稅後純利總額均未達成。因此，於二零一九年六月二十七日，本集團向賣方及擔保人發出書面通知，以分別根據買賣協議及認購協議行使EDB認沽期權。EDB自二零一九年六月二十七日(即通知日期)起不再為本集團之聯營公司。

於二零一九年六月二十七日執行EDB認沽期權後，EDB、賣方與買方附屬公司於二零一九年九月六日訂立和解協議(「**EDB和解協議**」)，其中，買方附屬公司將EDB股份退還賣方並取回代價股份及認購事項並且終止確認EDB或然代價。此後，EDB、賣方及買方附屬公司將不再擁有買賣協議及認購協議中規定的任何其他義務及權利，並且終止確認EDB或然代價。

因此，出售聯營公司之收益23,795,000港元獲得確認。行使EDB認沽期權之虧損及終止確認EDB或然代價10,532,000港元及12,209,000港元已分別於截至二零一九年十二月三十一日止財政年度確認。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16. INTEREST IN AN ASSOCIATE (continued)

During the year ended 31 December 2019, the Group exercised the EDB Put Option, derecognised the EDB Contingent Consideration and a net gain on disposal of an associate of HK\$1,054,000 was computed as follows:

16. 於一間聯營公司之權益(續)

於截至二零一九年十二月三十一日止年度，本集團行使EDB認沽期權，終止確認EDB或然代價和出售一間聯營公司的收益淨額1,054,000港元乃計算如下：

		HK\$'000 千港元
Interest in an associate as at 1 January 2019	於二零一九年一月一日 於聯營公司之權益	79,790
Share of results from an associate for the year ended 31 December 2019	截至二零一九年十二月三十一日 止年度應佔一間聯營公司之 業績	(8,982)
Interest in an associate as at 27 June 2019	於二零一九年六月二十七日 於聯營公司之權益	70,808
Less: return of Subscription	減：認購退回	(67,338)
Less: return of Consideration Shares	減：代價股份退回	(27,265)
		(23,795)
Gain on disposal of an associate	出售聯營公司之收益	23,795
Exercise the EDB Put option	行使EDB認沽期權	(10,532)
Derecognise the EDB contingent consideration	終止確認EDB或然代價	(12,209)
Gain on exercise the put option for the disposal of interest in an associate, net (Note 9)	行使認沽期權以出售聯營公司 權益的收益，淨額(附註9)	1,054

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16. INTEREST IN AN ASSOCIATE (continued)

The aggregate amounts relating to EDB, which is considered as a material associate of the Group, that have been included in the Group's consolidated financial statements as extracted from relating financial statements of the EDB are set out below:

16. 於一間聯營公司之權益(續)

已計入本集團綜合財務報表之有關 EDB (被視為本集團之重要聯營公司) 之總金額(摘錄自相關EDB財務報表) 載列如下:

		2018 二零一八年 HK\$'000 千港元
Assets and liabilities	資產及負債	
Current assets	流動資產	63,016
Non-current assets	非流動資產	375,035
Current liabilities	流動負債	(111,135)
Non-current liabilities	非流動負債	—
Net assets	資產淨額	326,916
Reconciliation to the Group's interest in an associate:	與本集團於一間聯營公司之 權益之對帳:	
Proportion of the Group's ownership	本集團擁有權比例	20.5%
Group's share of net assets of an associate	本集團應佔一間聯營公司之 資產淨值	67,018
Goodwill on acquisition	收購時的商譽	12,772
Carrying amount of the investment	投資之帳面值	79,790
Other disclosures	其他披露事項	
For the period from date of acquisition to 31 December	自收購日起至十二月三十一日 止期間	
Revenue	收入	19,567
Loss and total comprehensive income	虧損及全面收益總額	(1,395)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

17. 按公允值計入損益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Private club debenture – fair value measured at quoted price in active market	私人會所債券 – 按活躍市場報價 計量之公允值	1,508	1,508
EDB Contingent Consideration (note 16) – at fair value	EDB或然代價(附註16) – 按公允值	–	10,532
Derivative financial instruments (note 16) – unlisted EDB Put Option	衍生金融工具(附註16) – 非上市EDB認沽期權	–	12,209
		1,508	24,249

Detailed information in relation to the fair value measurement of the items above are set out in note 39 to the consolidated financial statements.

上述項目之公允值計量有關之詳細資料載於附註39。

18. INVENTORIES

18. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	12,162	44,439
Work in progress	在製品	27,265	35,691
Finished goods	製成品	4,032	5,247
		43,459	85,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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19. TRADE RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables:	貿易應收帳款：		
- third parties	- 第三方	320,159	159,262
- related companies	- 關連公司	142,660	86,683
- non-controlling shareholder of a subsidiary	- 一間附屬公司非控股股東	233,149	170,076
		695,968	416,021
Bills receivable	應收票據	-	3,938
Less: loss allowance	減：虧損撥備	(52,187)	(52,876)
		643,781	367,083

The carrying amounts of trade receivables approximate their fair values.

The ageing analysis of the trade receivables (net of loss allowance) by invoice date at the end of the reporting period is as follows:

貿易應收帳款之帳面值與其公允值相若。

於報告期末，按發票日期呈列之貿易應收帳款(扣除虧損撥備)之帳齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 3 months	三個月內	251,163	171,992
3 to 4 months	三至四個月	55,158	-
Over 4 months	超過四個月	337,460	195,091
		643,781	367,083

Information about the Group's exposure to credit risks and loss allowance for trade receivables are set out in note 40(b) to the consolidated financial statements.

有關本集團信貸風險及貿易應收帳款虧損撥備之資料載於綜合財務報表附註40(b)。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20. 預付款項、按金及其他應收帳款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other receivables due from the non-controlling shareholder of a subsidiary	應收一間附屬公司非控股股東之其他應收帳款	248,377	273,368
Prepayments and other receivables due from related companies	應收關連公司之預付款項及其他應收帳款	100,533	11,464
Prepayments, deposits and other receivables due from other parties (Note)	應收其他人士之預付款項、按金及其他應收帳款(附註)	434,819	93,502
Less: loss allowance	減：虧損撥備	(13,688)	(12,526)
		770,041	365,808

Note: The balance included prepayments to suppliers of raw materials for the coal-related ancillary and the coke production businesses which are unsecured, non-interest-bearing and are to be settled with future purchases.

附註：結餘包括就煤炭相關附屬及焦炭生產業務付予原材料供應商之預付款項，乃無抵押、不計息並以未來購買支付。

The carrying amounts of deposits and other receivables approximate their fair values.

按金及其他應收帳款之帳面值與其公允值相若。

21. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

21. 應收附屬公司非控股股東款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current Trade receivables (note 19) (Notes a and c)	即期貿易應收帳款(附註19)(附註a及c)	233,149	170,076
Other receivables (note 20) (Notes b and c)	其他應收帳款(附註20)(附註b及c)	248,377	273,368
		481,526	443,444

The carrying amounts of the above balances approximate their fair values.

上述結餘之帳面值與其公允值相若。

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21. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY (continued)

Note:

- (a) The balances are trade in nature, non-interest-bearing and have a credit term of 120 days (2018: 120 days), which are similar to those granted to major trading customers of the Group.
- (b) The balances are advances to the non-controlling shareholder, which are non-interest-bearing and repayable on demand.
- (c) On 31 December 2018, the GRG Huscoke (Shanxi) LTD 山西金岩和嘉能源有限公司, an indirect 90%-owned subsidiary of the Company ("JV Subsidiary") entered into a debt transfer agreement with Xiaoyi Jinyan Electricity Coke Chemical Company Limited* 孝義市金岩電力煤化工有限公司 ("Jinyan Electricity"), Xiaoyi ILNG Natural Gas Production Company Limited* 孝義市愛路恩濟天然氣製造有限公司 ("Xiaoyi ILNG") and Shanxi Jinyan Energy Technology Company Limited* 山西金岩能源科技有限公司 ("Energy Technology") (the "Debt Assignee"), and Mr. Wen Kezhong* 溫克忠先生, pursuant to which the JV Subsidiary, the Jinyan Electricity and Debt Assignee agreed to assign the trade and other receivables from the Jinyan Electricity of approximately RMB365,826,000 (equivalent to approximately HK\$411,627,000) together with aggregate amounts due from its affiliates of approximately RMB36,477,000 (equivalent to approximately HK\$41,044,000) to the Debt Assignee (together the "Assigned Debt") (the "Debt Assignment").

Further details of the Debt Assignment are set out in the Company's announcement dated 3 January 2019. The Debt Assignment is only pursuable subject to the fulfilment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a special general meeting ("SGM"). According to the Debt Assignment, the Assigned Debt is interest-bearing at 5% p.a. and the Debt Assignee shall repay the Assigned Debt within 1 year from the date of the Debt Assignment together with accrued interest. A conversion right is also granted to the JV Subsidiary which can partially or fully convert the Assigned Debt to not more than 12% of the enlarged registered capital of the Debt Assignee by subscription of new registered capital or transfer of existing registered capital held by Xiaoyi ILNG within 1 year from the date of the Debt Assignment. The Assigned Debt is secured by 12% registered capital of the Debt Assignee held by Xiaoyi ILNG and the personal guarantee from Mr. Wen Kezhong* 溫克忠先生.

21. 應收附屬公司非控股股東款項(續)

附註:

- (a) 結餘屬交易性質、不計息及信貸期為120日(二零一八年:120日),與授予本集團主要貿易客戶之期限相若。
- (b) 結餘乃給予非控股股東之墊款,乃不計息並須按要求償還。
- (c) 於二零一八年十二月三十一日,山西金岩和嘉能源有限公司(由本公司間接擁有90%權益之附屬公司(「合營附屬公司」))與孝義市金岩電力煤化工有限公司(「金岩電力」)、孝義市愛路恩濟天然氣製造有限公司(「愛路恩濟」)及山西金岩能源科技有限公司(「能源科技」)(「債務受讓人」)及溫克忠先生訂立債務轉讓協議。據此,合營附屬公司、金岩電力及債務受讓人同意將金岩電力之貿易及其他應收帳款約人民幣365,826,000元(相等於約411,627,000港元)連同應收其聯屬公司之款項總額約人民幣36,477,000元(相等於約41,044,000港元)轉讓予債務受讓人(合稱「已轉讓債務」)(「債務轉讓」)。

有關債務轉讓之進一步詳情載於本公司日期為二零一九年一月三日之公告內。債務轉讓須待若干條件(包括聯交所批准及本公司股東於股東特別大會(「股東特別大會」)上批准)達成後,方可作實。根據債務轉讓,已轉讓債務按每年5%計息,及債務受讓人須於債務轉讓日期起計一年內償還已轉讓債務且連同應計利息。合營附屬公司亦獲授兌換權,可於債務轉讓日期起計一年內將已轉讓債務部分或全部兌換為債務受讓人經認購新註冊股本或轉讓愛路恩濟所持現有註冊股本擴大後之註冊股本不超過12%。已轉讓債務乃由愛路恩濟持有之債務受讓人之12%註冊股本及溫克忠先生之個人擔保作抵押。

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21. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY (continued)

Note: (continued)

(c) (continued)

For the outstanding balances with the affiliates of the non-controlling shareholder at 31 December 2019, please refer to Note 36(b)(ii).

Reference is made to the announcement of the Company dated 5 November 2019, the Company entered into a New Framework Agreement with JV Subsidiary, Jinyan Electricity, Xiaoyi Jianeng Coal Chemical Technology Development Company Limited* 孝義市嘉能煤化科技開發有限公司, Energy Technology, Xiaoyi ILNG, Mr. Yang Linhai* 楊林海先生 and Mr. Wu Tangjun* 武堂俊先生 pursuant to which the Company and/or designated company within the Group intend to acquire and to subscribe for the share capital of Energy Technology such that the Company will be interested in a controlling shareholding stake of more than 50% of the enlarged share capital of Energy Technology.

Pursuant to the New Framework Agreement, the parties shall negotiate and enter into formal agreement(s) pursuant to the major business terms, as set out under the New Framework Agreement. Subject to the entering into of the relevant formal agreement(s), one of the major business term is Jinyan Electricity, Energy Technology and JV Subsidiary intend to update the amount of the Assigned Debt from RMB402,303,023 as at 30 June 2018 to RMB448,087,108 as at 30 June 2019 and the JV Subsidiary shall be entitled with a conversion right to convert the indebtedness into not less 12% of the enlarged issued share capital of Energy Technology. The final conversion percentage will be subject to the valuation of Energy Technology.

New Framework Agreement is subject to the fulfilment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a SGM.

21. 應收附屬公司非控股股東款項(續)

附註：(續)

(c) (續)

有關二零一九年十二月三十一日與非控股股東之聯屬公司的未償還餘額，請參閱附註36(b)(ii)。

茲提述本公司二零一九年十一月五日刊發之公告，本公司與合營附屬公司、金岩電力、孝義市嘉能煤化科技開發有限公司、能源科技、愛路恩濟、楊林海先生及武堂俊先生訂立一份新框架協議，據此，本公司及／或本集團內之指定公司有意收購並認購能源科技股本，使本公司將擁有能源科技經擴大後股本50%以上之控股權。

根據新框架協議，訂約各方將根據新框架協議之主要商業條款展開磋商並訂立正式協議。受限於訂立相關正式協議，一項主要商業條款金岩電力、能源科技及合營附屬公司有意更新已轉讓債務金額，由截至二零一八年六月三十日之人民幣402,303,023元至截至二零一九年六月三十日之人民幣448,087,108元，且合營附屬公司擁有轉換權可將債務轉換為能源科技不少於12%的經擴大已發行股本。最終兌換百分比將受限於能源科技的估值。

新框架協議須待若干條件(包括聯交所批准及本公司股東於股東特別大會上批准)達成後，方可作實。

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22. RESTRICTED BANK DEPOSITS, CASH AND BANK BALANCES

Restricted bank deposits	受限制銀行存款
Cash and bank balances	現金及銀行結存

22. 受限制銀行存款、現金及銀行結存

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
5,038	–
20,839	18,894

At 31 December 2019, the Group's bank balances of RMB4,504,000 (equivalent to HK\$5,038,000) (2018: Nil) have been frozen according to the civil ruling issued by a court in the PRC in relation to dispute in respect of purchases agreements between a subsidiary of the Group and its supplier. The restricted bank balances were denominated in RMB.

於二零一九年十二月三十一日，根據中國法院就本集團一間附屬公司與其供應商之間的採購協議所產生之糾紛而發佈之民事裁定，本集團銀行結餘人民幣4,504,000元(相等於5,038,000港元)(二零一八年：無)被凍結。受限制銀行結餘以人民幣計價。

At 31 December 2018, the cash and bank balances and time deposits of the Group denominated in RMB amounted to HK\$718,000. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於二零一八年十二月三十一日，本集團以人民幣計值之現金及銀行結存及定期存款金額達718,000港元。人民幣不可自兌換為其他貨幣，然而，根據中國內地外匯管制條例及外匯結匯、售匯及付匯管理條例，本集團被准許透過授權從事外匯業務之銀行將人民幣兌換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

銀行現金按基於每日銀行存款利率的浮動利率賺取利息。視乎本集團即時現金需求，作出介乎一日至三個月不同期限的短期定期存款，並按短期定期存款利率賺取利息。銀行結餘存放在近期並無約歷史的信用可靠的銀行。

The carrying amounts of cash and bank balances approximate their fair values.

現金及銀行結餘之帳面值與其公允值相若。

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23. TRADE PAYABLES

23. 貿易應付帳款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables due to other parties	應付其他人士之貿易 應付帳款	366,162	231,893
Trade payables due to related companies	應付關連公司之貿易 應付帳款	110,496	5,433
		476,658	237,326

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

於報告期末，按發票日期計算之貿易應付帳款之帳齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 3 months	三個月內	266,073	152,193
3 to 4 months	三至四個月	18,440	1,582
Over 4 months	超過四個月	192,145	83,551
		476,658	237,326

The trade payables are non-interest-bearing and are normally settled on 120-day terms (2018: 120-day).

貿易應付帳款為不計息及一般於120日內清償(二零一八年：120日)。

The carrying amounts of trade payables approximate their fair values.

貿易應付帳款之帳面值與其公允值相若。

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24. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED AND DEFERRED INCOME

24. 其他應付帳款、應計款項、已收按金及遞延收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other payables and accrued charges	其他應付帳款及應計費用	422,073	369,416
Amount due to an associate (Note a)	應付一間聯營公司款項(附註a)	-	45,008
Contract liabilities (Note b)	合約負債(附註b)	313,239	214,700
Deferred income (Note c)	遞延收入(附註c)	5,034	5,063
		740,346	634,187
Less: Current portion	減：即期部分	(735,312)	(625,982)
Non-current portion	非即期部分	5,034	8,205

The carrying amounts of the other payables and accrued charges approximate their fair values.

其他應付帳款及應計款項之帳面值與其公允值相若。

Note:

附註：

(a) The amount due is unsecured, interest-free and repayable 30 working days after the completion of the subscription agreement.

(a) 到期款項為無抵押、免息及須於認購協議完成後30個工作日支付。

(b) The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

(b) 於香港財務報告準則第15號範圍內與客戶之合約產生之合約負債變動(不包括相同年度內因增加及減少產生之變動)如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	214,700	199,108
Recognised as revenue	確認為收入	(188,452)	(170,341)
Receipt of advances	收取墊款	288,948	196,698
Exchange realignment	匯兌調整	(1,957)	(10,765)
At 31 December	於十二月三十一日	313,239	214,700

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24. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED AND DEFERRED INCOME (continued)

Note: (continued)

(b) (continued)

As at 31 December 2019 and 2018, none of the contract liabilities that are expected to be settled after more than 12 months.

(c) Deferred income represented government grant to subsidiaries in the PRC with attaching conditions to be complied with, in respect of the construction of atmospheric monitoring system, which will be recognised as other income when all the required conditions are complied with.

24. 其他應付帳款、應計款項、已收按 金及遞延收入(續)

附註：(續)

(b) (續)

於二零一九年及二零一八年十二月三十一日，預期本集團並無將於超過12個月後清償之合約負債。

(c) 遞延收入指就建設空氣監測系統授予中國附屬公司之政府補助金(附帶須遵守條件)，其將於所有規定條件得以遵守時確認為其他收入。

25. OTHER BORROWINGS

25. 其他借貸

		Effective interest rate 實際利率	Maturity 到期	2019 二零一九年 HK\$'000 千港元	Effective interest rate 實際利率	Maturity 到期	2018 二零一八年 HK\$'000 千港元
Unsecured other borrowings	無抵押其他借貸	0%-10%	2020-2022	<u>218,188</u>	年息3.51% p.a.	2020	<u>18,188</u>
Analysed into:	分析為：						
Within 12 months	十二個月內			<u>18,188</u>			-
In the second year after the reporting period	須於報告期後 第二年償還			<u>200,000</u>			<u>18,188</u>
				<u>218,188</u>			<u>18,188</u>

Other than a borrowing with the carrying amount of HK\$5,807,000 as at 31 December 2019 (2018: HK\$5,807,000) which is denominated in US\$, all other borrowings are denominated in HK\$. The carrying values of other borrowings approximate their fair values.

除於二零一九年十二月有一筆帳面值為5,807,000港元(二零一八年：5,807,000港元)之借貸以美元計值外，所有其他借貸以港元計值。其他借貸之帳面值與其公允值相若。

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25. OTHER BORROWINGS (continued)

As at 31 December 2019, included in other borrowings were loans from a former Director, who resigned on 7 September 2018, of HK\$1,751,000 (2018: HK\$1,751,000) and a Director of GRG Huscoke of HK\$3,195,000 (2018: HK\$3,195,000).

During the years ended 31 December 2018, the Group has been negotiating with lenders and certain creditors of the Group to restructure and extend the Group's indebtedness.

- (a) On 28 December 2018, the Group entered into agreements with lenders to further extend the repayment date of other borrowings under the same terms for 1 year to 31 August 2020.

26. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and at the date of transition to HKFRS 16:

At 31 December 2019

		Minimum lease payments HK\$'000 千港元	Interest 利息 HK\$'000 千港元	Present value 現值 HK\$'000 千港元
Not later than one year	一年之內	1,570	(436)	1,134
Later than one year and not later than two years	一至二年	1,119	(397)	722
Later than two years and not later than five years	二至五年	3,356	(966)	2,390
More than five years	超過五年	6,059	(747)	5,312
		12,104	(2,546)	9,558

25. 其他借貸(續)

於二零一九年十二月三十一日，計入其他借貸為一名前任本公司董事(彼於二零一八年九月七日辭任)之貸款1,751,000港元(二零一八年：1,751,000港元)及金岩和嘉一名董事之貸款3,195,000港元(二零一八年：3,195,000港元)。

於截至二零一八年十二月三十一日止年度，本集團一直與貸款人及本集團若干債權人進行磋商，以重組及延期本集團債務。

- (a) 於二零一八年十二月二十八日，本集團與貸款人訂立協議，以按相同條款進一步將其他借貸之償還日期延長一年至二零二零年八月三十一日。

26. 租賃負債

下表列示本集團於本期末及於香港財務報告準則第16號過渡日期之租賃負債之餘下合約到期日：

於二零一九年十二月三十一日

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26. LEASE LIABILITIES (continued)

At 1 January 2019

		Minimum lease payments 最低租賃付款 HK\$'000 千港元	Interest 利息 HK\$'000 千港元	Present value 現值 HK\$'000 千港元
Not later than one year	一年之內	3,836	(647)	3,189
Later than one year and not later than two years	一至二年	1,577	(439)	1,138
Later than two years and not later than five years	二至五年	3,376	(399)	2,977
More than five years	超過五年	7,220	(1,723)	5,497
		16,009	(3,208)	12,801

The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as finance leases. Further details on the impact of the transition are set out in note 2(a)(i). The present value of future lease payments are analysed as:

26. 租賃負債(續)

於二零一九年一月一日

本集團已採用累計影響法首次應用香港財務報告準則第16號及調整於二零一九年一月一日之年初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃相關之租賃負債。該等負債已匯集先前分類為融資租賃之租賃相關之已結轉結餘。於二零一八年十二月三十一日之比較資料並未重列及其僅與先前分類為融資租賃之租賃有關。有關過渡之影響之進一步詳情載於附註2(a)(i)。未來租賃付款之現值分析為：

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Current liabilities	流動負債	1,134	3,189
Non-current liabilities	非流動負債	8,424	9,612
		9,558	12,801

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27. DEFERRED TAX ASSET/(LIABILITIES)

27. 遞延稅項資產／(負債)

		Depreciation allowance in excess of related depreciation	Undistributed profits of a PRC subsidiary	Loss available for offsetting against future taxable profits	Total
		超過相關折舊 之折舊撥備	一間中國附屬公司 之未分配溢利	用作抵銷未來 應課稅溢利之 虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年 一月一日	(106)	-	12,646	12,540
Deferred tax credit/ (charged) to profit or loss during the year	年內在損益入帳／ (扣除)之遞延 稅項	106	(11,886)	(12,731)	(24,511)
Exchange realignment	匯兌調整	-	633	85	718
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日 及二零一九年 一月一日	-	(11,253)	-	(11,253)
Deferred tax credited to profit or loss during the year	年內在損益入帳之 遞延稅項	-	5,632	-	5,632
Exchange realignment	匯兌調整	-	28	-	28
At 31 December 2019	於二零一九年 十二月三十一日	-	(5,593)	-	(5,593)

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27. DEFERRED TAX ASSET/(LIABILITIES) (continued)

Undistributed profits of a PRC subsidiary

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributable by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2019, deferred tax liability in respect of HK\$5,593,000 (equivalent to RMB5,000,000) (2018: HK\$11,253,000 (equivalent to RMB10,000,000)) has been provided. In the opinion of the Directors, the remaining undistributed profits of the PRC subsidiary of HK\$543,095,000 (equivalent to RMB485,513,000) at the present time, are required for financing the continuing operations of the entities and no distribution would be made in the foreseeable future. Accordingly, no provision for deferred taxation has been made in this respect.

Loss available for offsetting against future taxable profits

The Group has tax losses arising in Hong Kong of HK\$145,062,000 (2018: HK\$145,062,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the above amounts can be utilised.

27. 遞延稅項資產／(負債)(續)

一間中國附屬公司之不可分派溢利

根據中國企業所得稅法，於中國成立之外資企業向境外投資者宣派之股息徵收10%之預扣稅。有關規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國與境外投資者所屬司法權區之間訂有稅務條約，則較低之預扣稅率可能適用。就本集團而言，適用稅率為10%。本集團因此需就於中國成立之附屬公司於二零零八年一月一日以來產生的可供分派股息之盈利負上預扣稅之責任。

於二零一九年十二月三十一日，已作出遞延稅項負債撥備5,593,000港元(相等於人民幣5,000,000元)(二零一八年：11,253,000港元(相等於人民幣10,000,000元))。董事認為，目前中國附屬公司之餘下不分派溢利543,095,000港元(相等於人民幣485,513,000元)須予撥付實體持續經營，並在可預見未來將不作分派。因此，並無就此作出遞延稅項撥備。

可供用作抵銷未來應課稅溢利之虧損

本集團於香港產生之稅項虧損為145,062,000港元(二零一八年：145,062,000港元)，可供無限期用作抵銷產生虧損之公司之未來應課稅溢利。

並無就上述稅項虧損確認遞延稅項資產，因為本集團認為不大可能有應課稅溢利可動用上述金額。

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28. SHARE CAPITAL

28. 股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定：		
20,000,000,000 (2018: 20,000,000,000) ordinary shares of HK\$0.01 each (2018: HK\$0.01 each)	20,000,000,000股(二零一八年： 20,000,000,000股) 每股面值0.01港元(二零一八年： 每股面值0.01港元)之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足：		
2,870,713,497 (2018: 2,726,456,521)	2,870,713,497股(二零一八年： 2,726,456,521股)	28,707	27,264

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Treasury share 庫存股份 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	2,596,625,258	25,966	341,361	-	367,327
Share allotment (note a)	股份配發(附註a)	129,831,263	1,298	32,458	-	33,756
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	2,726,456,521	27,264	373,819	-	401,083
Conversion of convertible bonds (note 32)	兌換可換股債券 (附註32)	144,256,976	1,443	-	-	1,443
Transfer of Consideration Shares (note 16)	轉讓代價股份 (附註16)	-	-	-	(27,265)	(27,265)
Distribution of treasury shares	分派庫存股份	-	-	(27,265)	27,265	-
At 31 December 2019	二零一九年 十二月三十一日	2,870,713,497	28,707	346,554	-	375,261

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28. SHARE CAPITAL (continued)

Note:

- (a) Pursuant to the Subscription Agreement entered into between the Company and an independent third party in July 2018, the Company issued 129,831,263 ordinary shares at market price of HK\$0.26 per share as consideration for acquisition of issued share of an associate (Note 16).

Details of the Company's share option schemes and the share options issued under the schemes are included in note 29 to the consolidated financial statements.

29. SHARE OPTION SCHEMES

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share option scheme include the directors and employees of the Group. A share option scheme became effective on 31 May 2002 and expired on 31 May 2012 (the "2002 Scheme"). A new share option scheme was adopted and became effective on 28 March 2013 (the "2013 Scheme"). Unless otherwise cancelled or amended, the 2002 Scheme and 2013 Scheme (collectively, the "Share Option Schemes") will remain in force for ten years from the effective date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Schemes was an amount equivalent to, upon their exercise, 10% of the total number of shares in issue as at the respective dates of approval of the Share Option Schemes. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Schemes within any 12-month period was limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

28. 股本(續)

附註：

- (a) 根據本公司與一名獨立第三方於二零一八年七月訂立之認購協議，本公司按市價每股0.26港元發行129,831,263股普通股，作為收購一間聯營公司已發行股份之代價(附註16)。

本公司購股期權計劃及根據計劃發行之購股期權詳情載於綜合財務報表附註29。

29. 購股期權計劃

本公司設有購股期權計劃以向對本集團業務成功作出貢獻之合資格參與者提供鼓勵及回報。購股期權計劃之合資格參與者包括本集團之董事及僱員。購股期權計劃於二零零二年五月三十一日生效，並於二零一二年五月三十一日屆滿(「二零零二年計劃」)。本公司已採納新購股期權計劃，其於二零一三年三月二十八日生效(「二零一三年計劃」)。除另有註銷或修訂外，二零零二年計劃及二零一三年計劃(統稱「購股期權計劃」)將由生效日期起繼續生效十年。

根據購股期權計劃現時獲准授出尚未行使購股期權之最高數目在其獲行使時相等於本公司於批准購股期權計劃之相關日期已發行股份總數之10%。根據購股期權計劃於任何12個月期間向各合資格參與者授出之購股期權可予發行之股份最高數目限於本公司於任何時間已發行股份之1%。超出此限制進一步授出購股期權須於本公司股東大會上取得股東批准。

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29. SHARE OPTION SCHEMES (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. Options may be exercised at any time from the date of grant of the share options to the end of the exercise period.

The exercise price of share options is determinable by the Directors, but may not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of grant of the share options; (ii) the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

Under the 2013 Scheme, options were granted to eligible participants and there were outstanding (but not yet exercised) options to subscribe for a total number of 10,400,000 shares as at 31 December 2018, representing approximately 0.4% of the issued share capital of the Company at that date and the date of approval of these consolidated financial statements. The outstanding options granted under the 2013 Scheme shall be subject to the provisions of the 2013 Scheme and Chapter 17 of the Listing Rules.

29. 購股期權計劃(續)

授予本公司董事、主要行政人員、主要股東或其任何聯繫人士之購股期權須取得獨立非執行董事之事先批准。此外，於任何12個月期間向本公司主要股東、獨立非執行董事或其任何聯繫人士授出超過本公司於任何時間已發行股份0.1%及總值(根據本公司股份於授出當日之價格計算)超過5,000,000港元之任何購股期權須於本公司股東大會上取得股東之事先批准。

授出之購股期權須於授出日期後28日內接納，承授人獲授時須支付合共1港元之象徵式代價。購股期權可由授出購股期權當日至行使期末隨時行使。

購股期權之行使價由本公司董事釐定，將不低於以下最高者：(i)本公司股份於授出購股期權當日於聯交所之收市價；(ii)本公司股份於緊接授出日期前五個交易日於聯交所之平均收市價；及(iii)本公司股份之面值。

購股期權並無賦予持有人享有股息或於本公司股東大會上投票之權利。

根據二零一三年計劃，本公司向合資格參與者授出購股期權，於二零一八年十二月三十一日，本公司尚有發行在外(惟尚未行使)之購股期權可認購合共10,400,000股股份，佔本公司於該日及該等綜合財務報表獲批准日期之已發行股本約0.4%。根據二零一三年計劃授出之未行使購股期權須遵守二零一三年計劃及上市規則第17章之條文。

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29. SHARE OPTION SCHEMES (continued)

2013 Scheme

The following share options were outstanding under the 2013 Scheme during the year:

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	購股期權 數目	加權平均 行使價	購股期權 數目
		HK\$ per share 每股港元	'000 千股	HK\$ per share 每股港元	'000 千股
At 1 January	於一月一日	0.66	10,400	0.66	10,400
Lapsed during the year	年內失效	0.66	(10,400)	–	–
At 31 December	於十二月三十一日	–	–	0.66	10,400

During the year ended 31 December 2019, 10,400,000 share options lapsed at the end of the exercise period in accordance with terms of the 2013 Scheme.

During the year ended 31 December 2018, no share options were lapsed/exercised in accordance with terms of the 2013 Scheme. As at 31 December 2018, the exercise price of 2013 Scheme is HK\$0.66 per share, the number of option is 10,400,000 and the exercise period is 6 September 2014 to 5 September 2019.

The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

29. 購股期權計劃(續)

二零一三年計劃

年內，根據二零一三年計劃尚未行使之購股期權如下：

截至二零一九年十二月三十一日止年度，10,400,000份期權根據二零一三年計劃之條款失效。

截至二零一八年十二月三十一日止年度，概無購股期權根據二零一三年計劃之條款失效／獲行使。於二零一八年十二月三十一日，二零一三年計劃之行使價為每股0.66港元，購股期權數目為10,400,000份及其行使期為二零一四年九月六日至二零一九年九月五日。

如屬供股或紅股發行或本公司之股本之其他相若變動，購股期權之行使價可予調整。

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30. RESERVES

Details of the movements in the reserves of the Company during the year are as follows:

30. 儲備

本公司儲備於本年度之變動詳情如下：

		Share premium	Treasury share	Contributed surplus	Special reserve	Share option reserve	Capital redemption reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價	庫存股份	繳入盈餘	特別儲備	購股期權儲備	股本贖回儲備	可換股債券儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				Note (a) 附註(a)	Note (b) 附註(b)					
At 1 January 2018	於二零一八年一月一日	341,361	-	1,689,847	17,275	2,509	85	368	(2,141,400)	(89,955)
Loss for the year and total comprehensive expense for the year	本年度虧損及本年度全面開支總額	-	-	-	-	-	-	-	(19,828)	(19,828)
Share allotment	股份配發	32,458	-	-	-	-	-	-	-	32,458
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	373,819	-	1,689,847	17,275	2,509	85	368	(2,161,228)	(77,325)
Loss for the year and total comprehensive expense for the year	年內虧損及本年度全面開支總額	-	-	-	-	-	-	-	(17,700)	(17,700)
Extinguishment of 2017 Convertible bonds	已消除之二零一七年可換股債券	-	-	-	-	-	-	(368)	-	(368)
Recognition of 2019 Convertible bonds	已確認之二零一九年可換股債券	-	-	-	-	-	-	12	-	12
Conversion of convertible bonds	兌換可換股債券	-	-	41,834	-	-	-	(12)	-	41,822
Transfer of consideration shares	轉讓代價股份	-	(27,265)	-	-	-	-	-	-	(27,265)
Distribution of treasury shares	分派庫存股份	(27,265)	27,265	-	-	-	-	-	-	-
Lapsed share option	已失效之購股期權	-	-	-	-	(2,509)	-	-	2,509	-
At 31 December 2019	於二零一九年十二月三十一日	346,554	-	1,731,681	17,275	-	85	-	(2,176,419)	(80,824)

Notes:

- The contributed surplus represents the excess of the value of shares converted upon conversion of the 2008 Convertible Bonds and 2019 Convertible Bonds over the nominal amount of the ordinary shares issued pursuant to section 40(1) of the Bermuda Companies Act 1981 and the credit arising from the capital reorganisation.
- The special reserve represents the difference between the nominal value of the shares of the subsidiaries at the date when the shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.

附註：

- 根據百慕達一九八一年公司法第40(1)條，繳入盈餘指兌換二零零八年可換股債券及二零一九年可換股債券時兌換之股份價值超出已發行普通股面值之差額及資本重組產生之進帳。
- 特別儲備指附屬公司於本公司收購股份當日之股份面值與本公司就收購發行之股份面值之差額。

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31. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

GRG Huscoke

		2019 二零一九年	2018 二零一八年
Percentage of equity interest held by non-controlling interests at 31 December	於十二月三十一日之非控股權益所持股權百分比	10%	10%

		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 allocated to non-controlling interests	分配至非控股權益之本年度溢利	4,942	17,590
Accumulated balances of non-controlling interests at the reporting date	於報告日期之非控股權益累計結餘	53,109	48,487

31. 持有重大非控股權益之非全資附屬公司

持有重大非控股權益之本集團附屬公司之詳情載列如下：

金岩和嘉

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31. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

31. 持有重大非控股權益之非全資附屬公司(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	1,605,356	1,478,049
Other income and gains	其他收入及收益	68,969	144,001
Total expenses	開支總額	(1,624,905)	(1,446,146)
Profit for the year	本年度溢利	49,420	175,904
Total comprehensive income for the year	本年度全面收益總額	51,487	147,312
Current assets	流動資產	1,204,759	853,996
Non-current assets	非流動資產	573,577	566,880
Current liabilities	流動負債	(1,217,412)	(961,520)
Non-current liabilities	非流動負債	(29,834)	(16,315)
Net cash flows from operating activities	來自經營業務之現金 流量淨額	11,034	160,247
Net cash flows used in investing activities	用於投資業務之現金 流量淨額	(6,697)	(159,529)
Net increase in cash and cash equivalents	現金及現金等價物增加 淨額	4,337	718

32. CONVERTIBLE BONDS

2016 Convertible Bonds

Pursuant to a subscription agreement entered into between Kailuan (Hong Kong) International Co., Limited and the Company on 13 April 2016, the Company issued convertible bonds with a principal amount of HK\$43,277,000 (the 2016 Convertible Bonds) to Kailuan (Hong Kong) International Co., Limited on 2 November 2016. The 2016 Convertible Bonds bear interest at 2.5% per annum, mature 1 year from the issue date and are extendable for one additional year subject to the agreement between the Company and the bondholder. The 2016 Convertible Bonds carry a conversion right entitling the holder to subscribe for the Company's shares at a conversion price of HK\$0.06 per share.

32. 可換股債券

二零一六年可換股債券

根據開灤(香港)國際有限公司與本公司於二零一六年四月十三日訂立之認購協議，本公司於二零一六年十一月二日發行本金額為43,277,000港元之可換股債券(二零一六年可換股債券)予開灤(香港)國際有限公司。二零一六年可換股債券之票息率為每年2.5%，自發行日期起一年後到期，可經本公司與債券持有人協定後額外延長一年。二零一六年可換股債券附帶之兌換權令持有人有權按每股兌換價0.06港元認購本公司股份。

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

The 2016 Convertible Bonds are convertible at the option of the holder into the Company's ordinary shares during the period commencing from the seventh business day prior to the maturity date and expiring on the date immediately before the maturity date, provided that the conversion does not trigger off a mandatory offer obligation under Rule 26 of the Hong Kong Code on Takeovers and Mergers and the public float of the Company's shares shall not be less than 25% of total issued shares of the Company, in which:

- (i) The bondholder has a right to convert up to 50% of the principal amount of the 2016 Convertible Bonds into the Company's shares at any time throughout the conversion period at its sole and absolute discretion; and
- (ii) The bondholder has a right to convert the remaining 50% of the principal amount of the 2016 Convertible Bonds subject to the consent of the Company.

The Company has a right to redeem the whole or part of the outstanding 2016 Convertible Bonds at 100% of the principal amount and accrued interest at any time before the maturity date by giving the bondholder not less than 14 days prior notice during the outstanding period.

On the maturity date, any of the 2016 Convertible Bonds not converted or redeemed during the tenure will be redeemed at 100% of the principal amount with accrued interest.

As a result of the share consolidation in May 2016, the conversion price of the 2016 Convertible Bonds was adjusted from HK\$0.06 per share to HK\$0.3 per New Share pursuant to the terms and conditions of the 2016 Convertible Bonds. The number of shares upon conversion would be adjusted in accordance with the adjusted conversion price.

The fair value of the 2016 Convertible Bonds as a whole was HK\$38,340,000 on the issue date of which the fair value of the liability portion of the 2016 Convertible Bonds was HK\$38,190,000 and the equity portion was HK\$150,000.

32. 可換股債券(續)

二零一六年可換股債券(續)

二零一六年可換股債券可自到期日前第七個營業日開始至緊接到期日之前一日屆滿之期間，按照持有人之意願兌換為本公司普通股，惟兌換須並無觸發香港公司收購及合併守則之規則26項下強制性要約責任及本公司股份公眾持股量不得低於本公司全部已發行股份之25%，其中：

- (i) 債券持有人有權於整個兌換期間內隨時全權酌情將二零一六年可換股債券本金額最多50%兌換為本公司股份；及
- (ii) 債券持有人有權兌換二零一六年可換股債券本金額之餘下50%，須待本公司同意。

本公司有權於到期日之前隨時按100%本金額及應計利息贖回全部或部分尚未償還二零一六年可換股債券，惟須於債券尚未償還期間向債券持有人發出不少於14日之事先通知。

於到期日，任何於保有期內未兌換或贖回之二零一六年可換股債券將按本金額之100%（連同應計利息）贖回。

由於二零一六年五月進行股份合併，二零一六年可換股債券之兌換價根據二零一六年可換股債券之條款及條件由每股0.06港元調整至每股新股份0.3港元。兌換後之股份數目將按照經調整兌換價進行調整。

二零一六年可換股債券於發行日期之整體公允值為38,340,000港元，其中二零一六年可換股債券負債部分之公允值為38,190,000港元及權益部分為150,000港元。

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

On 30 December 2016 (the “**2016 Amendment Date**”), the Company and Kailuan (Hong Kong) International Co., Limited entered into an agreement whereby the maturity date of the 2016 Convertible Bonds was extended to 2 May 2018 (the “**2016 Amendment**”). Other than the maturity date, all terms of the 2016 Convertible Bonds remain unchanged. In light of the terms of the 2016 Amendment, the Company reassessed the fair values of the 2016 Convertible Bonds at the 2016 Amendment Date. The values of the liability component and the equity components at the 2016 Amendment Date were determined at HK\$36,835,000 and HK\$150,000, respectively. The effect of the 2016 Amendment was a gain of HK\$2,303,000 which was recognised in the consolidated profit or loss for the year ended 31 December 2016.

The fair values of the liability component of the 2016 Convertible Bonds at the issue date and the 2016 Amendment Date were estimated using an equivalent market interest rate for a similar note without a conversion option. The respective residual amounts are assigned as the equity components and included in the convertible bonds reserve.

On 22 December 2017 (the “**2017 Amendment Date**”), the Company and Kailuan (Hong Kong) International Co., Limited entered into an agreement to vary certain terms and conditions of the 2016 Convertible Bonds (the “**2017 Amendments**”). The amendments included but were not limited to the following:

- (i) the maturity date of 2 May 2018 was extended to 31 August 2019;
- (ii) the conversion period was changed to the period commencing from fulfilment of conditions precedent of the 2017 Amendments up to 31 August 2019; and

32. 可換股債券(續)

二零一六年可換股債券(續)

於二零一六年十二月三十日(「二零一六年修訂日期」)，本公司與開灤(香港)國際有限公司訂立協議，其中將二零一六年可換股債券之到期日延長至二零一八年五月二日(「二零一六年修訂」)。除到期日外，二零一六年可換股債券之所有條款維持不變。鑑於二零一六年修訂之條款，本公司重新評估二零一六年可換股債券於二零一六年修訂日期之公允值。負債部分及權益部分於二零一六年修訂日期之價值分別釐定為36,835,000港元及150,000港元。二零一六年修訂之影響為收益2,303,000港元，乃於截至二零一六年十二月三十一日止年度之綜合損益內確認。

於發行日期及二零一六年修訂日期，二零一六年可換股債券負債部分之公允值乃採用無兌換權之類似票據之等值市場利率估計。各自餘下部分指定為權益部分，並計入可換股債券儲備。

於二零一七年十二月二十二日(「二零一七年修訂日期」)，本公司與開灤(香港)國際有限公司訂立協議，以修改二零一六年可換股債券若干條款及條件(「二零一七年修訂」)。有關修訂包括但不限於以下：

- (i) 到期日由二零一八年五月二日延長至二零一九年八月三十一日；
- (ii) 兌換期間改為自二零一七年修訂之先決條件獲達成起至二零一九年八月三十一日期間；及

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

- (iii) the holder of the 2016 Convertible Bonds will have the right to convert 100% of the principal amount of the 2016 Convertible Bonds at any time during the conversion period.

Further details of the 2017 Amendments are set out in the Company's announcement and the circular dated 22 December 2017 and 15 January 2018, respectively.

The 2017 Amendments were approved at the SGM held on 5 February 2018 and other conditions were fulfilled on 5 February 2018.

The 2017 Amendments constituted a significant modification and was accounted for as an extinguishment of the 2016 Convertible Bonds and an issue of new convertible bonds (the 2017 Convertible Bonds). In light of the terms of the 2017 Amendments set out above, the Company reassessed, as at the 2017 Amendments Date, the fair values of the 2016 Convertible Bonds and the 2017 Convertible Bonds. The net effect of the 2017 Amendments is the recognition of a loss of HK\$188,000 charged to profit or loss.

The carrying amount of the liability component of the 2017 Convertible Bonds as at 31 December 2018 was HK\$43,526,000. It was calculated by discounting the future cash flows at the prevailing market interest rate at the end of the reporting period which conducted by an independent professional qualified valuer, by using Black-Scholes Partial Differential Equations.

32. 可換股債券(續)

二零一六年可換股債券(續)

- (iii) 二零一六年可換股債券持有人將有權於兌換期間內隨時兌換二零一六年可換股債券本金額之100%。

二零一七年修訂之進一步詳情載於本公司日期為二零一七年十二月二十二日之公告及二零一八年一月十五日之通函。

二零一七年修訂於二零一八年二月五日舉行之股東特別大會獲得批准，而其他條件亦於二零一八年二月五日達成。

二零一七年修訂屬於一項重大修改，其入帳列作已消除之二零一六年可換股債券及發行新可換股債券(二零一七年可換股債券)。鑑於上文所載之二零一七年可換股債券之條款，本公司於二零一七年修訂日期重新評估二零一六年可換股債券及二零一七年可換股債券之公允值。二零一七年修訂之淨影響為確認虧損188,000港元，乃於損益內扣除。

二零一七年可換股債券之負債部分於二零一八年十二月三十一日之帳面值為43,526,000港元。此乃按於報告期末之現行市場利率貼現未來現金流量計算。估值由獨立專業合資格估值師進行，並使用柏力克-舒爾斯偏微分方程計算。

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

On 8 March 2018, Kailuan (Hong Kong) International Co. Limited transferred the 2017 Convertible Bonds to its immediate holding company, Rontac Resources Company Limited, with all terms remained unchanged.

There was no conversion or redemption of the 2017 Convertible Bonds during the year ended 31 December 2018.

On 13 February 2019 (the “**2019 Amendment Date**”), the Company and Rontac Resources Company Limited entered into an agreement to vary certain terms and conditions of the 2016 Convertible Bonds (the “**2019 Amendments**”). The amendments included but were not limited to the following:

- (i) the maturity date of 31 August 2019 was extended to 31 August 2020;
- (ii) the conversion period was changed to the period commencing from fulfilment of conditions precedent of the 2019 Amendments up to 31 August 2020; and
- (iii) the holder of the 2016 Convertible Bonds will have the right to convert 100% of the principal amount of the 2016 Convertible Bonds at any time during the conversion period.

Further details of the 2019 Amendments are set out in the Company’s announcement and the circular dated 13 February 2019 and 20 March 2019, respectively.

The 2019 Amendments were approved at the SGM held on 9 April 2019 and other conditions were fulfilled on 9 April 2019.

32. 可換股債券(續)

二零一六年可換股債券(續)

於二零一八年三月八日，開灤(香港)國際有限公司將其持有之二零一七年可換股債券轉讓予其直接控股公司融泰資源有限公司，所有條款維持不變。

截至二零一八年十二月三十一日止年度，概無兌換或贖回二零一七年可換股債券。

於二零一九年二月十三日(「二零一九年修訂日期」)，本公司與融泰資源有限公司訂立協議，以修改二零一六年可換股債券若干條款及條件(「二零一九年修訂」)。有關修訂包括但不限於以下：

- (i) 到期日由二零一九年八月三十一日延長至二零二零年八月三十一日；
- (ii) 兌換期間改為自二零一九年修訂之先決條件獲達成起至二零二零年八月三十一日期間；及
- (iii) 二零一六年可換股債券持有人將有權於兌換期間內隨時兌換二零一六年可換股債券本金額之100%。

二零一九年修訂之進一步詳情分別載於本公司日期為二零一九年二月十三日之公告及二零一九年三月二十日之通函。

二零一九年修訂於二零一九年四月九日舉行之股東特別大會獲得批准，而其他條件亦於二零一九年四月九日獲達成。

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

The 2019 Amendments constituted a significant modification and was accounted for as an extinguishment of the 2016 Convertible Bonds and an issue of new convertible bonds (the 2019 Convertible Bonds). In light of the terms of the 2019 Amendments set out above, the Company reassessed, as at the 2019 Amendments Date, the fair values of the 2016 Convertible Bonds and the 2019 Convertible Bonds. The net effect of the 2019 Amendments is the recognition of a loss of HK\$185,000 charged to profit or loss.

The carrying amount of the liability component of the 2017 Convertible Bonds as at 31 December 2018 was HK\$43,526,000.

The fair value of the liability component of the 2019 Convertible Bonds as at 9 April 2019 of HK\$43,075,000, was calculated by discounting the future cash flows at the prevailing market interest rate at the end of respective reporting periods which conducted by an independent professional qualified valuer, by using Black-Scholes Partial Differential Equations.

On 27 May 2019 and 31 December 2019, convertible bonds of HK\$18,000,000 and HK\$25,277,000 were converted into 60,000,000 and 84,256,976 ordinary shares respectively.

32. 可換股債券(續)

二零一六年可換股債券(續)

二零一九年修訂屬於一項重大修改，其入帳列作已消除之二零一六年可換股債券及發行新可換股債券(二零一九年可換股債券)。鑑於上文所載之二零一九年修訂之條款，本公司於二零一九年修訂日期重新評估二零一六年可換股債券及二零一九年可換股債券之公允值。二零一九年修訂之淨影響為確認虧損185,000港元，乃於損益內扣除。

二零一七年可換股債券之負債部分於二零一八年十二月三十一日之帳面值為43,526,000港元。

二零一九年可換股債券之負債部分於二零一九年四月九日之公允值43,075,000港元按於相關報告期末之現行市場利率貼現未來現金流量計算。估值由獨立專業合資格估值師進行，並使用柏力克-舒爾斯偏微分方程計算。

於二零一九年五月二十七日及二零一九年十二月三十一日，18,000,000港元及25,277,000港元之可換股債券分別兌換為60,000,000股及84,256,976股普通股。

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32. CONVERTIBLE BONDS (continued)

2016 Convertible Bonds (continued)

An analysis of the liability and equity components of the 2017 Convertible Bonds on the movements during the years ended 31 December 2019 and 2018 is as follows:

		Liability component	Equity component	Total
		負債部分	權益部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	41,427	368	41,795
Interest expense of the 2017 Convertible Bonds	二零一七年可換股債券 之利息開支	2,099	-	2,099
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	43,526	368	43,894
Interest expense before the 2019 Amendments	二零一九年修訂前之 利息開支	413	-	413
Transfer of interest expense to other payables	利息開支轉撥至其他 應付帳款	(1,405)	-	(1,405)
Extinguishment of the 2017 Convertible bonds	已消除之二零一七年 可換股債券	(42,534)	(368)	(42,902)
Recognition of 2019 Convertible bonds	已確認之二零一九年 可換股債券	43,075	12	43,087
Interest expense of the 2019 Convertible Bonds	二零一九年可換股債券 之利息開支	710	-	710
Transfer expense to other payables	轉撥開支至其他應付 帳款	(520)	-	(520)
Conversion of 2019 Convertible Bonds	兌換二零一九年可換股 債券	(43,265)	(12)	(43,277)
At 31 December 2019	於二零一九年 十二月三十一日	-	-	-

32. 可換股債券(續)

二零一六年可換股債券(續)

二零一七年可換股債券之負債及權益部分之分析及截至二零一九年及二零一八年十二月三十一日止年度之變動如下：

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33. OPERATING LEASE COMMITMENTS

(a) Operating lease commitments

As lessee

The Group leases certain of its leasehold interests in land and properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	9,906
In the second to fifth years, inclusive	第二年至第五年(包括首五年 以上尾兩年)	24,217
More than five years	五年以上	-
		<u>34,123</u>

The Group is the lessee in respect of land and properties which was previously classified as operating leases under HKAS 17. From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 4(f), and the details regarding the Group's future lease payments are disclosed in note 26.

34. CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities which have not been provided for in these financial statements (2018: Nil).

33. 經營租賃承擔

(a) 經營租賃承擔

作為承租人

本集團根據經營租賃安排租賃若干土地及物業之租賃權益。物業之租賃期限協定為一至十年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃之未來最低租金總額到期如下：

	2018 二零一八年 HK\$'000 千港元
Within one year	9,906
In the second to fifth years, inclusive	24,217
More than five years	-
	<u>34,123</u>

本集團為先前根據香港會計準則第17號分類為經營租賃的土地及物業的承租人。自二零一九年一月一日起，未來租賃付款根據附註4(f)中所載政策於綜合財務狀況表中確認為租賃負債，有關本集團未來租賃付款的詳情於附註26中披露。

34. 或然負債

於二零一九年十二月三十一日，本集團並無任何尚未於此等財務報表內作出撥備之重大或然負債(二零一八年：無)。

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35. LITIGATIONS

- (a) The Group received notification issued by 山西省太原市中級人民法院 (Shanxi Province Taiyuan City Intermediate People's Court) (the "**Taiyuan Court**") dated 20 May 2016 in which 山西國際物流有限公司 (Shanxi International Logistic Co., Ltd.) ("**Shanxi Logistic**") commenced legal action against GRG Huscoke. Pursuant to the statement of claim, GRG Huscoke failed to deliver goods and failed to repay the prepayment of RMB50,000,000 (equivalent to HK\$59,035,000) received from Shanxi Logistic in accordance with the cooperation agreements entered into by Shanxi Logistic and GRG Huscoke in March 2013, on 1 April 2014 and 1 May 2015 respectively. As a result, Shanxi Logistic demanded GRG Huscoke to repay RMB50,000,000 (equivalent to HK\$59,035,000) plus profits forgone of RMB14,894,000 (equivalent to HK\$17,410,000) and related legal expense of RMB183,000 (equivalent to HK\$214,000) up to 29 February 2016 as a result of the non-delivery of goods by GRG Huscoke.

35. 訴訟

- (a) 本集團接獲山西省太原市中級人民法院(「太原法院」)於二零一六年五月二十日發出之通知，山西國際物流有限公司(「山西物流」)對金岩和嘉展開法律訴訟。根據起訴書，金岩和嘉未能根據山西物流與金岩和嘉分別於二零一三年三月、二零一四年四月一日及二零一五年五月一日訂立之合作協議交付貨品及償還預付款項人民幣50,000,000元(相等於59,035,000港元)。因此，山西物流要求金岩和嘉償還預付款項人民幣50,000,000元(相等於59,035,000港元)加因金岩和嘉未能交付貨品而導致截至二零一六年二月二十九日止之已失去溢利人民幣14,894,000元(相等於17,410,000港元)及相關法律開支人民幣183,000元(相等於214,000港元)。

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35. LITIGATIONS (continued)

(a) (continued)

During the year ended 31 December 2016, a civil mediation agreement (the “**Civil Mediation Agreement**”) was entered into to confirm, among others, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB65,077,000 (equivalent to HK\$76,659,000) as of 11 April 2016 and such sums should be repaid on or before 30 May 2016. Subsequently, GRG Huscoke, Shanxi Logistic, the non-controlling shareholder and the controlling owner of the non-controlling shareholder (collectively, as the Guarantors of GRG Huscoke) entered into a settlement agreement (the “**Settlement Agreement**”) regarding the execution of the Civil Mediation Agreement. Pursuant to the Settlement Agreement, GRG Huscoke shall settle RMB31,000,000 (equivalent to HK\$36,500,000) by instalments by 31 December 2016, and monthly instalments of RMB6,000,000 (equivalent to HK\$7,100,000) from January 2017 onwards until the full settlement of the outstanding sums (including interest accrued and to be accrued thereon).

As at 31 December 2019, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB17,878,000 (equivalent to HK\$19,999,000).

The Group has been in negotiation with Shanxi Logistic to re-arrange the payment schedule under the Settlement Agreement. To the best knowledge of the Directors, no further legal action was lodged by Shanxi Logistics up to the approval date of the financial statements. In the opinion of the Directors, appropriate provision has been made in the financial statements as at 31 December 2019 and 31 December 2018.

35. 訴訟(續)

(a) (續)

於截至二零一六年十二月三十一日止年度，一份民事調解協議(「民事調解協議」)已予訂立，以確認(其中包括)截至二零一六年四月十一日金岩和嘉結欠山西物流之款項為人民幣65,077,000元(相等於76,659,000港元)及有關款項須於二零一六年五月三十日或之前償還。其後，金岩和嘉、山西物流、非控股股東及非控股股東之控股擁有人(統稱金岩和嘉之擔保人)訂立還款協議(「還款協議」)，內容有關執行民事調解協議。根據還款協議，金岩和嘉須於二零一六年十二月三十一日前分期償還人民幣31,000,000元(相等於36,500,000港元)，並自二零一七年一月起分期每月償還人民幣6,000,000元(相等於7,100,000港元)，直至全數償還未償還金額為止(包括應計及其後累計利息)。

於二零一九年十二月三十一日，金岩和嘉結欠山西物流之款項為人民幣17,878,000元(相等於19,999,000港元)。

本集團一直與山西物流商討有關重新調整還款協議之付款時間。就本公司董事所知，直至財務報表審批日期，山西物流並無作出進一步法律訴訟。本公司董事認為，於截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度之財務報表已作出適當撥備。

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35. LITIGATIONS (continued)

(b) During the period from 2011 to 2015, GRG Huscoke signed few purchase contracts with 山西省壽陽縣鄉鎮煤礦運銷公司 (the “**Plaintiff**”) for purchase of coal from Plaintiff. In June 2019, the Plaintiff confirmed the outstanding balance amount due from GRG Huscoke amounted to RMB23,009,000 (equivalent to HK\$25,738,000) plus accrued interest (“**the Debt**”) with GRG Huscoke. However, GRG Huscoke did not pay the Debt due to the Plaintiff at that moment.

On 7 July 2019, the Plaintiff litigated a court case with GRG Huscoke in 壽陽縣人民法院 (the “**Shouyang Court**”) for request of repayment of the Debt immediately. On 8 October 2019, the Shouyang Court judged GRG Huscoke need to settle the Debt due to the Plaintiff plus handling fee amounted to RMB184,000 (equivalent to HK\$206,000) by 18 October 2019 in accordance with the civil judgment. However, GRG Huscoke did not settle the Debt and handling fee based on the judgement issued by the Shouyang Court.

On 20 November 2019, the Shouyang Court issued an additional execution notice to request GRG Huscoke to settle the Debt and handling fee instantly. In addition, the bank accounts of GRG Huscoke amounted to RMB4,504,000 (equivalent to HK\$5,038,000) were frozen by the execution notice (note 22). As at 31 December 2019, GRG Huscoke repaid RMB1,015,000 (equivalent to HK\$1,135,000) to the Plaintiff and current outstanding balance was amounted to RMB21,994,000 (equivalent to HK\$24,603,000) plus accrued interest and handling fee.

GRG Huscoke is considering the next responding actions, including but not limited to the start of negotiation procedures with the Plaintiff about the settlement and considering possible means to release the frozen of the GRG Huscoke’s bank accounts.

35. 訴訟(續)

(b) 於二零一一年至二零一五年期間，金岩和嘉與山西省壽陽縣鄉鎮煤礦運銷公司(「原告」)簽訂了幾份向原告購買煤炭之採購合同。於二零一九年六月，原告向金岩和嘉確認應收金岩和嘉金額達人民幣23,009,000元(相等於25,738,000港元)之未償還結餘金額另加應計利息(「債務」)。然而，金岩和嘉當時未能償還應付原告之債務。

於二零一九年七月七日，原告向壽陽縣人民法院(「壽陽法院」)提出起訴金岩和嘉之法院訟案，要求即刻償還債務。於二零一九年十月八日，壽陽法院判決金岩和嘉須根據民事判決於二零一九年十月十八日之前向原告清償應付原告債務另加手續費總額為人民幣184,000元(相等於206,000港元)。然而，金岩和嘉並未根據壽陽法院發出之判決清償債務及手續費。

於二零一九年十一月二十日，壽陽法院發出另外一份執行通知，要求金岩和嘉立即清償債務及手續費。此外，金岩和嘉款額為人民幣4,504,000元(相等於5,038,000港元)之銀行帳戶經執行通知予以凍結(附註22)。於二零一九年十二月三十一日，金岩和嘉向原告償還人民幣1,015,000元(相等於1,135,000港元)及目前尚未償還之結餘為人民幣21,994,000元(相等於24,603,000港元)另加應計利息及手續費。

金岩和嘉正在考慮下一步應對行動，包括但不限於與原告就和解開啟談判程序，並正考慮解除凍結金岩和嘉銀行帳戶的可行方式。

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36. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

36. 與關連人士之交易

- (a) 除此等綜合財務報表其他地方所詳述之交易及結餘外，本集團於年內與關連人士有下列交易：

			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		
With the non-controlling shareholder of a subsidiary:	與附屬公司非控股股東：			
Sale of electricity	出售電力	<i>i</i>	–	1,142
Rental expense	租金開支	<i>ii</i>	1,126	1,189
With related companies which are subsidiaries of the non-controlling shareholder of a subsidiary:	與關連公司(為附屬公司非控股股東之附屬公司)：			
Sales of electricity	出售電力	<i>i</i>	–	971
Purchase of sundry materials	採購雜項物料	<i>i</i>	3,522	–
Transportation income	運輸收入	<i>i</i>	679	–
With related companies which are associates of the non-controlling shareholder of a subsidiary:	與關連公司(為附屬公司非控股股東之附屬公司)：			
Purchase of refined coal	採購精煤	<i>i</i>	56,826	–
Purchases of sundry materials	採購雜項物料	<i>i</i>	60	–
With a related company which is held by a close family member of the beneficial owner of the non-controlling shareholder of a subsidiary:	與關連公司(由附屬公司非控股股東實益擁有人之直系親屬持有)：			
Sales of raw coal	出售原煤	<i>i</i>	2,540	35,884
Sales of coke	出售焦炭	<i>i</i>	27,236	44,238
Sales of refined coal	出售精煤	<i>i</i>	87,980	–
Sales of electricity	出售電力	<i>i</i>	2,704	–
Sales of by-products	出售副產品	<i>i</i>	776	4,063
Purchases of refined coal	採購精煤	<i>i</i>	66,451	45,558
Purchase of coke	採購焦炭	<i>i</i>	195,069	–

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Notes:

- (i) The transactions were conducted on bases mutually agreed by the respective parties, with reference to prevailing market rates or prices similar to those transacted with the Group's third party customers/suppliers.
- (ii) The rental expense was charged based on terms mutually agreed between the contractual parties.

(b) Outstanding balances with related parties

- (i) Balances with the non-controlling shareholder at the end of the reporting period are set out in note 21 to the consolidated financial statements.
- (ii) A summary of the Group's balances (before loss allowance) with other related companies is set out below.

36. 與關連人士之交易(續)

(a) (續)

附註：

- (i) 交易乃按有關訂約方共同協定之基礎進行，並經參考當時市場利率或與本集團第三方客戶／供應商之交易之相若價格而定。
- (ii) 租金開支乃按訂約方共同協定之條款收取。

(b) 與關連人士之未償還結餘

- (i) 於報告期末與非控股股東之結餘載於綜合財務報表附註21。
- (ii) 本集團與其他關連公司之結餘(扣除虧損撥備前)之概述載列於下。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables from related companies	關連公司之貿易應收帳款	142,660	86,683
Prepayments, deposits, and other receivables from related companies	關連公司之預付款項、按金及其他應收帳款	100,533	11,464
Trade payables to related companies	關連公司之貿易應付帳款	(110,496)	(5,433)
At 31 December	於十二月三十一日	132,697	92,714

These related companies are affiliates of the non-controlling shareholder, and regarded as other related parties of the Group.

該等關連公司為非控股股東之聯屬公司，及被視為本集團之其他關連人士。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

(continued)

(ii) (continued)

With respect to the balances as at 31 December 2016, the Group and the non-controlling shareholder entered into an indemnity agreement on 1 March 2017, pursuant to which the non-controlling shareholder undertook that if any amounts were not settled by the respective parties at 31 December 2016, it would settle the amounts on their behalf by monthly instalments of RMB10,000,000 after its new coking plant started operation in October 2017.

The Group and the non-controlling shareholder renewed the indemnity agreement on 6 March 2018 to cover the balances outstanding from affiliates of the non-controlling shareholder of HK\$46,881,000 at 31 December 2017 under the renewed repayment and asset pledge agreement as detailed in note 21(c). On 31 December 2018, the Group entered into the Debt Assignment as detailed in note 21(c). Upon effective of the Debt Assignment, HK\$41,044,000 will be taken up by the Debt Assignee.

(iii) As at 31 December 2019, included in other borrowings were loans from a former director of the Company of HK\$1,751,000 (2018: HK\$1,751,000) and a director of GRG Huscoke of HK\$3,195,000 (2018: HK\$3,195,000). Details of the terms of these balances are set out in note 25 to the financial statements.

36. 與關連人士之交易(續)

(b) 與關連人士之未償還結餘(續)

(ii) (續)

就二零一六年十二月三十一日之結餘而言，本集團及非控股股東於二零一七年三月一日訂立彌償協議，據此，非控股股東承諾，倘任何金額於二零一六年十二月三十一日未由各自訂約方結算，其將於二零一七年十月新焦炭廠開始營運後替彼等代為按每月人民幣10,000,000元結算該金額。

本集團及非控股股東於二零一八年三月六日續訂彌償協議以涵蓋經續訂償還及資產抵押協議(誠如附註21(c)所詳述)項下於二零一七年十二月三十一日非控股股東之聯屬公司之未償還結餘46,881,000港元。於二零一八年十二月三十一日，本集團訂立債務轉讓書(誠如附註21(c)所詳述)。於債務轉讓書生效後，41,044,000港元將由債務受讓人承擔。

(iii) 於二零一九年十二月三十一日，計入其他借貸為本公司一名前董事之貸款1,751,000港元(二零一八年：1,751,000港元)及金岩和嘉一名董事之貸款3,195,000港元(二零一八年：3,195,000港元)。該等結餘之條款詳情載於財務報表附註25。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

(continued)

(iv) With respect to the balances as at 31 December 2019, Energy Technology and Herong Resources Limited entered into trade cooperation agreement on 25 July 2019 in which Energy Technology would arrange monthly supply of Coke from October 2019 to October 2020 to Herong Resources Limited. Under the terms and conditions of agreement, Herong Resources Limited made prepayment of USD22,000,000 (HK\$171,258,000) for the purchase of Coke from Energy Technology.

(v) As at 31 December 2019, included in other payable was loan from a former director of the Company of HK\$509,000 (2018: HK\$509,000). Details of the terms of these balances are set out in note 24 to the financial statements.

(c) Commitments with a related party

On 30 May 2010, GRG Huscoke entered into a 10-year operating lease arrangement ending 29 May 2020 with the non-controlling shareholder to lease the land for the Group's production plants. Total rental expenses paid to the non-controlling shareholder for the year are included in note (a) above. The total operating lease commitments due within one year, in the second to fifth years and more than five as at 31 December 2019 were approximately nil (2018: HK\$1,125,000), nil (2018: HK\$459,000) and nil (2018: nil), respectively.

36. 與關連人士之交易(續)

(b) 與關連人士之未償還結餘(續)

(iv) 就於二零一九年十二月三十一日之結餘而言，能源科技與和融資源有限公司於二零一九年七月二十五日訂立貿易合作協議，內容有關能源科技將會自二零一九年十月起至二零二零年十月止向和融資源有限公司每月安排供應焦炭。根據協議之條款及條件，和融資源有限公司就向能源科技採購焦炭作出22,000,000美元(相等於171,258,000港元)之預付款項。

(v) 於二零一九年十二月三十一日，計入其他應付帳款為本公司一名前董事之貸款509,000港元(二零一八年：509,000港元)。該等結餘之條款詳情載於財務報表附註24。

(c) 與關連人士之承擔

於二零一零年五月三十日，金岩和嘉與非控股股東訂立10年經營租賃安排(直至二零二零年五月二十九日為止)，以就本集團生產廠租賃土地。本年度付予非控股股東之租金開支總額載於上文附註(a)。於二零一九年十二月三十一日，於一年內、第二至第五年及五年以上到期之經營租賃承擔總額分別約為零(二零一八年：1,125,000港元)、零(二零一八年：459,000港元)及零(二零一八年：零)。

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36. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

The remuneration of directors and other members of key management during the year was as follows:

		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 benefits in kind	薪金、津貼及實物福利	7,906	6,135
Pension scheme contributions	退休福利計劃供款	56	29
		7,962	6,164

Further details of directors' emoluments are included in note 10 to the consolidated financial statements.

36. 與關連人士之交易(續)

(d) 本集團主要管理人員之薪酬：

董事及其他主要管理層人員於年內之酬金如下：

	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 benefits in kind	7,906	6,135
Pension scheme contributions	56	29
	7,962	6,164

董事酬金之進一步詳情載於綜合財務報表附註10。

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Change in liabilities arising from financing activities:

		Other borrowings 其他借貸 HK\$'000 千港元	Other payable (Interest payable on other borrowing and convertible bonds) 其他應付款 (其他借貸及可換股債券的應付利息) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	18,188	-	18,188
Net cash flows	現金流量淨額	-	-	-
Non-cash flows:	非現金流量：			
Interest accrued	應計利息	-	-	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及於二零一九年一月一日	18,188	-	18,188
Proceeds from new other borrowing	其他新借貸之所得款項	200,000	-	200,000
Non-cash flows:	非現金流量：			
Interest accrued	應計利息	-	11,563	11,563
At 31 December 2019	於二零一九年十二月三十一日	218,188	11,563	229,751

37. 綜合現金流量表附註

(a) 融資活動所產生之負債變動：

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綜合財務報表附註

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37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Major non-cash transactions

- (i) As disclosed in note 16 to the consolidated financial statements, 129,831,263 ordinary shares of the Company were issued to acquire the issued shares of EDB at the market price of HK\$0.26 per share during the year ended 31 December 2018.
- (ii) In addition, the Group also subscribed for 10.5% issued shares of EDB at cash consideration of approximately HK\$68,048,000 (equivalent to approximately RMB60,000,000), approximately HK\$45,008,000 (equivalent to RMB40,000,000) remained unsettled and was included in other payables as at 31 December 2018 (Note 24).
- (iii) During the year ended 31 December 2018, the GRG Huscoke declared a dividend of approximately HK\$56,260,000 (equivalent to RMB50,000,000). The dividend payable to the non-controlling Shareholder of approximately HK\$5,626,000 (equivalent to RMB5,000,000) was included in other payables as at 31 December 2018.

37. 綜合現金流量表附註(續)

(b) 重大非現金交易

- (i) 誠如綜合財務報表附註16所披露，截至二零一八年十二月三十一日止年度，本公司以市價每股股份0.26港元發行129,831,263股普通股以收購EDB之已發行股份。
- (ii) 此外，本集團亦以現金代價約68,048,000港元(相等於約人民幣60,000,000元)認購EDB之10.5%已發行股份，約45,008,000港元(相等於人民幣40,000,000元)並未支付且計入於二零一八年十二月三十一日之其他應付帳款(附註24)。
- (iii) 截至二零一八年十二月三十一日止年度，金岩和嘉宣派股息約56,260,000港元(相等於人民幣50,000,000元)。應派付予非控股股東之股息約5,626,000港元(相等於人民幣5,000,000元)計入於二零一八年十二月三十一日之其他應付帳款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting periods are as follows:

As at 31 December 2019

38. 按類別劃分之金融工具

於報告期末，各類金融工具之帳面值如下：

於二零一九年十二月三十一日

Financial assets		Financial assets at	Financial assets at fair	Total
		amortised cost	value through	
金融資產		按攤銷成本列帳	按公允值計入	總計
		之金融資產	損益之金融資產	
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	–	1,508	1,508
Trade receivables	貿易應收帳款	643,781	–	643,781
Deposits and other receivables	按金及其他應收帳款	353,528	–	353,528
Restricted bank deposits	受限制銀行存款	5,038	–	5,038
Cash and bank balances	現金及銀行結存	20,839	–	20,839
		1,023,186	1,508	1,024,694
Financial liabilities			Financial liabilities at amortised cost	
金融負債			按攤銷成本列帳之金融負債	
			HK\$'000	
			千港元	
Trade payables	貿易應付帳款			476,658
Other payables and accruals	其他應付帳款及應計款項			422,073
Other borrowings	其他借貸			218,188
Lease liabilities	租賃負債			9,558
				1,126,477

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38. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 38. 按類別劃分之金融工具(續)

As at 31 December 2018

於二零一八年十二月三十一日

Financial assets	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
金融資產	按攤銷成本列帳之金融資產	按公允值計入損益之金融資產	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
		(Restated)	(Restated)
		(重列)	(重列)
		(Note 43)	(Note 43)
		(附註43)	(附註43)
Financial assets at fair value through profit or loss		–	24,249
Trade receivables	367,083	–	367,083
Deposits and other receivables	283,101	–	283,101
Cash and bank balances	18,894	–	18,894
	669,078	24,249	693,327
Financial liabilities			
金融負債			
Trade payables			237,326
Other payables and accruals			339,795
Other borrowings			18,188
Convertible bonds			43,526
			638,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2019

	Quoted prices in active markets 於活躍市場 之報價 (Level 1) (第一層) HK\$'000 千港元	Significant observable inputs 重大可 觀察數據 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大不可 觀察數據 (Level 3) (第三層) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Asset measured at fair value 按公允值計量之資產				
Private club debenture 私人會所債券	1,508	–	–	1,508

As at 31 December 2018 (restated, note 43)

於二零一八年十二月三十一日(重列，附註43)

	Quoted prices in active markets 於活躍市場 之報價 (Level 1) (第一層) HK\$'000 千港元	Significant observable inputs 重大可 觀察數據 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大不可 觀察數據 (Level 3) (第三層) HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)	Total 總計 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Asset measured at fair value 按公允值計量之資產				
Private club debenture 私人會所債券	1,508	–	–	1,508
EDB contingent consideration EDB或然代價	–	–	10,532	10,532
Derivative financial instruments 衍生金融工具	–	–	12,209	12,209
Total 合計	1,508	–	22,741	24,249

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

本年度內，就金融資產及金融負債而言，第一層與第二層之間並無公允值計量轉移，及第三層並無轉入或轉出之情況(二零一八年：無)。

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Private club debentures

The fair value of private club debentures is valued with reference to the market price quoted on active market.

EDB contingent consideration

The fair value of EDB Contingent Consideration has been determined by an independent qualified professional valuer.

As at 31 December 2018, the fair value of EDB Contingent Consideration arrangement HK\$10,532,000 was estimated by applying the discounted cash flow method. No specific discount rate for the fair value estimates and assumed results of loss of HK\$8,284,000 in EDB. This is a level 3 fair value measurement. The key unobservable assumptions in calculating this profit are:

Assumptions:

Discount rate

假設：

折現率

N/A 不適用

Assuming all other variables is held constant; an increase in discount rate by 1% each year would not decrease the EDB Contingent Consideration.

39. 金融工具之公允值及公允值等級架構(續)

公允值等級架構(續)

私人會所債券

私人會所債券之公允值乃參考於活躍市場之市場報價估值。

EDB 或然代價

EDB 或然代價之公允值已由一家獨立合資格專業估值師釐定。

於二零一八年十二月三十一日，EDB 或然代價安排之公允值10,532,000港元乃應用貼現現金流量法估計。EDB 的公允值估計並無具體的折現率，但假定業績虧損為8,284,000港元。此乃第三層公允值計量。計算該溢利時的主要不可觀察假設為：

Range

範圍

At

31 December

2018

於二零一八年

十二月三十一日

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Unlisted put option

The fair value of the unlisted put option has been determined by an independent qualified professional valuer by using a Black-Scholes Option Pricing Model.

Significant unobservable inputs included:

39. 金融工具之公允值及公允值等級架構(續)

公允值等級架構(續)

非上市認沽期權

非上市認沽期權之公允值已由一家獨立合資格專業估值師採用柏力克-舒爾斯期權定價模式釐定。

重大不可觀察輸入數據包括：

		Range 範圍
		At 31 December 2018 於二零一八年 十二月三十一日
Equity value	股權價值	HK\$104,664,000 104,664,000港元
Expected dividend yield	預期股息收益率	Nil 無
Risk free rate	無風險利率	2.65%
Average expected volatility	平均預期波幅	45.99%
Expected term	預計年期	0.49 year 0.49年

Increase in the average expected volatility, expected terms and expected dividend yield would increase the fair value of the unlisted put option. Increase in the equity value and risk-free rate would decrease the fair value of the unlisted put option.

平均預期波幅、預計年期及預期股息收益率之增加將會提高非上市認沽期權之公允值。股權價值及無風險利率之增加將會減少非上市認沽期權之公允值。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Foreign currency risk

The Group's monetary assets, liabilities and transactions are principally denominated in RMB, US\$ and HK\$. The Group is exposed to foreign currency risk arising from the monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities.

Certain of the Group's liabilities are denominated in US\$. The Group is exposed to foreign exchange risk arising from the exposure of US\$ against HK\$. The Group considered the impact on the equity and profit before tax from the change in US\$, exchange rate was nominal at the end of the reporting period since HK\$ is pegged to US\$.

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

40. 金融風險管理目標及政策

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

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

(a) 外幣風險

本集團之貨幣資產、負債及交易均主要以人民幣、美元及港元計值。本集團因貨幣資產及負債以相關集團實體之功能貨幣以外貨幣計值而承受外幣風險。

本集團若干負債以美元計值。本集團因美元兌港元所產生之風險而承受外匯風險。本集團認為，由於港元與美元掛鈎，故於報告期末美元匯率變動對股權及除稅前溢利之影響輕微。

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

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk

The Group's credit risk is primarily attributable to cash and bank balances and restricted bank deposit, trade and other receivables and deposits and amount due from the non-controlling shareholder and its affiliates. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of loss allowance, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Cash and bank balances

The Group has limited credit risk with its deposits in financial institutions, which are leading and reputable and are assessed as having low credit risk. The Group has not suffered any significant losses arising from the non-performance by these parties in the past and management does not expect this position to change in the future.

Trade receivables

The Group trades only with recognised and creditworthy third parties and related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing maximum payment period.

40. 金融風險管理目標及政策(續)

(b) 信貸風險

本集團信貸風險主要來自現金及銀行結存及受限制銀行存款、貿易及其他應收帳款及按金及應收非控股股東及其聯屬公司款項。管理層已設立信貸政策，並對該等信貸風險持續監察。

於綜合財務狀況表確認之金融資產之帳面值(扣除虧損撥備)指本集團面臨之信貸風險，並無考慮所持有之任何抵押品價值或其他信用增強措施。

現金及銀行結存

本集團存放於知名領先之金融機構之存款之信貸風險有限，該等金融機構被評估為低信貸風險。本集團過往並無因該等人士不履約而蒙受任何重大損失，而管理層預期未來該狀況不會變動。

貿易應收帳款

本集團僅與已確認及信譽良好之第三方及關連人士進行貿易。本集團之政策為所有希望以信貸條款進行貿易之客戶均須接受信貸核證程序。本集團藉設立最長付款期，以限制其承受來自貿易應收帳款之信貸風險。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally 120 days. Each customer has a maximum credit limit. Advances are required for certain customers. The Directors consider that these arrangements enable the Group to limit its credit risk exposure. As at 31 December 2019, approximately 36% (2018: 46%) and 53% (2018: 80%) of the Group's trade receivables were due from the Group's largest and the five largest customer respectively, there was a significant concentration of credit risk. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances due from customers other than the non-controlling shareholder (Note 21). Overdue balances are reviewed regularly by senior management.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year.

40. 金融風險管理目標及政策(續)

(b) 信貸風險(續)

貿易應收帳款(續)

本集團主要以信貸方式與其客戶進行貿易。信貸期通常為120日。每位客戶設有最高信用限額，並要求若干客戶墊付款項。本公司董事認為該等安排可使本集團限制其信貸風險。於二零一九年十二月三十一日，本集團約36%（二零一八年：46%）及53%（二零一八年：80%）之貿易應收帳款乃分別來自本集團最大客戶及五大客戶，且存在信貸風險重大集中情況。本集團一直嚴格控制未收回應收帳款，務求將信貸風險減至最低。本集團並無就其應收非控股股東以外客戶之貿易應收帳款結餘持有任何抵押品或其他信用增強措施（附註21）。高級管理人員定期檢查逾期結餘。

本集團之信貸風險主要受各客戶個別特徵影響。客戶之信貸質素乃根據廣泛信貸評級及個別信貸限額評估作出評估，而個別信貸限額評估則主要基於本集團本身之交易記錄作出。

本集團之客戶基礎包含眾多客戶，而貿易應收帳款按共同風險特徵，即代表客戶根據合約條款支付所有到期款項之能力進行分類。本集團於計算貿易應收帳款之預期信貸虧損時採用簡化方法，於各報告日期根據全期預期信貸虧損確認虧損撥備及已根據其過往信貸虧損經驗建立撥備矩陣，並就債務人之特定前瞻性因素及經濟環境作出調整。撥備矩陣所採用之預期虧損率乃基於過去三年就各類別進行計算，並就當前及前瞻性因素作出調整以反映收集歷史數據期間之經濟狀況、當前狀況以及本集團於應收帳款預期年期內對未來經濟狀況之估計間之差異。年內估算技術或作出之重大假設並無變動。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix as at 31 December 2019 is summarised below:

At 31 December 2019

		Expected loss rate 總帳面值 HK\$'000 千港元	Gross carrying amount 總帳面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Credit- impaired 信貸減值 HK\$'000 千港元
Not past due	未逾期	–	261,105	–	No
Less than 6 months past due	逾期少於6個月	1%	121,392	95	No
More than 6 months past due	逾期超過6個月	17%	313,471	52,092	No
			695,968	52,187	

At 31 December 2018

		Expected loss rate 預期虧損率 HK\$'000 千港元	Gross carrying amount 總帳面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Credit- impaired 信貸減值 HK\$'000 千港元
Not past due	未逾期	–	172,137	–	No
Less than 6 months past due	逾期少於6個月	2%	7,997	171	No
More than 6 months past due	逾期超過6個月	22%	239,825	52,705	No
			419,959	52,876	

40. 金融風險管理目標及政策(續)

(b) 信貸風險(續)

貿易應收帳款(續)

有關信貸風險及於二零一九年十二月三十一日採用撥備矩陣就貿易應收帳款作出之預期信貸虧損之資料概述如下：

於二零一九年十二月三十一日

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The Group does not hold any collateral over trade receivables as at 31 December 2019 (2018: Nil), except for trade receivables from the non-controlling shareholder of a subsidiary.

As at 31 December 2019, the Group recognised loss allowance of HK\$52,187,000 (2018: HK\$52,876,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	52,876	55,331
Increase in allowance	撥備增加	5,924	6,429
Reversal of loss allowance	撥回虧損撥備	(6,305)	(6,275)
Exchange realignment	匯兌調整	(308)	(2,609)
At 31 December	於十二月三十一日	52,187	52,876

Other receivables and deposits

The Group considers that the other receivables and deposits have low credit risk based on the debtors' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience on the debtors historical utilisation pattern of deposits paid and the financial position of the counterparties by reference to, among others, their management or audited accounts, and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

40. 金融風險管理目標及政策(續)

(b) 信貸風險(續)

貿易應收帳款(續)

於二零一九年十二月三十一日，本集團並無就貿易應收帳款持有任何抵押品(二零一八年：無)，惟非控股股東之貿易應收帳款除外。

於二零一九年十二月三十一日，本集團就貿易應收帳款確認虧損撥備52,187,000港元(二零一八年：52,876,000港元)。年內，貿易應收帳款之虧損撥備變動概述如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
於一月一日	52,876	55,331
撥備增加	5,924	6,429
撥回虧損撥備	(6,305)	(6,275)
匯兌調整	(308)	(2,609)
於十二月三十一日	52,187	52,876

其他應收帳款及按金

本集團認為，其他應收帳款及按金擁有低信貸風險，依據為債務人有強大能力於短期履行其合約現金流量責任且違約風險低。其他應收帳款之減值乃按十二個月預期信貸虧損計量並反映所承受風險之期限短。

於估計預期信貸虧損時及於釐定信貸風險是否自初步確認起大幅增加及金融資產是否出現信貸減值時，本集團已考慮對債務人之已付按金以往動用模式之以往實際信貸虧損經驗及交易對手之財務狀況，並參考(其中包括)其管理或經審核賬目，並就債務人特定之前瞻性因素及交易對手營運所在之行業之一般經濟情況作出調整，以估計該等金融資產之違約概率以及各情況下之違約虧損。經考慮交易對手之財務狀況及信貸質素後，本集團管理層認為，該等金融資產之預期信貸虧損並不重大。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Other receivables and deposits (continued)

As at 31 December 2019, the Group recognised loss allowance of HK\$13,688,000 (2018: HK\$12,526,000) on the balances. The movement in the loss allowance for the balances during the year is summarised below.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of the reporting period	於報告期初	12,526	13,144
Increase in allowance	撥備增加	1,235	-
Exchange realignment	匯兌調整	(73)	(618)
At the end of the reporting period	於報告期末	13,688	12,526

Amounts due from the non-controlling shareholder of a subsidiary and its affiliates

In estimating the ECL and in determining whether there is significant increase in credit risk since initial recognition and whether the amount due from the non-controlling shareholder and its affiliates is credit-impaired, the Group has taken into account the historical actual credit loss experience on the non-controlling shareholder and its affiliates and their financial position with reference to their management accounts and adjusted for forward-looking factor, the Debt Assignment and the fair value of the Assigned Debt and the Conversion Right received mentioned in note 21 to the consolidated financial statements, in estimating the probability of default of the amounts from the non-controlling shareholder and its affiliates, as well as the loss upon default. The management of the Group considers that the credit risk on the amounts is significant, however, their ECL is considered to be insignificant after taking into consideration of the above factors.

There was no change in the estimation techniques or significant assumptions made during the year.

40. 金融風險管理目標及政策(續)

(b) 信貸風險(續)

其他應收帳款及按金(續)

於二零一九年十二月三十一日，本集團就結存確認虧損撥備13,688,000港元(二零一八年：12,526,000港元)。年內，結存之虧損撥備變動概述如下。

應收附屬公司非控股股東及其聯屬公司款項

於估計預期信貸虧損時及於釐定信貸風險是否自初步確認起大幅增加及應收非控股股東及其聯屬公司款項是否出現信貸減值時，本集團已考慮非控股股東及其聯屬公司之以往實際信貸虧損經驗及其財務狀況，並參考其管理賬目、已就前瞻性因素作出之調整、債務轉讓以及轉讓債務及所收取之兌換權之公允值(如綜合財務報表附註21所述)，以估計應收非控股股東及其聯屬公司款項之違約概率以及違約虧損。本集團管理層認為，該等金額之信貸風險屬重大，然而，經計及以上因素後，其預期信貸虧損被認為並不重大。

年內，估算技術或作出之重大假設並無變動。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of convertible bonds and other borrowings.

The maturity profile of the financial liabilities of the Group as at the end of the reporting periods, based on the contractual undiscounted payments, is as follows:

At 31 December 2019

		On demand or less than 3 months 按要求或 少於3個月 HK\$'000 千港元	3 to 12 months 3至12個月 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade payables	貿易應付帳款	266,073	210,585	—	476,658
Other payables, accruals and deposit received	其他應付帳款、 應計款項及 已收按金	422,073	—	—	422,073
Other borrowings	其他借貸	5,000	33,188	240,000	278,188
Lease liabilities	可換股債券	731	839	10,534	12,104
		693,877	244,612	250,534	1,189,023

40. 金融風險管理目標及政策(續)

(c) 流動資金風險

本集團之目標為透過使用可換股債券及其他借貸而在集資之持續性與靈活度兩者之間取得平衡。

於報告期末，基於已訂約但未貼現付款之本集團金融負債到期情況如下：

於二零一九年十二月三十一日

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk (continued)

At 31 December 2018

		On demand or less than 3 months 按要求或 少於3個月 HK\$'000 千港元	3 to 12 months 3至12個月 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade payables	貿易應付帳款	121,344	115,982	-	237,326
Other payables, accruals and deposit received	其他應付帳款、 應計款項及 已收按金	338,032	-	1,763	339,795
Other borrowings	其他借貸	-	-	18,188	18,188
Convertible bonds	可換股債券	-	45,608	-	45,608
		459,376	161,590	19,951	640,917

(d) Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

40. 金融風險管理目標及政策(續)

(c) 流動資金風險(續)

於二零一八年十二月三十一日

(d) 資本管理

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

本集團根據經濟情況之變動及相關資產之風險特質，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能調整向股東派發之股息、向股東派回之資本或發行新股。截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，並無更改管理資本之目標、政策或程序。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade payables, other payables, accruals and deposits received, other borrowings convertible bonds and tax payable, net of restricted bank deposits and cash and bank balances. Capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the respective reporting periods were as follows:

40. 金融風險管理目標及政策(續)

(d) 資本管理(續)

本集團採用債務淨額除以資金加負債淨額計算之資產負債比率監察資本狀況。債務淨額包括經扣除現金及銀行結存及受限制銀行存款後之貿易應付帳款、其他應付帳款、應計款項及已收按金、其他借貸、可換股債券及應付稅項。資本包括本公司擁有人應佔股權。於各自之報告期末之資產負債比率如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (重列) (Note 43) (附註43)
Trade payables	貿易應付帳款	476,658	237,326
Other payables, accruals and deposit received	其他應付帳款、應計款項及已收按金	735,312	629,124
Other borrowings	其他借貸	218,188	18,188
Lease liabilities	租賃負債	9,558	-
Convertible bonds	可換股債券	-	43,526
Tax payable	應付稅項	16,116	5,150
Less: Cash and bank balances and restricted bank deposits	減：現金及銀行結存及受限制存款	(25,877)	(18,894)
Net debt	債務淨額	1,429,955	914,420
Capital – equity attributable to owners of the Company	資本 – 本公司擁有人應佔股權	541,520	513,728
Capital and net debt	資本及債務淨額	1,971,475	1,428,148
Net gearing ratio	淨資產負債比率	73%	64%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

41. 本公司之財務狀況表

		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
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		152,122	152,122
Total non-current assets	非流動資產總額		152,122	152,122
Current assets	流動資產			
Prepayment, deposit and other receivables	預付款項、按金及其他應收帳款		504	424
Cash and bank balances	現金及銀行結存		14,162	13,909
Total current assets	流動資產總額		14,666	14,333
Current liabilities	流動負債			
Other payables, accruals and deposit received	其他應付帳款及應計款項及已收按金		16,086	4,904
Convertible bonds	可換股債券		-	43,526
Total current liabilities	流動負債總額		16,086	48,430
Net current liabilities	流動負債淨額		(1,420)	(34,097)
Total assets less current liabilities	資產總值減流動負債		150,702	118,025
Non-current liabilities	非流動負債			
Amount due to subsidiaries	應付附屬公司款項		2,819	167,420
Other payables and accruals	其他應付帳款及應計款項		-	666
Other borrowings	其他借貸		200,000	-
Total non-current liabilities	非流動負債總額		202,819	168,086
NET LIABILITIES	負債淨額		(52,117)	(50,061)
EQUITY	權益			
Share capital	股本	28	28,707	27,264
Reserves	儲備	30	(80,824)	(77,325)
TOTAL DEFICIT	虧絀總額		(52,117)	(50,061)

Approved and authorised for issue by the Board of Directors on 30 March 2020 and signed on its behalf by:

於二零二零年三月三十日經董事會批准及授權發佈，並由下列董事代表簽署：

Mr. ZHAO Xu Guang
趙旭光先生
Director
董事

Mr. Wong Siu Hung, Patrick
黃少雄先生
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

42. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) Since January 2020, the PRC has reported certain confirmed cases of COVID-19 which may affect the global business environment. It may foresee that certain impact of the group's business and financial results may occur if the COVID-19 crisis prolongs, but the extent could not be estimated at the date of this report. The group was not aware of any material effect on the consequential financial results of the Group due to the COVID-19 outbreak up to the date of this report. The Board will minimize the impact of COVID-19 to protect the interests of the Group.

43. PRIOR YEAR ADJUSTMENTS

In prior year ended 31 December 2018, the Group had not accounted for its interest in an associate in accordance with the equity method as set out in the Group's financial statements for prior year.

During the course of preparation of the consolidated financial statements of the Group for the financial year ended 31 December 2019, the Group's management had obtained EDB's consolidated financial statements for the year ended 31 December 2018 which were prepared under HKFRSs and other financial information for the purpose of equity accounting of the Group. In addition, the management has engaged an independent qualified professional valuer to perform a valuation on the purchase price allocation of the Group's investment in EDB at acquisition date. The financial assets, EDB Contingent Consideration and EDB Put Option are identified and are measured at fair value at acquisition date and year end 31 December 2018.

42. 報告期末後事項

- (a) 自二零二零年一月起，中國已報告可能影響全球營商環境的新型冠狀病毒之若干確診病例。如疫情持續，可以預期將對集團的業務和財務狀況構成影響，但其影響範圍截至本報告日期未能估計。直至本報告日期，管理層沒有發現新型冠狀病毒的爆發，對本集團的後續財務業績構成重大影響。董事會致力將新型冠狀病毒的影響減至最低，以保障本集團之利益。

43. 上年度調整

於截至二零一八年十二月三十一日的上年度，本集團尚未根據權益法核算其在聯營公司中的權益，已在本集團的上年度財務報表內列示。

於編製本集團截至二零一九年十二月三十一日止財政年度的綜合財務報表期間，本集團的管理層取得了EDB截至二零一八年十二月三十一日止年度的綜合財務報表，該財務報表是根據香港財務報告準則及其他財務資料編製以供本集團以權益法入賬。此外，管理層已聘請了獨立的合格專業估值師對收購日的本集團投資於EDB的購買價格分配進行估值。金融資產、EDB或然代價及EDB認沽期權於收購日及截至二零一八年十二月三十一日止年度按公允值釐定及計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43. PRIOR YEAR ADJUSTMENTS (continued)

Accordingly, prior year adjustments have been made. Details of the restatements made to the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of comprehensive income for the year ended 31 December 2018 are set out below:

(a) Recognition of financial assets (EDB Contingent Consideration and EDB Put Option) at fair value through profit or loss at acquisition date

The effect of the above change on the consolidated financial position as at 31 December 2018 is to decrease the interest in an associate and increase the financial assets at fair value through profit or loss by approximately HK\$21,728,000.

(b) Recognition of fair value changes of financial assets (EDB Contingent Consideration and EDB Put Option) at fair value through profit or loss for the period ended 31 December 2018

The effect of the above change on the consolidated financial position as at 31 December 2018 is to increase the financial assets at fair value through profit or loss by approximately HK\$1,013,000. The effect on the consolidated statement of comprehensive income for the year ended 31 December 2018 is to recognise the fair value gain of the financial assets at fair value through profit or loss which is presented in “other operating income, net” by approximately HK\$1,013,000.

(c) Recognition of share of loss of an associate for the period ended 31 December 2018

The effect of the above change on the consolidated financial position as at 31 December 2018 is to decrease the interest in an associate and the closing balance of equity by approximately HK\$286,000. The effect on the consolidated statement of comprehensive income for the year ended 31 December 2018 is to recognise the share of results of an associate which is presented in “other income and gains, net” by HK\$286,000.

43. 上年度調整(續)

因此，已作出上年度調整，以下列出於二零一八年十二月三十一日的綜合財務狀況表及截至二零一八年十二月三十一日止年度的綜合全面收益表經重列的詳情：

(a) 確認於收購日以公允值計量的金融資產(EDB或然代價及EDB認沽期權)的損益

上述變動對二零一八年十二月三十一日的綜合財務狀況的影響是減少於聯營公司的權益及按公允值計量當期損益的金融資產增加約21,728,000港元。

(b) 確認截至二零一八年十二月三十一日止期間按公允值計量計入當期損益金融資產(EDB或然代價及EDB認沽期權)的變動

上述變動對二零一八年十二月三十一日的綜合財務狀況的影響是將以公允值計量當期損益的金融資產增加了約1,013,000港元。對截至二零一八年十二月三十一日止年度的綜合全面收益表的影響是確認以公允值計量當期損益的金融資產的公允值收益，在「其他營業收入淨額」中列示約1,013,000港元。

(c) 確認截至二零一八年十二月三十一日止期間應佔聯營公司虧損

上述變動對截至二零一八年十二月三十一日的綜合財務狀況的影響將使聯營公司的權益減少及其期末餘額為約286,000港元。截至二零一八年十二月三十一日止年度的綜合全面收益表的影響是確認應佔一間聯營公司業績，以「其他收入及收益淨額」列報286,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43. PRIOR YEAR ADJUSTMENTS (continued)

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2018:

43. 上年度調整(續)

對截至二零一八年十二月三十一日止年度的綜合全面收益表之影響：

		As previously reported 以往報告 HK\$'000 千港元	Prior year adjustments 上年度調整 HK\$'000 千港元	As restated 重列 HK\$'000 千港元
Other operating income, net	其他經營收入淨額	29,243	727	29,970
PROFIT BEFORE TAX	除稅前溢利	175,932	727	176,659
PROFIT FOR THE YEAR	本年度溢利	145,981	727	146,708
Total comprehensive income for the year	本年度的全面收益總額	117,389	727	118,116
Profit for the year attributable to:	應佔本年度溢利：			
Owners of the Company	本公司擁有人	128,391	727	129,118
Non-controlling interests	非控股權益	17,590	—	17,590
		145,981	727	146,708
Total comprehensive income attributable to:	應佔本年度的全面收益總額：			
Owners of the Company	本公司擁有人	102,377	727	103,104
Non-controlling interests	非控股權益	15,012	—	15,012
		117,389	727	118,116
Earnings per share	每股收益			
Basic	基本	HK4.92 cents港仙		HK4.95 cents港仙
Basic	攤薄	HK4.74 cents港仙		HK4.77 cents港仙

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43. PRIOR YEAR ADJUSTMENTS (continued)

Impact on the consolidated statement of financial position as at 31 December 2018:

43. 上年度調整(續)

對截至二零一八年十二月三十一日的綜合財務狀況表的影響：

		As previously reported	Prior year adjustments	As restated
		以往報告	上年度調整	重列
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Non-current assets	非流動資產			
Interest in an associate	於一間聯營公司的權益	101,804	(22,014)	79,790
Financial assets at fair value through profit or loss	以公允值計入損益的金融資產	1,508	22,741	24,249
Total non-current assets	非流動資產總額	673,956	727	674,683
Total assets less current liabilities	資產總額減流動負債	599,134	727	599,861
NET ASSETS	淨資產	561,488	727	562,215
TOTAL EQUITY	股權總額	561,488	727	562,215

PARTICULARS OF PROPERTIES

物業詳情

Name/location 名稱／地點	Lease term 租期	Type 類別	Gross floor area 建築面積 (sq.m.) (平方米)	Attributable interest 應佔權益
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Properties Held for the Group's Own Use

本集團持有作自用之物業

The People's Republic of China

中華人民共和國

No. 1 Jinyan Road, Economic Development Zone, Xiaoyi City, Shanxi Province 山西省孝義市經濟開發區金岩路1號	Medium term lease 中期租賃	C and I C及I	29,148	90%
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C Commercial

I Industrial

C 商業

I 工業

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December				
		截至十二月三十一日止年度				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Restated)				
		(重列)				
		(Note 43)				
		(附註43)				
CONTINUING OPERATIONS	持續經營業務					
Revenue	收入	1,605,356	1,478,049	1,330,791	792,518	461,384
Cost of sales	銷售成本	(1,429,499)	(1,232,228)	(1,117,808)	(658,103)	(494,878)
Gross profit/(loss)	毛利/(毛損)	175,857	245,821	212,983	134,415	(33,494)
Other income and gains, net	其他收入及收益，淨額	68,452	44,953	45,419	58,891	94,152
Selling and distribution costs	銷售及分銷成本	(123,024)	(137,637)	(146,429)	(55,949)	(23,094)
Administrative expenses	管理費用	(88,018)	(103,301)	(83,804)	(79,608)	(97,155)
Finance costs	財務費用	(11,409)	(2,200)	(8,015)	(1,582)	(23,964)
Other operating income/(expenses), net	其他經營收入/(開支)，淨額	4,392	29,970	21,528	12,758	(41,152)
Reversal/(provision) impairment loss on items of property, plant and equipment	物業、廠房及設備項目減值虧損撥回/(撥備)	-	99,053	84,977	-	(14,760)
Profit/(loss) before tax	除稅前溢利/(虧損)	26,250	176,659	126,659	68,925	(139,467)
Income tax (expense)/credit	所得稅(開支)/抵免	(11,547)	(29,951)	5,254	(8,544)	8,732
PROFIT/(LOSS) FOR THE YEAR	本年度溢利/(虧損)	14,703	146,708	131,913	60,381	(130,735)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	9,761	129,118	117,898	55,663	(110,474)
Non-controlling interests	非控股權益	4,942	17,590	14,015	4,718	(20,261)
		14,703	146,708	131,913	60,381	(130,735)

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		Year ended 31 December 截至十二月三十一日止年度				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)			
			(重列)			
			(Note 43)			
			(附註43)			
TOTAL ASSETS	資產總額	2,061,088	1,511,845	1,116,534	955,267	905,285
TOTAL LIABILITIES	負債總額	(1,466,459)	(949,630)	(700,565)	(687,662)	(893,941)
NET ASSETS	資產淨值	594,629	562,215	415,969	267,605	11,344
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔股權	541,520	513,728	376,868	244,610	1,142
NON-CONTROLLING INTERESTS	非控股權益	53,109	48,487	39,101	22,995	10,202
		594,629	562,215	415,969	267,605	11,344

DEFINITIONS

釋義

In this report, unless the context otherwise requires, the following terms shall have the following meanings:
於本報告內，除文義另有所指外，下列詞彙具有下列涵義：

“AGM” [股東週年大會]	the annual general meeting of the Company 本公司舉行之股東週年大會
“Annual Report” [年報]	This annual report of the Group prepared for the year ended 31 December 2019 本集團所編製截至二零一九年十二月三十一日止年度之本年報
“associate(s)” [聯繫人士]	has the meaning ascribed to it under the Listing Rules 具上市規則所賦予之涵義
“Board” [董事會]	board of Directors of the Company 本公司董事會
“Bye-Laws” [公司細則]	the bye-laws from time to time adopted by the Company 本公司不時採納之公司細則
“CG Report” [企業管治報告]	the corporate governance report contained in this Annual Report from pages 43 to 62 本年報第43至62頁所載之企業管治報告
“Company” [本公司]	Huscoke Holdings Limited (formerly known as Huscoke Resources Holdings Limited), a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange 和嘉控股有限公司(原名為和嘉資源控股有限公司)，於百慕達註冊成立之有限公司，其已發行股份於聯交所主板上市
“Companies Ordinance” [公司條例]	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 香港法例第622章《公司條例》
“Director(s)” [董事]	the directors of the Company 本公司董事
“ESG Report” [環境、社會及管治報告]	the environmental, social and governance report contained in this Annual Report from pages 63 to 92 本年報第63至92頁所載之環境、社會及管治報告
“Group” [本集團]	the Company and its subsidiaries 本公司及其附屬公司

DEFINITIONS 釋義

“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the People's Republic of China 中華人民共和國香港特別行政區
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 香港現時之法定貨幣港元
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Memorandum of Association” 「組織章程大綱」	the memorandum of association of the Company 本公司之組織章程大綱
“PRC” 「中國」	the People's Republic of China, excludes Hong Kong and Macau in this Annual Report 中華人民共和國，就本年報而言，不包括香港及澳門
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國現時之法定貨幣人民幣
“SFO” 「證券及期貨條例」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章《證券及期貨條例》
“Share(s)” 「股份」	ordinary share(s) of HK\$0.01 each in the capital of the Company 本公司股本中每股面值0.01港元之普通股
“Shareholder(s)” 「股東」	holder(s) of the Share(s) 股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“subsidiaries” 「附屬公司」	a subsidiary (within the meaning of the Companies Ordinance or section 86 of the Companies Act) for the time being and from time to time of the Company 本公司當時及不時之附屬公司(按公司條例或公司法第86條之定義)
“US\$” 「美元」	United States dollars, the lawful currency of United States 美國現時之法定貨幣美元
“%” 「%」	per cent 百分比



HUSCOKE HOLDINGS LIMITED
和嘉控股有限公司

