



ANNUAL REPORT 年報
2019



Macrolink Capital Holdings Limited
新華聯資本有限公司

(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 : 758)

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公司資料

CORPORATE INFORMATION

董事會

執行董事

傅軍先生(主席)
張建先生
張必書先生
劉靜女士
陳躍先生
周建人先生

獨立非執行董事

林聞深先生
曹貺予先生
張嘉偉先生

審核委員會

林聞深先生(主席)
曹貺予先生
張嘉偉先生

薪酬委員會

張嘉偉先生(主席)
林聞深先生
曹貺予先生

提名委員會

傅軍先生(主席)
張建先生
林聞深先生
曹貺予先生
張嘉偉先生

股份過戶登記處

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4/F., North Cedar House
41 Cedar Avenue
Hamilton HM12, Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港皇后大道東183號
合和中心54樓

BOARD OF DIRECTORS

Executive Directors

Mr. FU Kwan (*Chairman*)
Mr. ZHANG Jian
Mr. ZHANG Bishu
Ms. LIU Jing
Mr. CHAN Yeuk
Mr. ZHOU Jianren

Independent Non-Executive Directors

Mr. LAM Man Sum, Albert
Mr. CAO Kuangyu
Mr. CHEUNG Ka Wai

AUDIT COMMITTEE

Mr. LAM Man Sum, Albert (*Chairman*)
Mr. CAO Kuangyu
Mr. CHEUNG Ka Wai

REMUNERATION COMMITTEE

Mr. CHEUNG Ka Wai (*Chairman*)
Mr. LAM Man Sum, Albert
Mr. CAO Kuangyu

NOMINATION COMMITTEE

Mr. FU Kwan (*Chairman*)
Mr. ZHANG Jian
Mr. LAM Man Sum, Albert
Mr. CAO Kuangyu
Mr. CHEUNG Ka Wai

SHARE REGISTRARS AND TRANSFER OFFICE

Principal Registrar

MUFG Fund Services (Bermuda) Limited
4/F., North Cedar House
41 Cedar Avenue
Hamilton HM12, Bermuda

Hong Kong Branch Registrar

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

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

總辦事處暨香港主要營業地點

香港
銅鑼灣
告士打道262號
中糧大廈15樓

公司秘書

吳國才先生

核數師

國衛會計師事務所有限公司
執業會計師
香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

股份代號

758

網站

<http://macrolinkcapital.etnet.com.hk>

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE
OF BUSINESS IN HONG KONG**

15/F., COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

COMPANY SECRETARY

Mr. NG Kwok Choi

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

STOCK CODE

758

WEBSITE

<http://macrolinkcapital.etnet.com.hk>

主席報告

CHAIRMAN'S STATEMENT

各位股東：

本人謹代表新華聯資本有限公司（「本公司」）及其附屬公司（統稱「本集團」）董事（「董事」）會（「董事會」），欣然提呈本集團截至二零一九年十二月三十一日止年度之業務回顧與展望。

業績

截至二零一九年十二月三十一日止年度，本集團之營業額約為337,839,000港元，較二零一八年相應期間之約184,704,000港元大幅上升82.91%。截至二零一九年十二月三十一日止年度，本公司擁有人應佔綜合虧損約為88,810,000港元，較二零一八年相應期間之約111,784,000港元減少20.55%；本公司擁有人每股基本及攤薄虧損7.36港仙（二零一八年：10.61港仙）。於二零一九年十二月三十一日，本集團總資產及淨資產分別達約329,261,000港元及約178,967,000港元。收入增加主要由於持續擴充含電解鎳精礦貿易業務之業務規模所致。而本公司擁有人應占虧損減少乃主要由於：(a)本集團於回顧年度內收到來自本公司之間接附屬公司湖南泰基建材有限公司（「湖南泰基」）之少數股東之賠償收入為數約人民幣30,097,000元（相等於約33,510,000港元）（二零一八年：無）；(b)經評估有關本集團預付款項、按金及其他應收款項之可收回性後，本集團確認減值虧損轉回約442,000港元（二零一八年：減值虧損23,953,000港元）；(c)本集團重新評估本集團其他無形資產之可收回金額，而本集團只確認減值虧損約6,570,000港元（二零一八年：37,110,000港元）；及(d)雖然(a)至(c)所述，於回顧年度內，由於鎳價格大幅波動，本集團之鎳期貨合約發生公平值虧損約75,763,000港元（二零一八年：無）。

股息

根據本公司之股息政策及為預留充足的資金予本集團將來發展及營運之用，董事會並不建議派發本年度的末期股息（2018年：無）。

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Macrolink Capital Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the business review and outlook of the Group for the year ended 31 December 2019.

RESULTS

For the year ended 31 December 2019, the Group's revenue was approximately HK\$337,839,000, representing a significant increase of 82.91% over approximately HK\$184,704,000 of the corresponding period of 2018. The consolidated loss attributable to owners of the Company was approximately HK\$88,810,000 for the year ended 31 December 2019, representing a decrease of 20.55% over approximately HK\$111,784,000 of the corresponding period of 2018. Basic and diluted loss per share attributable to owners of the Company was 7.36 Hong Kong cents (2018: 10.61 Hong Kong cents). As at 31 December 2019, the Group's total assets and net assets reached approximately HK\$329,261,000 and approximately HK\$178,967,000 respectively. Revenue increased mainly because the nickel cathode concentrates trading business continued to expand its scale of operation. The decrease in loss attributable to owners of the Company was primarily attributable to (a) the Group received compensation income from the minority shareholder of the Company's indirectly-owned subsidiary, Hunan Taiji Construction Material Co., Ltd. ("Hunan Taiji") during the year under review in the amount of approximately RMB30,097,000 (equivalent to approximately HK\$33,510,000 (2018: nil); (b) after assessment of the recoverability related to the Group's prepayments, deposits and other receivables, the Group recognised reversal of impairment loss of approximately HK\$442,000 (2018: impairment loss of HK\$23,953,000); (c) the Group reassessed the recoverable amounts of the Group's other intangible assets and the Group only recognised an impairment loss of approximately HK\$6,570,000 (2018: HK\$37,110,000); and (d) notwithstanding (a) to (c), in view of the wide volatility of the price of the nickel, the Group incurred fair value loss on nickel future contracts in an amount of approximately HK\$75,763,000 (2018: nil) during the year under review.

DIVIDENDS

According to the Company's dividend policy and in order to reserve sufficient funds for the Group's future development and operation, the Board did not recommend the payment of a final dividend for the year (2018: nil).

回顧二零一九年

業務回顧

精礦貿易業務

由二零一八年下半年起，精礦貿易業務分部主要經營兩大方面：(1)自厄瓜多爾及秘魯採購精礦(主要為黃金、銅、鋅及鉛精礦)並將其出售至中國及秘魯客戶；及(2)在俄羅斯採購精礦(品牌電解鎳)，並將其出口至中國客戶。

憑藉管理層的業務關係及背景，本公司透過抓緊鎳產品之潛力，得以擴展其精礦業務之規模。自二零一九年七月起，考慮到新產品出台及供應商要求，本公司與該俄羅斯供應商簽署定量之一年期合作協定。然而由於二零一九年下半年鎳市場波動，印尼政府於八月宣佈提前停止出口鎳板之計劃，大量投機者於鎳期貨市場炒作，導致鎳境內及境外價格嚴重失衡，國內需求萎縮，本公司鎳產品國際貿易業務及其盈利能力均受影響。於此同時，本公司之國內全資子公司深圳新華聯工貿發展有限公司於本年度逐漸開拓國內有色金屬貿易管道，實現電解銅貿易營收約13,975,000港元(二零一八年：無)。於本回顧年度內，本集團就有色金屬鎳及銅之貿易總重量約超過3,000噸，本集團確認有關收入約為301,564,000港元(二零一八年：145,832,000港元)。本集團透過該業務分部穩定營收，同時力圖多元化發展至其他礦產品，加強其收入基礎。

另一方面，有關自厄瓜多爾及秘魯精礦採購及銷售業務，由於厄瓜多爾唯一的採購代理停止營運，導致厄瓜多爾的精礦貿易業務於近年有所變差。同時，秘魯精礦市場環境持續激烈。因此，本集團於二零一九年十一月把相關厄瓜多爾精礦貿易業務出售，將財務及人力資源集中在其他市場的貿易業務上。

REVIEW OF 2019

Business review

Trading of mineral concentrates business

Starting from the second half of 2018, the trading of mineral concentrates business segment principally operates in two main aspects: (1) sourcing mineral concentrates (mainly gold, copper, zinc and lead concentrates) from Ecuador and Peru and selling them to the customers in the PRC and Peru; and (2) sourcing mineral concentrates (branded electrolytic nickel cathodes) from Russia and exporting them to the customers in the PRC.

Leveraging on the business relationship and background of the management, the Company achieved to continue expanding its mineral concentrates business scale by exploring the potential in nickel products. Since July 2019, taking into account the introduction of new products and at the request of our supplier, the Company has signed a one-year cooperation agreement with the Russian supplier locking quantity. However, due to fluctuations in the nickel market in the second half of 2019, the government of Indonesia announced in August a plan to stop the export of nickel plates earlier, and a large number of speculators speculated in the nickel futures market, resulting in serious imbalances in domestic and overseas nickel prices and a shrink of domestic demand. The Company's business and profitability in relation to the international trading of nickel products was affected. Meanwhile, Shenzhen Macrolink Industrial & Trading Development Limited, a wholly-owned subsidiary of the Company in the PRC, gradually opened up trading pipelines for non-ferrous metals in the PRC during the year, and the revenue from electrolytic copper trading was approximately HK\$13,975,000 (2018: Nil). During the current year under review, the Group was able to trade an aggregate volume of approximately more than 3,000 tons of the non-ferrous metals nickel and copper, with a revenue of approximately HK\$301,564,000 (2018: HK\$145,832,000) being recognised by the Group. The Group stabilizes its revenue through this business segment and strives to strengthen its revenue base with diversification into other mineral products.

On the other hand, in relation to the business of sourcing and selling of mineral concentrates from Ecuador and Peru, as the sole sourcing agent in Ecuador has ceased operation, Ecuador's mineral concentrate trading business has deteriorated in recent years. Meanwhile, the market environment of mineral concentrates in Peru continues to be fiercely competitive. As a result, the Group disposed of the mineral concentrate trading business in Ecuador in November 2019 and concentrated its financial and human resources on the business of trading in other markets.

主席報告

CHAIRMAN'S STATEMENT

證券投資業務

自二零一九年八月，本公司於二級市場階段性投資購入一家從事金融服務類港股上市公司股票。於回顧期內，本公司總計購入4,970,000股，總投資額約19,435,000港元。截止二零一九年十二月三十一日，本公司秉承價值投資理念，尚未出售該支股票，而擬為產生股息收入及攫取資本增值而持有。本集團管理層將持續關注市場動態，採納合理與謹慎的方針就該業務分部作出投資與維護。

建築材料業務

本公司間接擁有60%權益之附屬公司湖南泰基於中國從事製造及銷售礦渣粉業務，有鑒於原材料於可見將來仍暫停供應，現持續停產中且會否恢復生產仍屬未知。此外，本集團與湖南泰基之少數股東之訴訟仍未終結。於回顧年內，製造及銷售建築材料業務未能恢復營運。

展望

自二零二零年初以來，COVID-19疫情在中國及其他國家蔓延，在一定程度上影響了本集團之業務。本集團將密切關注COVID-19疫情的發展，並繼續評估其對本集團財務狀況及經營業績之影響。

本集團將持續鞏固與供應商之合作，致力於提升主要礦業貿易的規模及提升投資質量，以鞏固我們的核心業務；同時繼續謹慎和周全地物色投資及業務拓展機會，善用資金適時擴展業務領域，尋求可持續發展業務，以擴闊本公司穩定的收入來源及利潤，增加股東回報。

Securities investments business

Since August 2019, the Company has made phased investments in the secondary market to purchase shares of a Hong Kong listed company engaged in financial services. During the period under review, the Company purchased a total of 4,970,000 shares with a total investment amount of approximately HK\$19,435,000. As at 31 December 2019, the Company adhered to the principle of investing in value and had not sold the shares but intended to hold them in order to generate dividend income and seize capital appreciation. The management of the Group will continue to pay attention to market dynamics and adopt a reasonable and prudent approach to the investments and maintenance of the business segment.

Construction material business

Hunan Taiji is the Company's indirect 60%-owned subsidiary engaged in manufacture and sale of slag powder business in the PRC. Its production continues to be suspended and the resumption of production of Hunan Taiji remains uncertain due to the suspension of the supply of raw materials in the foreseeable future. In addition, the litigation between the Group and the minority shareholder of Hunan Taiji was still pending. During the year under review, the operation of manufacture and sale of construction materials business has not yet resumed.

OUTLOOK

Since early 2020, the epidemic of COVID-19 has spread across the PRC and other countries and it has affected the business of the Group to some extent. The Group will pay close attention to the development of the COVID-19 and continue to evaluate its impact on the financial position and operating results of the Group.

The Group will continue to foster its cooperation with suppliers and is committed to increasing the scale of major mining trades and improving the quality of investments so as to consolidate our core business; at the same time, it will continue to identify investment and business development opportunities cautiously and carefully and make good use of funds to expand its business scope in a timely manner in pursuit of the sustainable development of its business and to broaden the Company's stable source of income and profits and to increase shareholder returns.

展望未來，董事會相信，憑藉本集團控股股東的經驗及資源，以及持續秉承價值投資的理念，董事會亦將進一步謹慎並周全地關注及發展本集團在國內及海外的投資及業務拓展機會。配合集團投資戰略，憑藉本集團控股股東的經驗及支援，管理層矢志把握及創造貿易業務與證券及財務投資的商機，為股東及集團帶來長遠而可觀的回報。

致謝

本人謹代表董事會感謝我們尊貴的股東多年來對本集團堅定不移的信任，感謝業務夥伴及客戶長久以來的鼎力支持，亦對我們全體管理團隊成員及員工的努力及克盡己責表示由衷謝意。我們將繼續加大力度鞏固及發展現有業務，同時對發掘新投資給予保持開放態度，實現長期的戰略性轉型，致力為股東締造最大回報。

主席
傅軍

香港，二零二零年四月二十九日

Looking into the future, the Board believes that, leveraging on the experience and resources of the Group's controlling shareholders and adhering to the principle of investing in value, the Board will further cautiously and carefully focus on and develop the Group's investments and business development opportunities at home and abroad. In line with the Group's investment strategy and leveraging on the experience and support of the Group's controlling shareholders, the management is committed to grasping and creating business opportunities in the trading business and securities and financial investments with a view to bringing long-term and substantial returns to shareholders and the Group.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our valued shareholders for their unwavering trust in the Group over the years, to our business partners and clients for their long-term support, and to the entire management team and all staff for their efforts and dedication. We will continue to intensify our efforts to strengthen and develop our existing businesses while remaining open to explore new investment opportunities so as to achieve long-term strategic transformation and will strive to create the best returns for our shareholders.

Fu Kwan
Chairman

Hong Kong, 29 April 2020

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

截至二零一九年十二月三十一日止年度，本公司及其附屬公司（統稱「本集團」）錄得收入約337,839,000港元，較去年的約184,704,000港元大幅增加82.91%。收入增加主要由於擴充含電解鎳精礦貿易業務之業務規模所致。於回顧年度內，本集團之毛利約為9,725,000港元（二零一八年：6,452,000港元）。本公司擁有人應佔綜合虧損約為88,810,000港元（二零一八年：111,784,000港元），較去年同期下降20.55%，主要由於(a)本集團於回顧年度內收到來自本公司之間接附屬公司湖南泰基建材有限公司（「湖南泰基」）之少數股東之賠償收入為數約人民幣30,097,000元（相等於約33,510,000港元）（二零一八年：無）；(b)經評估有關本集團預付款項、按金及其他應收款項之可收回性後，本集團確認減值虧損轉回約442,000港元（二零一八年：減值虧損23,953,000港元）；(c)本集團重新評估本集團其他無形資產之可收回金額，而本集團只確認減值虧損約6,570,000港元（二零一八年：37,110,000港元）；及(d)雖然(a)至(c)所述，於回顧年度內，由於鎳價格大幅波動，本集團之鎳期貨合約發生公平值虧損約75,763,000港元（二零一八年：無）。每股基本及攤薄虧損為7.36港仙（二零一八年：10.61港仙）。

業務回顧

精礦貿易業務

精礦貿易業務分部主要經營兩大方面：(1)鎳貿易：主要在俄羅斯採購精礦（品牌電解鎳），並將其出口至中國之貿易中介人及終端客戶；及(2)其他貿易：自厄瓜多爾及秘魯採購精礦（主要為黃金、銅、鋅及鉛精礦）並將其出售至中國及秘魯客戶。

FINANCIAL REVIEW

For the year ended 31 December 2019, the Company and its subsidiaries (together the "Group") recorded revenue of approximately HK\$337,839,000, representing a significant increase of 82.91% over approximately HK\$184,704,000 of last year. The increase in revenue was mainly attributable to the expansion in business scale of the mineral concentrates trading with nickel cathodes. The Group's gross profit during the year under review was approximately HK\$9,725,000 (2018: HK\$6,452,000). The consolidated loss attributable to owners of the Company was approximately HK\$88,810,000 (2018: HK\$111,784,000), representing a decrease of 20.55% over the same period last year, which was primarily attributable to (a) the Group received compensation income from the minority shareholder of the Company's indirectly-owned subsidiary, Hunan Taiji Construction Material Co., Ltd. ("Hunan Taiji") during the year under review in the amount of approximately RMB30,097,000 (equivalent to approximately HK\$33,510,000 (2018: Nil)); (b) after assessment of the recoverability related to the Group's prepayments, deposits and other receivables, the Group recognised reversal of impairment loss of approximately HK\$442,000 (2018: impairment loss of HK\$23,953,000); (c) the Group reassessed the recoverable amounts of the Group's other intangible assets and the Group only recognised an impairment loss of approximately HK\$6,570,000 (2018: HK\$37,110,000); and (d) notwithstanding (a) to (c), in view of the wide volatility of the price of the nickel, the Group incurred fair value loss on nickel future contracts in an amount of approximately HK\$75,763,000 (2018: Nil) during the year under review. Basic and diluted loss per share was HK cents 7.36 (2018: HK cents 10.61).

OPERATION REVIEW

Trading of mineral concentrates business

The trading of mineral concentrates business segment principally operates in two main aspects: (1) Nickel Trading-mainly sourcing mineral concentrates (branded electrolytic nickel cathodes) from Russia and exporting them to the trading intermediates and end customers in the PRC; and (2) Other Trading – sourcing mineral concentrates (mainly gold, copper, zinc and lead concentrates) from Ecuador and Peru and selling them to the customers in the PRC and Peru.

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MANAGEMENT DISCUSSION AND ANALYSIS

憑藉管理層的業務關係及背景，本集團透過抓緊鎳產品之潛力，得以為鎳貿易發展強大銷售網絡，並繼續擴展其精礦業務之規模。於回顧年度內，本集團就鎳之貿易總量約超過2,700噸（二零一八年：超過1,600噸），本集團確認有關收入約為287,589,000港元（二零一八年：145,832,000港元）。此收入流讓本集團可透過該業務分部多元化發展至其他礦產品，加強其收入基礎。

然而由於二零一九年下半年鎳市場波動（其乃主要由於印尼政府忽然宣佈加快停止出口鎳板之計畫），導致鎳境內及境外價格嚴重失衡，其導致中國國內鎳產品需求萎縮以及售價下跌。於本年度內，鎳貿易之盈利能力受到影響。

此外，透過在中國進行在岸電解銅貿易業務，本集團得以持續開拓貿易管道，於回顧年度內，產生收入約13,975,000港元（二零一八年：無）。

另一方面，有關其他貿易，由於自採購協議屆滿後，厄瓜多爾唯一採購代理不再向本集團提供採購服務，因此，於本年度內，厄瓜多爾的精礦貿易業務有所變差。同時，因該地區競爭持續激烈，導致在秘魯精礦市場之採購極為欠佳。於回顧年度內，本集團其他貿易僅能確認收入約16,584,000港元（二零一八年：24,041,000港元）。經考慮在厄瓜多爾經營貿易業務之困難，本集團已於二零一九年十一月出售於厄瓜多爾之其他貿易業務，產生出售附屬公司的收益為數約3,320,000港元。

於回顧年度內，該業務分部確認淨虧損約2,281,000港元（二零一八年：20,401,000港元），較去年同期大幅下降88.82%。淨虧損大幅下降主要乃由於本集團該分部於本年度內轉回就按金所確認之減值虧損為數約162,000港元（二零一八年：減值虧損21,456,000港元）所致。

Leveraging on the business relationship and background of the management, the Group achieved to develop a strong sales network of the Nickel Trading and to continue expanding its mineral concentrate business scale by exploring the potential in nickel products. During the year under review, the Group was able to trade an aggregate volume of approximately of more than 2,700 tons (2018: more than 1,600 tons) of nickel, with revenue of approximately HK\$287,589,000 (2018: HK\$145,832,000) being recognised by the Group. This revenue stream enables the Group to strengthen its revenue base with diversification into other mineral products in this business segment.

However, due to the fluctuations in the nickel market in the second half of 2019, which was mainly attributable to the sudden announcement of the Indonesian government to speed up ceasing the export of nickel plates, there emerged serious imbalances in domestic and overseas nickel prices, which led to a shrink of domestic demand in the PRC and a drop in the selling prices of the nickel products. The profitability of the Nickel Trading during the current year was affected.

In addition, the Group was able to continually open up its trading pipelines by engaging in onshore trading of electrolytic copper business in the PRC, generating revenue of approximately HK\$13,975,000 during the year under review (2018: Nil).

On the other hand, in relation to the Other Trading, as the sole sourcing agent in Ecuador no longer provided sourcing services to the Group with the expiry of the sourcing agreement, Ecuador's mineral concentrate trading business has deteriorated in the year. Meanwhile, the sourcing of mineral concentrates market in Peru is far from satisfactory due to the continued keen competition in this region. During the year under review, the Group was only able to recognise revenue of approximately HK\$16,584,000 (2018: HK\$24,041,000) in Other Trading. Having considered the difficulties to run the trading business in Ecuador, the Group disposed of the Other Trading business in Ecuador in November 2019, which generated a gain on disposal of subsidiaries in the amount of approximately HK\$3,320,000.

During the year under review, the business segment recognised a net loss of approximately HK\$2,281,000 (2018: HK\$20,401,000), representing a significant decrease of 88.82% compared to the same period last year. This significant decrease in the net loss was mainly due to the reversal of impairment loss on deposits recognised by the Group during the year in an amount of approximately HK\$162,000 (2018: impairment loss of HK\$21,456,000).

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MANAGEMENT DISCUSSION AND ANALYSIS

證券投資

自二零一九年八月，本公司階段性投資購入一家從事金融服務類港股上市公司股票。於回顧年度內，本公司總計購入4,970,000股該上市公司之股份，總投資額約19,435,000港元。本公司持有有關上市公司已發行股本少於5%，有關股本投資確認為以公平值計量且其變動計入損益（「以公平值計量且其變動計入損益」）的金融資產。於二零一九年十二月三十一日，本公司就以公平值計量且其變動計入損益的金融資產確認收益約346,000港元。

建築材料業務

湖南泰基於中國從事製造及銷售礦渣粉業務，於其唯一供應商於二零一六年三月發出書面通知暫停供應用於生產之水渣（「水渣供應」）後，自二零一六年八月起暫停生產及自二零一六年八月起並無錄得任何營業額。於回顧年度內，本集團確認分部虧損約24,166,000港元（二零一八年：56,694,000港元），較上一回顧年度減少57.37%。為了本集團、湖南泰基及其少數股東之最佳利益，本集團繼續與湖南泰基少數股東磋商以尋求恢復湖南泰基生產之可能性，並不時尋求任何可行的解決方案。有鑑於唯一供應商為湖南泰基之少數股東的關連方，本集團認為，湖南泰基會否恢復生產仍屬未知之數。應湖南泰基之少數股東的要求，中國湖南省婁底市中級人民法院（「婁底市中級法院」）於二零一九年二月向湖南泰基發出應訴通知書，由於兩個合營方之間長期發生糾紛，要求在湖南泰基合營協議於二零二一年終止前解散湖南泰基。於二零二零年一月，婁底市中級法院判決，就要求於湖南泰基合營協議終止前解散湖南泰基而提交之申請已被駁回。湖南泰基之少數股東已向湖南省高級人民法院提出上訴。

Securities investments

Since August 2019, the Company has made phased investments to purchase equity shares of a Hong Kong listed company engaged in financial services. During the year under review, the Company purchased a total of 4,970,000 shares in the listed company with a total investment amount of approximately HK\$19,435,000. The Company held less than 5% of the issued share capital of the listed company, with the equity investments being recognised as financial assets at fair value through profit or loss (“FVTPL”). As at 31 December 2019, the Company recognised a gain on financial assets at FVTPL of approximately HK\$346,000.

Construction material business

Hunan Taiji, engaging in manufacture and sale of slag powder business in the PRC, has been in suspension of production since August 2016 after its sole supplier served a written notice to suspend the supply of the granulated steel slag for production (“Steel Slag Supply”) in March 2016. There was no turnover generated since August 2016. During the year under review, the Group recognised a segment loss of approximately HK\$24,166,000 (2018: HK\$56,694,000), representing a decrease of 57.37% compared to last year under review. For the best interests of the Group, Hunan Taiji and its minority shareholder, the Group continued to pursue on the negotiations with the minority shareholder of Hunan Taiji on the possibility for the resumption of Hunan Taiji’s production and sought out any feasible solution from time to time. In view of the sole supplier is a related party of the minority shareholder of Hunan Taiji, the Group believes that the resumption of the production of Hunan Taiji remains uncertain. In February 2019, at the request of the minority shareholder of Hunan Taiji, a notice of response to action was served to Hunan Taiji from the Intermediate People’s Court of Loudi City, Hunan Province, the PRC (“Loudi Intermediate Court”) requesting to dissolve Hunan Taiji prior to the termination of the joint venture agreement of Hunan Taiji in 2021 due to the prolonged disputes between the two joint venturers. In January 2020, the Loudi Intermediate Court ruled that the application submitted for request for dissolution of Hunan Taiji prior to the termination of Hunan Taiji’s joint venture agreement was rebutted. The minority shareholder of Hunan Taiji lodged an appeal to Higher People’s Court of Hunan Province.

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於二零一九年五月，莊勝(建材)有限公司(「莊勝(建材)」)收到由中國國際經濟貿易仲裁委員會作出之裁決書(「裁決書」)，據此，湖南泰基之少數股東應向本集團支付由二零一四年一月一日至二零一六年八月三十一日期間因供應不足之賠償約人民幣30,097,000元(相當於約33,510,000港元)。少數股東已向中國北京市第四中級人民法院(「北京市中級法院」)提出要求撤回裁決書之申請。於二零一九年十月，莊勝(建材)接獲北京市中級法院通知，駁回所提呈有關要求撤銷裁決書之申請，而本集團已於二零一九年十一月二十九日收到賠償。

煤炭開採業務

於回顧年度內，該業務分部錄得收入約2,128,000港元(二零一八年：657,000港元)，亦錄得分部虧損約12,603,000港元(二零一八年：21,686,000港元)，較去年同期下降41.88%。分部虧損有所減少主要乃由於本集團於本年度內所確認之經營支出減少所致。

由於所產生之收入不足以支持其營運成本及生產成本，因此，所有煤礦均已由二零一九年三月起停產，本集團預期，其於二零二零年將會繼續發生虧損。儘管如此，本集團將會考慮於二零二一年恢復停產煤礦之生產及發展其他煤礦。

物業投資及發展

於北京之投資物業

於回顧年度內，來自出租中國北京物業之租金收入約為4,511,000港元(二零一八年：4,031,000港元)，較上一個回顧年度增加11.91%。該等位於北京之投資物業亦就重估錄得公平值收益約63,000港元(二零一八年：885,000港元)。本集團預期現時持有之該等位於北京之投資物業將繼續產生穩定之租金收入及可把握升值潛力。

於秘魯之物業發展

於回顧年度內，因出售秘魯餘下兩個物業單位，本集團錄得營業額約5,022,000港元(二零一八年：3,883,000港元)。出售後，於二零一九年十二月三十一日，本集團於秘魯並無持有任何可供出售之物業單位。

In May 2019, Junefield (Building Material) Limited ("JBM") received the arbitral award (the "Arbitral Award") made by the China International Economics and Trade Arbitration Commission, pursuant to which the minority shareholder of Hunan Taiji is liable to pay the compensation for the supply shortfall for the period from 1 January 2014 to 31 August 2016 amounting to approximately RMB30,097,000 (equivalent to approximately HK\$33,510,000) to the Group. An application for requesting withdrawal of the Arbitral Award with the Fourth Intermediate People's Court of Beijing, the PRC ("Beijing Intermediate Court") was filed. In October 2019, JBM received the notice from the Beijing Intermediate Court to reject the application lodged for requesting withdrawal of the Arbitral Award and the Group received the compensation on 29 November 2019.

Coal mining business

During the year under review, this business segment recorded revenue of approximately HK\$2,128,000 (2018: HK\$657,000) and a segment loss of approximately HK\$12,603,000 (2018: HK\$21,686,000), representing a decrease of 41.88% as compared to the same period last year. The decrease in the segment loss was primarily attributable to the decrease in the operating expenses recognised by the Group during the year.

Since the revenue generated is unable to support its operating costs and the production costs, all the coal mines were under suspension since March 2019, the Group expects that it will continue to incur loss in 2020. Nevertheless, the Group will consider to resume production in 2021.

Property investment and development

Investment properties in Beijing

During the year under review, the rental income from property leasing in Beijing, the PRC was approximately HK\$4,511,000 (2018: HK\$4,031,000), representing an increase of 11.91% compared to last year under review. These investment properties in Beijing also recorded fair value gains of approximately HK\$63,000 (2018: HK\$885,000) in respect of the revaluation. The Group expects these investment properties in Beijing currently held on hand will keep generating a stable rental income stream and capture potential appreciation.

Property development in Peru

During the year under review, thanks to the sale of the remaining two property units in Peru, the Group recorded turnover of approximately HK\$5,022,000 (2018: HK\$3,883,000). After the sale, the Group did not hold any property units available for sale in Peru as at 31 December 2019.

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於回顧年度內，有關物業投資及發展分部之虧損為約1,487,000港元，而於二零一八年則為虧損約9,171,000港元。

於鎳期貨之其他投資

本集團於二零一九年三月開始投資於中國鎳期貨合約。於回顧年度內，由於鎳價格大幅波動，本集團之鎳期貨合約發生公平值虧損約75,763,000港元（二零一八年：無）。

流動資金及財務資源

於二零一九年十二月三十一日，本集團之總權益約為178,967,000港元（二零一八年十二月三十一日：259,867,000港元），較二零一八年十二月三十一日下降31.13%。於二零一九年十二月三十一日，本集團之流動比率為1.06（二零一八年十二月三十一日：1.61）。本集團於二零一九年十二月三十一日之資產負債比率（總計息銀行及其他借貸與總資產之比率）為0.10（二零一八年十二月三十一日：0.09）。

本集團之借貸並無特定季節性模式。於二零一九年十二月三十一日，本集團之有抵押銀行貸款、有抵押其他貸款及無抵押其他貸款分別為約2,465,000港元（二零一八年十二月三十一日：6,280,000港元）；25,000,000港元（二零一八年十二月三十一日：25,000,000港元）及5,595,000港元（二零一八年十二月三十一日：5,701,000港元）。有抵押銀行貸款乃以美元計值、按一年期倫敦銀行同業拆息加6.4厘之年利率計息及將於二零二零年八月屆滿。有抵押其他貸款乃以港元計值及按每年8厘計息，於延長後，其償還日期已延後至二零二一年一月。無抵押其他貸款以人民幣計值及按每年9.5厘計息，並須按要求償還。

於二零一九年十二月三十一日，本集團主要以港元、美元、人民幣及索爾計值之現金及現金等價物合共約為35,721,000港元（二零一八年十二月三十一日：100,822,000港元）。

The loss for the year under review attributable to the segment of property investment and development amounted to approximately HK\$1,487,000, compared to loss of approximately HK\$9,171,000 for the year of 2018.

Other investment in nickel futures

The Group commenced to invest in nickel future contracts in the PRC in March 2019. In view of the wide volatility of the price of the nickel, the Group incurred fair value loss on nickel future contracts in an amount of approximately HK\$75,763,000 (2018: Nil) during the year under review.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group's total equity amounted to approximately HK\$178,967,000 (31 December 2018: HK\$259,867,000), representing a decrease of 31.13% compared with that as at 31 December 2018. The Group's current ratio as at 31 December 2019 was 1.06 (31 December 2018: 1.61). The Group's gearing ratio, expressed as a ratio of total interest-bearing bank and other borrowings to total assets as at 31 December 2019, was 0.10 (31 December 2018: 0.09).

The Group had no particular seasonal pattern of borrowing. As at 31 December 2019, the Group had secured bank loan, secured other loan and unsecured other loan amounting to approximately HK\$2,465,000 (31 December 2018: HK\$6,280,000); HK\$25,000,000 (31 December 2018: HK\$25,000,000) and HK\$5,595,000 (31 December 2018: HK\$5,701,000), respectively. The secured bank loan is denominated in US\$, interest-bearing at an annual rate of London Interbank Offered Rate plus 6.4% per annum and will expire in August 2020. The secured other loan is denominated in HK\$, interest-bearing at 8% per annum and after extension, the repayment date has been extended to January 2021. The unsecured other loan is denominated in RMB and interest-bearing at 9.5% per annum and repayable on demand.

As at 31 December 2019, the Group's cash and cash equivalents totaled approximately HK\$35,721,000 (31 December 2018: HK\$100,822,000), which were mainly denominated in HK\$, US\$, RMB and Soles.

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MANAGEMENT DISCUSSION AND ANALYSIS

於二零一九年十二月三十一日，本集團擁有銀行及其他融資合共約41,097,000港元（二零一八年：35,948,000港元），並擁有可供提取而尚未動用之銀行及其他融資約13,632,000港元（二零一八年：4,668,000港元）。

經考慮以上各項，管理層有信心，本集團將有足夠資源於貸款到期時償還有關貸款，以及為其日常營運及資本開支提供資金。然而，本集團於其流動資金管理方面仍將審慎行事。

資本結構

於回顧年度內，本公司之已發行股本並無任何變動，於二零一九年十二月三十一日，本公司之已發行普通股數目為1,206,249,251股。

集團結構

於回顧年度內，本公司之直接全資附屬公司 Topshine Reward Limited 出售 Lukewarm Gold Limited（「Lukewarm」）之全部已發行股本。Lukewarm 為一家投資控股公司，並持有龍拓有限公司之100%已發行股本，而龍拓有限公司為一間於香港註冊成立之公司，其主要業務為精礦貿易。有關出售事項之詳情載於本公司日期為二零一九年十一月八日之公告內。

除上文所述者外，於回顧年度內，本集團之結構並無任何重大變動。

資本承擔

於二零一九年十二月三十一日，本集團並無重大資本承擔（二零一八年十二月三十一日：無）。

財資政策

本集團繼續對其財資政策採取保守態度，並專注於風險管理及與本集團相關業務有直接關係的交易。於回顧年度內，本集團之業務活動主要以港元、人民幣、美元及索爾計值。管理層並不認為本集團面對任何重大外匯風險。本集團並無採納任何對沖政策或訂立任何外匯衍生工具產品。然而，管理層將會繼續監察外匯風險，並考慮在有需要時就貨幣風險採取若干對沖措施。

As at 31 December 2019, the Group had aggregate banking and other facilities of approximately HK\$41,097,000 (2018: HK\$35,948,000) and had unutilised banking and other facilities of approximately HK\$13,632,000 (2018: HK\$4,668,000) available for drawdown.

Taking the above into account, the management is confident that the Group will have adequate resources to settle its loan as they fall due and finance its daily operational and capital expenditures. However, the Group will remain cautious in its liquidity management.

CAPITAL STRUCTURE

During the year under review, there has been no change in the issued share capital of the Company and the Company's number of issued ordinary shares as at 31 December 2019 was 1,206,249,251.

GROUP STRUCTURE

During the year under review, Topshine Reward Limited, a direct wholly-owned subsidiary of the Company, disposed of the entire issued share capital of Lukewarm Gold Limited ("Lukewarm"). Lukewarm is an investment holding company and holds 100% issued share capital of Like Top Corporation Limited, which is a company incorporated in Hong Kong and principally engaged in the business of trading of mineral concentrates. Details of the disposal are set out in the announcement of the Company dated 8 November 2019.

Apart from the above, there has been no material change in the structure of the Group during the year under review.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had no significant capital commitments (31 December 2018: Nil).

TREASURY POLICIES

The Group continued to adopt a conservative 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. During the year under review, the business activities of the Group were mainly denominated in HK\$, RMB, US\$ and Soles. The management did not consider that the Group is significantly exposed to any foreign currency risk. The Group has not adopted any hedging policy or entered into any currency derivative products. However, the management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

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MANAGEMENT DISCUSSION AND ANALYSIS

資產抵押

於二零一九年十二月三十一日，本集團已將賬面值分別約42,370,000港元(二零一八年：44,178,000港元)及69,643,000港元(二零一八年：39,065,000港元)之若干物業、廠房及設備及投資物業抵押予銀行及其他貸款人以取得相關信貸。

於二零一九年十二月三十一日，已抵押投資物業之賬面金額包括金額人民幣27,260,000元(相等於約30,502,000港元)(二零一八年：無)乃有關作為本公司之關連人士就部份貸款本金人民幣8,000,000元及據此計算之相關利息所承擔之還款責任之擔保，其已獲該關連人士提供全數彌償保證。有關持續關連交易之詳情載於本公司日期為二零二零年一月九日及二零二零年二月十日之公告內。

員工及薪酬

於二零一九年十二月三十一日，本集團合共有約127名僱員(二零一八年：180名)，其中大部份為香港、中國及秘魯僱員。本集團聘用之僱員數目不定，視乎行業需要而定，而彼等之薪酬乃根據按照業內慣例而制定之聘用條款釐定。本集團實行其薪酬政策，並根據本集團及其僱員之表現獎勵酌情花紅。本集團提供社會及醫療保險以及退休金等福利以確保具有競爭力。

未決訴訟

未決訴訟之詳情載於綜合財務報表附註39。

CHARGE OF ASSETS

As at 31 December 2019, certain of the Group's property, plant and equipment and investment properties with carrying amounts of approximately HK\$42,370,000 (2018: HK\$44,178,000) and HK\$69,643,000 (2018: HK\$39,065,000) respectively have been pledged to banks and other lender to secure bank and loan facilities.

As at 31 December 2019, the carrying amount of the pledged investment properties included an amount of RMB27,260,000 (equivalent to approximately HK\$30,502,000) (2018: nil) relating to security for the repayment obligations of a connected person of the Company in the partial loan principal amount of RMB8,000,000 and the related interest thereon, which has been fully indemnified by the connected person. Details of the continuing connected transaction are set out in the announcements of the Company dated 9 January 2020 and 10 February 2020.

STAFF AND REMUNERATION

The Group had 127 employees in total as at 31 December 2019 (2018: 180) mainly in Hong Kong, the PRC and Peru. The number of workers employed by the Group varies from time to time depending on the industry need and they are remunerated under the employment terms which are based on industry practice. The Group implemented its remuneration policy and discretionary bonus based on the performance of the Group and its employees. The Group provided benefits such as social and medical insurance and pensions to ensure competitiveness.

OUTSTANDING LITIGATION

Details of outstanding litigation are set out in note 39 to the consolidated financial statements.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

發行可換股債券之所得款項淨額用途

發行於二零一八年七月二十六日發行予新華聯集團有限公司本金為100,000,000港元之可換股債券(「可換股債券」)之實際所得款項淨額(經扣除相關開支約1,250,000港元)約為98,750,000港元。下表載列發行可換股債券之所得款項淨額經修訂用途以及截至二零一九年十二月三十一日為止之使用情況：

USE OF NET PROCEEDS FROM ISSUE OF CONVERTIBLE BONDS

The actual net proceeds from the issue of the convertible bonds with a principal amount of HK\$100,000,000 (the “Convertible Bonds”) to Macrolink Group Limited on 26 July 2018, after deduction of related expenses of approximately HK\$1,250,000, amounted to approximately HK\$98,750,000. The below table sets out revised application of net proceeds from the issue of the Convertible Bonds, and usage up to 31 December 2019:

		所得款項淨額 的經修訂用途	截至二零一九年 十二月三十一日 為止之實際 使用情況
		Revised application of net proceeds	Actual usage up to 31 December 2019
		百萬港元 HK\$ million	百萬港元 HK\$ million
維持證券投資業務(附註2)	Maintaining the securities investments business (Note 2)	41.5	32.4
維持精礦貿易業務	Maintaining the trading of mineral concentrates business	32.5	23.6
取得投資機會(附註1)	Securing investment opportunities (Note 1)	14.8	14.8
一般營運資金	General working capital	9.9	13.5
總計(附註3)	Total (Note 3)	98.7	84.3

附註：

- 茲提述本公司日期為二零一九年八月二十九日之公告。原先擬用於償還本集團之銀行貸款的所得款項淨額為數約14,800,000港元已全數撥至用於取得投資機會，包括買賣鎳期貨。
- 有鑑於用於一般公司用途的資金短缺以及證券投資業務之機會有限，原先擬用於證券投資業務之款項約16,500,000港元，其中分別約12,900,000港元及3,600,000港元已用作其他投資機會及一般營運資金用途。
- 於二零一九年十二月三十一日，所得款項淨額之未動用金額約為14,400,000港元。本公司擬於二零二零年底前全數動用餘下之該等所得款項淨額。

Notes:

- With reference to the Company's announcement dated 29 August 2019, net proceeds in the amount of approximately HK\$14.8 million originally intended for repayment of bank loans of the Group were wholly re-allocated for securing investment opportunities, including trading of nickel futures.
- In view of shortage of funds for general corporate purposes and limited opportunities for securities investment business, an approximate amount of HK\$16.5 million originally intended for securities investment business has been utilized for other investment opportunities and general working capital purposes in the approximate amount of HK\$12.9 million and HK\$3.6 million, respectively.
- The unutilized amount of the net proceeds amounted to approximately HK\$14.4 million as at 31 December 2019. The Company intends to fully utilize such remaining net proceeds by the end of 2020.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

展望

本集團將持續鞏固與供應商之合作，致力於提升主要礦石貿易的規模及提升投資質量，以鞏固我們的核心業務；同時繼續謹慎和周全地物色投資及業務拓展機會，善用資金適時擴展業務領域，尋求可持續發展業務，以擴闊本公司穩定的收入來源及利潤，增加股東回報。

展望未來，董事會相信，憑藉本集團控股股東的經驗及資源，以及持續秉承價值投資的理念，董事會亦將進一步謹慎並周全地關注及發展本集團在國內及海外的投資及業務拓展機會。配合集團投資戰略，憑藉本集團控股股東的經驗及支援，管理層矢志把握及創造物業投資及發展、貿易業務與證券及財務投資的商機，為股東及集團帶來長遠而可觀的回報。

OUTLOOK

The Group will continue to foster its cooperation with suppliers and is committed to increasing the scale of major mineral trades and improving the quality of investments so as to consolidate our core business; at the same time, it will continue to identify investment and business development opportunities cautiously and carefully and make good use of funds to expand its business scope in a timely manner in pursuit of the sustainable development of its business and to broaden the Company's stable source of income and profits and to increase shareholder returns.

Looking into the future, the Board believes that, leveraging on the experience and resources of the Group's controlling shareholders and adhering to the principle of investing in value, the Board will further cautiously and carefully focus on and develop the Group's investments and business development opportunities at home and abroad. In line with the Group's investment strategy and leveraging on the experience and support of the Group's controlling shareholders, the management is committed to grasping and creating business opportunities in the property investment and development, trading business and securities and financial investments with a view to bringing long-term and substantial returns to shareholders and the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

傅軍先生，現年62歲，由二零一八年八月一日起擔任本公司執行董事及主席以及本公司提名委員會主席。傅先生現任新華聯控股有限公司（「新華聯」）董事會主席及總裁。傅先生為高級經濟師，於企業管理及業務策略規劃方面擁有逾30年經驗。傅先生曾擔任中國湖南省醴陵市公安特派員、公社黨委副書記、鄉鎮黨委書記、醴陵市經委副主任、市外貿局局長、湖南省工藝品進出口集團副總經理、省委駐瀏陽市社教工作隊副隊長等職務。傅先生亦曾獲委任為全國工商聯執委及常委、全國工商聯參政議政委員會主任、全國工商聯諮詢委員會成員及第十屆全國工商聯副主席。傅先生曾任第十一屆中國民間商會副會長，及第十一屆、十二屆及十三屆中國人民政治協商會議全國委員會委員及香港中國商會會長。傅先生亦被聘任為中南大學及北京外國語大學董事會副董事長。彼多次被評為「中國優秀社會主義建設者」、「中國十大傑出企業家」、「中國經濟年度人物」、「中國改革開放40年傑出民營企業家」，以及「新中國七十周年百名湖湘人物榜」。傅先生現為深圳證券交易所上市公司新華聯文化旅遊發展股份有限公司的執行董事以及一間於香港聯合交易所有限公司（「聯交所」）主板上市之公司東岳集團有限公司的執行董事。

張建先生，現年46歲，由二零一八年八月一日起擔任本公司執行董事以及本公司提名委員會成員。張先生於二零零二年加入新華聯。張先生為現任新華聯高級副總裁兼新華聯綜合管理部總監。張先生在投行與企業運營管理方面擁有逾20年經驗。張先生獲得江西財經大學經濟學及法律學士學位以及香港中文大學工商管理碩士學位。張先生目前為本公司總經理，亦擔任本公司兩家附屬公司之董事。

EXECUTIVE DIRECTORS

Mr. Fu Kwan, aged 62, has been the executive Director and the Chairman of the Company as well as the chairman of the nomination committee of the Company since 1 August 2018. Mr. Fu is currently the chairman of the board of directors and the president of Macrolink Holding Co., Ltd (“Macrolink”). Mr. Fu is a senior economist and has over 30 years of experience in corporate management and business strategy planning. Mr. Fu served as a Commissioner of Public Security in Liling City, Hunan Province, China, the Deputy Secretary of the Commune Party Committee, the Secretary of the Township Party Committee, the Deputy Director of the Economic and Trade Commission of Liling City, a director of the Municipal Foreign Trade Bureau, the deputy general manager of Hunan Arts and Crafts Import and Export Group, and the deputy leader of Social and Education Work Team of the Provincial Party Committee in Liuyang City, etc. Also, Mr. Fu was appointed as the executive director and a member of Standing Committee of the China Federation of Industry and Commerce (全國工商聯), and a director of Political Affairs Committee of China Federation of Industry and Commerce (全國工商聯參政議政委員會), a member of Advisory Committee of China Federation of Industry and Commerce (全國工商聯諮詢委員會) and the vice president of the 10th China Federation of Industry and Commerce (全國工商聯). Mr. Fu worked as the vice chairman of the 11th China Civil Chamber of Commerce (中國民間商會), and was a member of the 11th, 12th and 13th National Committee of Chinese People’s Political Consultative Conference, and the president of the Hong Kong China Chamber of Commerce. Mr. Fu was appointed as the vice chairman of the board of directors of Central South University and Beijing Foreign Studies University. He has been honored as “the National Outstanding Socialist Builder”, “the China’s Top Ten Outstanding Entrepreneurs”, “China’s Economic Figures of the Year”, “the Outstanding Entrepreneurs of Private Enterprise in 40 years of reform and opening up of China” and “the New China’s Top Hundred Outstanding Hunan Figures in 70 years” (新中國七十周年百名湖湘人物榜). Mr. Fu is currently an executive director of Macrolink Cultural Entertainment Development Co., Ltd, a company listed on the Shenzhen Stock Exchange, and an executive director of Dongyue Group Limited, a company listed on Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Mr. Zhang Jian, aged 46, has been the executive Director of the Company and a member of the nomination committee of the Company since 1 August 2018. Mr. Zhang joined Macrolink in 2002. Mr. Zhang is currently the senior vice president of Macrolink and the chief controller of the integrated management department of Macrolink. Mr. Zhang has more than 20 years of experience in investment banking, corporate operation and business management. Mr. Zhang obtained a bachelor’s degree in economics and law from Jiangxi University of Finance and Economics and a master’s degree in business administration from the Chinese University of Hong Kong. Mr. Zhang is currently the general manager of the Company and also acts as directors of two subsidiaries of the Company.

董事及高級管理人員履歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

張先生現時擔任東岳集團有限公司(於聯交所主板上市)及新絲路文旅有限公司(於聯交所主板上市)之執行董事、科達潔能股份有限公司(於上海證券交易所上市)的副董事長及新華聯文化旅遊發展股份有限公司(於深圳證券交易所上市)的執行董事。

張必書先生，現年50歲，由二零一八年八月一日起擔任本公司執行董事。張先生現任新華聯高級副總裁、首席會計師兼新華聯控股集團財務有限責任公司主席。於加入新華聯前，張先生曾就職於國有企業和中國政府部門。張先生於二零零四年十月加入新華聯，曾任新華聯財務副總監、新華聯偉鴻食品有限公司董事長、佳遠鈷業控股有限公司董事兼總經理及新華聯財務總監兼投資事業部總監。張先生亦為中國註冊會計師及註冊稅務師。張先生亦為東岳集團有限公司(於聯交所主板上市)的執行董事及新華聯國際投資有限公司董事。

此外，張先生目前亦擔任遼寧成大股份有限公司(一家在上海證券交易所上市之公司)、四川宏達股份有限公司(一家在上海證券交易所上市之公司)、賽輪集團股份有限公司(一家在上海證券交易所上市之公司)、亞太財產保險有限公司及大興安嶺農村商業銀行之執行董事。

劉靜女士，現年44歲，由二零一八年八月一日起擔任本公司執行董事。劉女士現任新華聯高級副總裁、新華聯投資事業部總裁。劉女士於一九九八年加入新華聯。隨後，劉女士任職於新華聯下屬酒業公司、地產公司及燃氣公司。劉女士亦曾任新華聯海外財務部財務總監、長石投資有限公司董事長及總經理以及新華聯國際投資有限公司總經理。劉女士現時為山東東岳有機硅材料股份有限公司(於深圳證券交易所創業板上市)的執行董事。劉女士於一九九八年獲得湖南湘潭大學會計學學士學位。劉女士亦為中國註冊會計師，並擔任本公司一家附屬公司之董事。

陳躍先生，現年61歲，由二零一八年八月一日起擔任本公司執行董事。陳先生為一名經濟師及現任新華聯及新華聯國際投資有限公司董事。陳先生自一九七六年參加工作及曾任職工人及工程預算員。陳先生於一九八七年畢業於北京化工管理幹部學院企業管理專業。畢業後，陳先生任職美國關島三湘集團旗下一間公司副經理，後任中國投資銀行湖南省分行營業部副主任及主任。陳先生於一九九三年加入新華聯，歷任新華聯監事會主席、副董事長及執行董事。

Mr. Zhang is currently an executive director of Dongyue Group Limited (a company listed on the Main Board of the Stock Exchange) and New Silkroad Culturaltainment Limited (a company listed on the Main Board of the Stock Exchange), the Vice President of Keda Clean Energy Co., Ltd. (a company listed on the Shanghai Stock Exchange) and an executive director of Macrolink Culturaltainment Development Co. Ltd (a company listed on the Shenzhen Stock Exchange).

Mr. Zhang Bishu, aged 50, has been the executive Director of the Company since 1 August 2018. Mr. Zhang is currently the senior vice president and chief accountant of Macrolink, and the chairman of Macrolink Holding Group Financial Limited Liability Company (新華聯控股集團財務有限責任公司). Before joining Macrolink, Mr. Zhang served in state-owned enterprises and PRC government bureau. Mr. Zhang joined Macrolink in October 2004 and was employed as the deputy financial officer of Macrolink, the chairman of Macrolink Weihung Food Company Ltd. (新華聯偉鴻食品有限公司), a director and general manager of Jiayuan Cobalt Holdings Co., Ltd. (佳遠鈷業控股有限公司) and the chief financial officer and a director of the investment department of Macrolink. Mr. Zhang is also a certified accountant and registered tax agent in the PRC. Mr. Zhang is also an executive director of Dongyue Group Limited (a company listed on the Main Board of the Stock Exchange) and a director of Macrolink International Investment Co., Ltd.

In addition, Mr. Zhang currently also acts as an executive director of Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司) (a company listed on the Shanghai Stock Exchange), Sichuan Hongda Co., Ltd. (四川宏達股份有限公司) (a company listed on the Shanghai Stock Exchange), Sailun Group Co., Ltd. (a company listed on the Shanghai Stock Exchange), Asia-Pacific Property & Casualty Insurance Co., Ltd. and Daxinganling Rural Commercial Bank.

Ms. Liu Jing, aged 44, has been the executive Director of the Company since 1 August 2018. Ms. Liu is currently the senior vice president of Macrolink, and the president of the investment department of Macrolink. Ms. Liu joined Macrolink in 1998. Since then, Ms. Liu has worked in winery, real estate and gas companies under Macrolink. Ms. Liu also served as the chief financial director of overseas finance department of Macrolink, the chairman and the general manager of Changshi Investment Co., Ltd., and the general manager of Macrolink International Investment Co., Ltd. Ms. Liu is currently an executive director of Shandong Organosilicone Materials Co., Ltd. (a company listed on ChiNext of the Shenzhen Stock Exchange). In 1998, Ms. Liu obtained a bachelor's degree in accounting from Xiangtan University in Hunan province. Ms. Liu is also a certified accountant in the PRC and acts as a director of a subsidiary of the Company.

Mr. Chan Yeuk, aged 61, has been the executive Director of the Company since 1 August 2018. Mr. Chan is an economist and the current director of Macrolink and Macrolink International Investment Co., Ltd. Mr. Chan started working in 1976 and worked as a worker and a project budgetary staff. In 1987, Mr. Chan obtained a degree from the Business Administration Department of Beijing Institute of Chemical Technology. After graduation, Mr. Chan worked in a company under San Xiang Group in Guam, the United States of America serving as the deputy manager, and later served as the deputy director and the director of sales department of Hunan branch of China Investment Bank. Mr. Chan joined Macrolink in 1993, and served as the chairman of the Supervisory Board, the vice president, and the executive director of Macrolink.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

周建人先生，現年61歲，自二零一四年七月起出任本公司執行董事。周先生亦為本公司主席及執行董事（直至二零一八年八月二十二日為止）周建和先生之胞兄。周先生擁有逾三十年之國際貿易經驗。周先生亦為本公司若干附屬公司之董事。

Mr. Zhou Jianren, aged 61, has been an executive Director of the Company since July 2014. Mr. Zhou is the elder brother of Mr. Zhou Chu Jian He, the Chairman and an executive director of the Company until 22 August 2018. Mr. Zhou has more than 30 years of experience in international trading. Mr. Zhou also acts as a director of certain subsidiaries of the Company.

獨立非執行董事

林聞深先生，現年64歲，於二零零四年九月起出任本公司獨立非執行董事及為本公司審核委員會主席以及薪酬委員會及提名委員會各自之成員。林先生為英格蘭及威爾斯特許會計師公會、英國特許公認會計師公會、香港會計師公會、香港證券學會、香港華人會計師公會、澳洲•紐西蘭特許會計師公會、香港稅務學會會員及註冊稅務師。林先生現為大唐滙金控股有限公司之獨立非執行董事，該公司於聯交所GEM上市。由二零一零年四月二十八日起至二零一八年五月七日止，林先生為東健國際控股有限公司（前稱叁龍國際有限公司）之獨立非執行董事，該公司於聯交所主板上市。林先生現時為致同（香港）會計師事務所有限公司之合伙人。林先生曾任西證國際證券股份有限公司之部門總監及林聞深會計師事務所之東主。林先生曾為中天運浩勤、青葉集團之董事及現任股東及顧問。林先生持有英國曼徹斯特大學經濟系文學士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Man Sum, Albert, aged 64, has been an independent non-executive Director of the Company since September 2004 and is the chairman of the audit committee; and a member of each of the remuneration committee and nomination committee of the Company. Mr. Lam is a member of the Institute of Chartered Accountants in England & Wales, Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, the Hong Kong Securities Institute, Society of Chinese Accountants & Auditors, Australia • New Zealand Institute of Chartered Accountants, Taxation Institute of Hong Kong and Certified Tax Adviser. Mr. Lam is currently an independent non-executive director of Grand T G Gold Holdings Limited, a company listed on the GEM of the Stock Exchange. Mr. Lam was an independent non-executive director of OCI International Holdings Limited (formerly known as Dragonite International Limited), a company listed on the Main Board of the Stock Exchange, from 28 April 2010 to 7 May 2018. Mr. Lam currently is a partner of Grant Thornton Hong Kong Limited and was head of department in Southwest Securities International Securities Limited and also the proprietor of Albert Lam & Co. CPA. Mr. Lam was also the director and currently is the shareholder and Consultant of Jonten Hopkins & Aoba Group. Mr. Lam holds a Bachelor Degree in Arts (Economics) from the University of Manchester, the United Kingdom.

曹貺予先生，69歲，自二零一三年一月起出任本公司之獨立非執行董事及為審核委員會、薪酬委員會及提名委員會各自之成員。曹先生持有湖南大學經濟學學士學位及倫敦大學金融管理碩士學位。曹先生擁有逾三十年的銀行從業經驗。曹先生於一九八一年至一九九六年於中國銀行湖南省分行工作，最後職位為該分行副總經理。曹先生於一九九六年調任中國銀行新加坡分行副總經理，直至一九九九年止。曹先生亦於一九九九年至二零零三年服務於中信銀行深圳分行，其最後職位為該分行行長。曹先生於二零零三年來港，先後出任中銀國際亞洲有限公司董事總經理及全球投行部主管，直至二零零七年止。

Mr. Cao Kuangyu, aged 69, has been an independent non-executive Director of the Company since January 2013 and is a member of each of the audit committee, remuneration committee and nomination committee. Mr. Cao holds a Bachelor Degree in Economics from Hunan University and a Master Degree in Financial Management from the University of London. Mr. Cao has over 30 years of experience in the banking industry. Mr. Cao worked in the Bank of China, Hunan branch from 1981 to 1996 and his last position was the deputy general manager of the branch. In 1996, Mr. Cao was transferred to the Singapore branch of Bank of China as deputy general manager until 1999. Mr. Cao also worked in Citic Bank, Shenzhen branch from 1999 to 2003 and his last position was the president of the branch. Mr. Cao came to Hong Kong in 2003 when Mr. Cao worked as managing director, head of global investment banking division of BOCI Asia Limited until 2007.

董事及高級管理人員履歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

曹先生現時為東吳水泥國際有限公司、新絲路文旅有限公司及鼎億集團投資有限公司之獨立非執行董事，上述公司均於聯交所上市。曹先生曾任滙力資源(集團)有限公司之獨立非執行董事(於二零一七年九月辭任)，上述公司於聯交所上市。

張嘉偉先生，63歲，自二零一三年三月起出任本公司之獨立非執行董事及為薪酬委員會主席以及審核委員會及提名委員會各自之成員。張先生亦持有香港大學經濟學學士學位及法律學學士學位。張先生亦持有香港大學公共行政碩士學位及法律碩士學位。張先生曾於不同政府部門任職十二年，並於公司法及民事訴訟方面擁有超過二十年的執業經驗。張先生現為張嘉偉律師事務所之高級合夥人。張先生及其律師事務所曾為數間於聯交所上市之公司、資產管理公司及非牟利機構及慈善團體擔任法律顧問。

公司秘書

吳國才先生，48歲，自二零一八年九月起出任為本公司之公司秘書及財務總監。吳先生為特許公認會計師公會資深會員及香港會計師公會會員，持有香港科技大學工商管理學士學位，主修會計。吳先生於財務、會計及上市公司秘書事務方面擁有逾二十年經驗。於加入本公司前，吳先生曾在香港一間國際會計公司工作，以及任職於多間香港上市公司，負責會計、財務及公司秘書事務。

Mr. Cao is currently an independent non-executive director of Dongwu Cement International Limited, New Silkroad Culturaltainment Limited and Dingyi Group Investment Limited, all of which are companies listed on the Stock Exchange. Mr. Cao served as an independent non-executive director of Huili Resources (Group) Limited (resigned in September 2017), which is a company listed on the Stock Exchange.

Mr. Cheung Ka Wai, aged 63, has been an independent non-executive Director of the Company since March 2013 and is the chairman of the remuneration committee and a member of each of the audit committee and nomination committee. Mr. Cheung holds a Bachelor Degree in Economics and a Bachelor Degree in Law from the University of Hong Kong. Mr. Cheung also holds two Masters Degrees respectively in Public Administration and in Laws from the University of Hong Kong. Mr. Cheung has worked in various government departments for 12 years, and has over 20 years in the practice of company law and civil litigation matters. Currently Mr. Cheung is the senior partner of Messrs. Kelvin Cheung & Co., Solicitors & Notaries. Mr. Cheung and his law firm have been the legal advisors of a number of companies listed on the Stock Exchange, asset fund management firms and non-profit making organizations and charities in Hong Kong.

COMPANY SECRETARY

Mr. Ng Kwok Choi, aged 48, has been the company secretary and the financial controller of the Company since September 2018. Mr. Ng is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor degree in business administration from Hong Kong University of Science and Technology majoring in accounting. Mr. Ng has over 20 years of experience in finance, accounting and listed company secretarial matters. Prior to joining the Company, Mr. Ng had worked in an international accounting firm in Hong Kong, and was responsible for accounting, finance and company secretarial matters for various listed companies in Hong Kong.

新華聯資本有限公司（「本公司」）董事會（「董事會」）謹此提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度（「報告年度」）的董事會報告及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股、精礦貿易及證券投資。本公司附屬公司的主要業務包括物業投資及發展、製造及銷售建築材料、證券投資、精礦貿易、煤炭開採及其他，有關詳情載於綜合財務報表附註1。於報告年度內，本集團的主要業務性質並無重大變動。

業務審閱

本集團於報告年度之業務審閱、本集團業務的未來發展、本集團可能面對的潛在風險及不明朗因素之討論載於本年報第8至16頁管理層討論及分析一節。

環境、社會及管治

本集團致力為環境的可持續性出一分力，並維持高水準的企業社會管治，其對營造激勵員工的環境極為重要，以於達致本集團之企業及業務目標同時回饋社會。本集團亦於辦公室（如適用）實施節能實踐。

本集團不時將檢討其環保實務，並將在營運中考慮採用更有成效及效率之措施及實務。本集團之環境政策及表現於本年報「環境、社會及管治報告」一節作更詳細論述。

The board (the “Board”) of directors of Macrolink Capital Holdings Limited (the “Company”) present their report together with the audited consolidated financial statements of the Company together with its subsidiaries (collectively the “Group”) for the year ended 31 December 2019 (the “Reporting Year”).

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, trading of mineral concentrates and securities investment. The principal activities of the subsidiaries of the Company comprise of property investment and development, manufacturing and sale of construction materials, securities investment, trading of mineral concentrates, coal mining and others, details of which are set out in note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the Reporting Year.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Year, discussion on the Group’s future business development, possible risks and uncertainties that the Group may be facing are provided in the Management Discussion and Analysis section from pages 8 to 16 of this Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a good standard of corporate social governance essential for creating a framework for motivating employees, and contributes to the community to meet the corporate and business objectives of the Group. The Group also implemented energy saving practices in offices where applicable.

The Group will review its environmental protection practices from time to time and will consider taking more effective and efficient measures and practices in the operations. The environmental policies and performance of the Group are discussed in more detail in the section headed “Environmental, Social and Governance Report” of this Annual Report.

董事會報告

REPORT OF THE DIRECTORS

遵守法律及法規

本集團設有合規程序，確保適用法律、規則及法規得以遵守，尤以對本集團造成重大影響者為要，如香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）及香港財務報告準則。適用法律、規則及法規如有任何變動，將不時提請相關員工及相關營運單位注意。就本公司所悉，本集團在各重大方面已遵守對其業務及營運構成重大影響的相關法律及法規。

與員工、客戶、供應商及其他人士之主要關係

本集團擬透過提供具競爭力的薪酬福利及推行職業發展及提供機會在本集團內發展事業及晉升，以獎勵及認可表現優秀的員工。本集團鼓勵員工參與外部研討會及講座，以緊貼行業、法律、合規、財務會計及稅務知識領域的變更及最新資訊。本集團亦鼓勵董事進行持續專業發展培訓，其中包括法規要求及發展以及企業管治常規之最新資訊以發展及更新彼等之知識及技能。

本集團高度重視與客戶及供應商維持良好及長期關係，確保各自有效率地供應產品及服務以及順利進行採購。

本集團深明保障股東的利益及透過股東週年大會、企業通訊、中期及年度報告以及業績公佈與彼等不時保持溝通的重要性。

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group, such as the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Financial Reporting Standards. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the businesses and operations of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

The Group intends to reward and recognise performing employees by providing a competitive remuneration package and to promote career development and provide opportunities within the Group for career advancement. The Group encourages employees participation of external seminars and lectures to keep abreast of changes and updates on areas of industrial, legal, compliance, financial accounting and tax knowledge. The Group also encourages continuous professional development training for the directors to develop and refresh their knowledge and skills which includes seminars, updates on regulatory requirements and development and corporate governance practices.

The Group places high priority on maintaining good and long-term relationships with our customers and suppliers to ensure efficient delivery of products and services and smooth procurement process respectively.

The Group recognises the importance to protect the interests of shareholders and the importance of having communication with them from time to time through annual general meetings, corporate communications, interim and annual reports as well as results announcements.

主要風險及不確定性

於報告年度，董事會發現可能影響本集團業務經營所在行業之主要風險包括反覆及不明朗之市場情況、不斷變化的行業標準、行業競爭及日常業務中的財務風險如流動資金風險、利率風險及貨幣風險。本集團能夠及時應對可能對本集團業務及財務業績造成不利影響之該等變化尤為重要。

董事會最終負有確保本集團擁有充足的風險管理常規以盡可能有效率及有效地減低業務及營運中的風險之責任。董事會將其部分風險管理之職責下放予各個經營部門。進一步檢討載於本年報第65頁及66頁「企業管治報告－風險管理及內部監控」一節。

業績及股息

本集團報告年度之業績載於本年報第77頁之綜合損益表。

董事會不建議就截至二零一九年十二月三十一日止年度派付任何股息(二零一八年：無)。

物業、廠房及設備

本集團之物業、廠房及設備於報告年度內之變動詳情載於綜合財務報表附註13。

投資物業

本集團之投資物業詳情載於綜合財務報表附註14。

捐款

於報告年度，本集團並無作出慈善捐款(二零一八年：無)。

銀行及其他借貸

本集團之銀行及其他借貸之詳情載於綜合財務報表附註29。

PRINCIPAL RISKS AND UNCERTAINTIES

During the Reporting Year, the Board identified the principal risks which are likely to affect the Group's business operations including volatility and uncertainty in market conditions, changing in industry standards, industry competition and financial risks in the ordinary course of business, such as liquidity risk, interest rate risk and currency risk. It is essential that the Group is able to respond in a timely manner to such changes which may adversely affect the Group's businesses and financial results.

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of its responsibility of risk management to various operational departments. Further reviews are set out in the section headed "Corporate Governance Report – Risk Management and Internal Control" on pages 65 and 66 of the Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss on page 77 of this Annual Report.

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Year are set out in note 13 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of investment properties of the Group are set out in note 14 to the consolidated financial statements.

DONATION

No charitable donation was made by the Group for the Reporting Year (2018: Nil).

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Group are set out in note 29 to the consolidated financial statements.

董事會報告

REPORT OF THE DIRECTORS

主要客戶及供應商

於回顧年度內，本集團五大客戶產生之收入合共佔本集團本年度之總營業額72.32%，最大客戶產生之收入佔當中23.78%。本集團向五大供應商作出之採購額佔本集團本年度之總採購額97.48%，向最大供應商作出之採購額佔當中90.91%。

於報告年度，除綜合財務報表附註40(a)(v)內所披露者外，概無任何本公司董事或彼等之任何聯繫人士或據董事所深知擁有本公司已發行股本5%以上之任何股東於本集團五大客戶及供應商擁有任何實益權益。

股本

於報告年度內，本公司之已發行股本並無任何變動。

儲備

於報告年度，本公司及本集團儲備變動之詳情分別載於綜合財務報表附註45及綜合權益變動表。

可供分派儲備

於二零一九年十二月三十一日，根據百慕達一九八一年公司法(經修訂)之條文計算，本公司可供分派予股東之儲備約為6,362,000港元(於二零一八年十二月三十一日：100,131,000港元)。

優先購買權

本公司之公司細則或百慕達法例並無優先購買權條文，以規定本公司須按比例向現有股東發售新股份。

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue generated from the Group's five largest customers in aggregate accounted for 72.32% of the total revenue for the year and revenue generated from the largest customer included therein accounted for 23.78%. Purchases from the Group's five largest suppliers accounted for 97.48% of the total purchases for the year and purchases from the largest supplier included therein accounted for 90.91%.

Save as disclosed in note 40(a)(v) to the consolidated financial statements, none of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers during the Reporting Year.

SHARE CAPITAL

There has been no change in the issued share capital of the Company during the Reporting Year.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Year are set out in note 45 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2019, the Company's reserves available for distribution to shareholders, calculated in accordance with the provision of the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$6,362,000 (as at 31 December 2018: HK\$100,131,000).

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

本集團於報告年度內並無訂立任何股票掛鈎協議。

五年財務概要

本集團於過往五個財政年度之已發佈業績及資產以及負債之概要乃摘錄自經審核財務報表，並載於本年報第204頁。該概要並不構成經審核財務報表的一部分。

購買、出售或贖回本公司上市證券

於報告年度內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

董事

本公司於報告年度內及截至本年報日期之董事如下：

執行董事

傅軍先生(主席)
張建先生
張必書先生
劉靜女士
陳躍先生
周建人先生

獨立非執行董事

林聞深先生
曹貺予先生
張嘉偉先生

根據本公司之公司細則第87(1)條，周建人先生、林聞深先生及曹貺予先生將於應屆股東週年大會上輪值退任，彼等符合資格膺選連任。

EQUITY-LINKED AGREEMENTS

The Group has not entered into any equity-linked agreements during the Reporting Year.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 204 of this Annual Report. This summary does not form part of the audited financial statements.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Year.

DIRECTORS

The directors of the Company during the Reporting Year and up to the date of this Annual Report were:

Executive Directors

Mr. Fu Kwan (*Chairman*)
Mr. Zhang Jian
Mr. Zhang Bishu
Ms. Liu Jing
Mr. Chan Yeuk
Mr. Zhou Jianren

Independent Non-Executive Directors

Mr. Lam Man Sum, Albert
Mr. Cao Kuangyu
Mr. Cheung Ka Wai

In accordance with the Company's bye-law 87(1), Mr. Zhou Jianren, Mr. Lam Man Sum, Albert and Mr. Cao Kuangyu will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

董事會報告

REPORT OF THE DIRECTORS

獨立非執行董事之獨立性確認書

本公司各獨立非執行董事已根據上市規則第3.13條之規定提交確認其符合獨立性之週年確認書。本公司認為所有獨立非執行董事符合上市規則第3.13條所載之獨立性指引，均屬獨立人士。

董事履歷

本公司董事之履歷載於本年報第17頁至第20頁。

董事服務合約

本公司董事概無與本公司或其任何附屬公司訂立僱主公司不可於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。董事薪酬詳情載於綜合財務報表附註8。

董事於交易、安排或合約之權益

除分別載於本年報第28頁及29頁「持續關連交易」一節以及綜合財務報表附註30及40所披露者外，本公司董事或與本公司董事有關連的任何實體概無於本公司或其任何控股公司及附屬公司於回顧年度內訂立有關本集團業務之任何重大交易、安排或合約中直接或間接擁有重大權益。

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive directors of the Company has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors met the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of directors of the Company are set out on pages 17 to 20 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensations). Details of directors' remuneration are set out in note 8 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Continuing Connected Transactions" on pages 28 and 29 of this Annual Report and notes 30 and 40 to the consolidated financial statements, no director of the Company or any entity connected with the director of the Company had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its holding companies and subsidiaries was a party during the year under review.

獲准許的彌償條文

根據本公司之公司細則第166條，每名董事、高級人員及核數師均可從本公司的資產及利潤獲得彌償，該等人士作為本公司的董事、核數師或高級人員就其職務執行其職責或就此另行招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害。本公司已經為本集團董事及高級人員安排合適之董事及高級人員責任保險。

關連方交易

於報告年度內，除載於本年報第28頁及29頁「持續關連交易」一節所披露者外，於綜合財務報表附註40內所載之關連方交易並不符合「關連交易」或「持續關連交易」之定義，或根據上市規則第14A.76條被視為符合最低豁免水平的交易。

本公司謹此確認，其已經遵守上市規則第14A章之有關披露規定。

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-law 166, every director, officer and auditors shall be entitled to be indemnified and secured harmless out of assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a director, auditors or officer of the Company about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the directors and officers of the Group.

RELATED PARTY TRANSACTIONS

During the Reporting Year, save as disclosed in the section headed "Continuing Connected Transaction" on pages 28 and 29 of this Annual Report, the related party transactions set out in note 40 to the consolidated financial statements did not either fall within the definition of "connected transaction" or "continuing connected transaction", or treated as de minimis transactions under Rule 14A.76 of the Listing Rules.

The Company confirms that it has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

董事會報告

REPORT OF THE DIRECTORS

持續關連交易

提供抵押

於二零一九年十一月八日，莊勝(北京)房地產經紀有限公司(「莊勝房地產經紀」)(本公司之間接全資附屬公司)與銀行訂立抵押合同(「抵押合同」)(經補充協議(「補充協議」)補充及修訂)，據此，莊勝房地產經紀向該銀行抵押其於中華人民共和國(「中國」)持有之若干投資物業，以作為錦州榮信商貿有限公司(「關連借款人」)就部份貸款本金人民幣8,000,000元及據此計算之相關利息所承擔還款責任之擔保。同日，莊勝房地產經紀與關連借款人亦訂立彌償協議(「彌償協議」)，據此，關連借款人同意向莊勝房地產經紀支付一次性手續費人民幣120,000元(即部份貸款本金人民幣8,000,000元之1.5%)；以及就莊勝房地產經紀於抵押合同(經補充協議補充及修訂)項下之責任提供全數彌償保證。

由於關連借款人之註冊資本由周建和先生(其為本公司之前執行董事及前主要股東，並為本公司現任執行董事周建人先生之胞弟)最終獨資擁有，因此關連借款人根據上市規則第14A章為本公司之關連人士。

訂立抵押合同、補充協議及彌償協議之目的乃為讓本集團可於中國獲得即時可動用融資以為其提供充足的財務資源，而毋須再與金融機構作進一步磋商及辦理冗長之程序。該等協議之其他詳情(包括提供抵押之理由及裨益)載於本公司日期分別為二零二零年一月九日及二零二零年二月十日之公告內。

CONTINUING CONNECTED TRANSACTION

Provision of Mortgages

On 8 November 2019, Junefield (Beijing) Property Agency Co., Ltd. ("Junefield Property Agency") (莊勝(北京)房地產經紀有限公司), an indirect wholly-owned subsidiary of the Company, entered into the mortgages agreements (the "Mortgage Agreements") (as supplemented and amended by the supplemental agreement (the "Supplemental Agreement")) with a bank, pursuant to which Junefield Property Agency pledged certain investment properties in the People's Republic of China (the "PRC") held by Junefield Property Agency in favour of the bank as security for the repayment obligations of Jinzhou Rongxin Trading Company Limited (the "Connected Borrower") (錦州榮信商貿有限公司) in the partial loan principal amount of RMB8 million and the related interests thereon. On the same date, Junefield Property Agency and the Connected Borrower also entered into an indemnity agreement (the "Indemnity Agreement"), pursuant to which the Connected Borrower agreed to pay Junefield Property Agency, a one-time handling charge of RMB120,000, being 1.5% of the partial loan principal amount of RMB8 million, and to fully indemnify Junefield Property Agency's obligations under the Mortgage Agreements (as supplemented and amended by the Supplemental Agreement).

As the registered capital of the Connected Borrower is ultimately and solely owned by Mr. Zhou Chu Jian He, who is a former executive director and a former substantial shareholder of the Company, and the younger brother of Mr. Zhou Jianren, a current executive director of the Company, the Connected Borrower is a connected person of the Company under Chapter 14A of the Listing Rules.

The purpose of the entering into of the Mortgage Agreements, the Supplemental Agreement and the Indemnity Agreement is to enable the Group to have a readily available facility for providing sufficient financial resources to it in the PRC without involving further negotiation and lengthy procedures with financial institutions. Other details of the agreements, including the reasons and the benefits of provision of mortgages, are set out in the announcements of the Company dated 9 January 2020 and 10 February 2020.

截至二零一九年十二月三十一日止年度，提供抵押之全年上限及實際使用金額分別為人民幣8,217,000元（相等於約9,149,000港元）及人民幣120,000元（相等於約136,000港元）。

本公司的獨立非執行董事已經審核上述持續關連交易。本公司的獨立非執行董事已確認，上述持續關連交易乃(a)在本集團的日常業務中訂立；(b)按照一般商務條款或對本集團而言不遜於提供予獨立第三方或獨立第三方所提供之條款進行；及(c)根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

本公司核數師獲委聘根據香港會計師公會發出的香港鑒證業務準則第3000號（經修訂）「審核或審閱過往財務資料以外之核證工作」及參考《實務說明》第740號「香港上市規則規定的持續關連交易的核數師函件」就本集團訂立的持續關連交易進行匯報。本公司之核數師已經根據上市規則第14A.56條發出無保留意見函件，當中載有其有關本集團在本年報內所披露之持續關連交易的結果及結論。本公司已經將核數師函件副本送交聯交所。

The annual cap and the actual usage for the provision of mortgages for the year ended 31 December 2019 amounted to RMB8,217,000 (equivalent to approximately HK\$9,149,000) and RMB120,000 (equivalent to approximately HK\$136,000), respectively.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors of the Company confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditors were engaged to report on the continuing connected transaction entered into by the Group in accordance with Hong Kong Standards on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors of the Company have issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

董事會報告

REPORT OF THE DIRECTORS

董事及主要行政人員於證券之權益

於二零一九年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份（「股份」）、相關股份及債券中擁有根據證券及期貨條例第352條須記錄在本公司保存之登記冊或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須通知本公司與聯交所之權益及淡倉如下：

好倉 – 本公司每股面值0.10港元之普通股

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2019, the interests and short positions of the directors and chief executives of the Company in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 to the Listing Rules were as follows:

LONG POSITION – ORDINARY SHARES OF HK\$0.10 EACH OF THE COMPANY

董事姓名 Name of directors	個人權益 Personal interest	法團權益 Corporate interest	總權益 Total interests	佔本公司已發行股本的概約百分比 ² Approximate Percentage of the Company's issued share capital ²
傅軍先生 Mr. Fu Kwan	4,500,000	870,145,473 (附註1) (Note 1)	874,645,473	72.51%
陳躍先生 Mr. Chan Yeuk	100,000	–	100,000	0.01%

附註1：該870,145,473股股份乃由新華聯集團有限公司持有，新華聯集團有限公司由君立實業投資有限公司擁有約42.05%。傅軍先生擁有君立實業投資有限公司已發行股本之70%權益。因此，根據證券及期貨條例，傅軍先生被視為於870,145,473股股份中擁有權益。

Note 1: These 870,145,473 Shares are held by Macrolink Group Limited which is owned as to approximately 42.05% by Truly Industry Investment Company Limited. Mr. Fu Kwan owns 70% of the issued share capital of Truly Industry Investment Company Limited. Accordingly, Mr. Fu Kwan is deemed to be interested in the 870,145,473 Shares by virtue of the SFO.

附註2：於二零一九年十二月三十一日，本公司之已發行股本為1,206,249,251股股份。

Note 2: As at 31 December 2019, the issued share capital of the Company is 1,206,249,251 shares.

除上文所披露者外，於二零一九年十二月三十一日，就本公司董事及主要行政人員所知，概無任何其他本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券擁有根據證券及期貨條例第352條記錄在本公司保存之登記冊或根據標準守則須通知本公司與聯交所之權益或淡倉。

Save as disclosed above, as at 31 December 2019, so far as is known to the directors and chief executives of the Company, no other directors and chief executives of the Company had interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register as required to be kept by the Company under section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

主要股東於證券之權益 (好倉)

於二零一九年十二月三十一日，就本公司任何董事或最高行政人員所知，除本公司的董事或最高行政人員以外，於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部須披露或根據證券及期貨條例第336條記錄在本公司保存之登記冊之權益或淡倉的人士如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES (LONG POSITION)

As at 31 December 2019, so far as is known to the directors and chief executives of the Company, the interests or short positions of the persons (other than directors or chief executives of the Company) in the Shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

股東姓名／名稱 Name of Shareholders	身份及權益性質 Capacity and nature of interest	持有股份數目 Number of shares held	佔本公司 已發行股本的 概約百分比 Approximate Percentage of the Company's issued share capital
新華聯集團有限公司(附註) Macrolink Group Limited (Note)	直接實益擁有 Directly beneficially owned	870,145,473	72.14%
君立實業投資有限公司(附註) Truly Industry Investment Company Limited (Note)	受控法團權益 Interest in a controlled corporation	870,145,473	72.14%

附註：該870,145,473股股份乃由新華聯集團有限公司持有，新華聯集團有限公司由君立實業投資有限公司擁有約42.05%。傅軍先生擁有君立實業投資有限公司已發行股本之70%權益。因此，就證券及期貨條例而言，新華聯集團有限公司、君立實業投資有限公司及傅軍先生被視為於新華聯集團有限公司所擁有之870,145,473股股份中擁有權益。

Note: These 870,145,473 Shares are held by Macrolink Group Limited which is owned as to approximately 42.05% by Truly Industry Investment Company Limited. Mr. Fu Kwan owns 70% of the issued share capital of Truly Industry Investment Company Limited. Therefore, each of Macrolink Group Limited, Truly Industry Investment Company Limited and Mr. Fu Kwan is deemed or taken to be interested in the 870,145,473 Shares which are owned by Macrolink Group Limited for the purposes of the SFO.

除上文所披露者外，於二零一九年十二月三十一日，除本公司的董事或最高行政人員以外，並無其他人士於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部須披露或根據證券及期貨條例第336條記錄在本公司須保存之登記冊之權益或淡倉。

Save as disclosed above, as at 31 December 2019, there was no other person (other than the directors or chief executives of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

董事會報告

REPORT OF THE DIRECTORS

董事購入股份或債券之權利

於本報告年度內任何時間，任何董事或彼等各自之配偶或十八歲以下子女概無獲授任何權利，可藉收購本公司股份或債券而獲取利益，而彼等亦無行使任何該等權利。本公司或其任何控股公司及附屬公司概無訂立任何安排，致使董事可在任何其他法人團體獲取上述權利。

董事於競爭業務之權益

根據上市規則第8.10條，截至二零一九年十二月三十一日止年度，以下本公司董事被認為於與本集團之業務直接或間接競爭或可能構成競爭之以下業務擁有權益。

傅軍先生、張建先生、張必書先生、劉靜女士及陳躍先生（統稱為「相關董事」）各自為新華聯控股有限公司及其附屬公司或相關董事擁有實益權益之若干公司（「該等公司」）之實益擁有人或董事及／或高級管理人員。該等公司從事的業務包括物業投資及發展、證券投資及精礦貿易。

上述業務由該等公司經營及管理，而該等公司管理及行政獨立。此外，董事會乃獨立於從事競爭業務之該等公司的董事會。因此，本集團經營其業務時有能力獨立於上述競爭業務。

足夠之公眾持股量

根據可供本公司公開查閱之資料及就本公司董事所知，於本年報日期，按照上市規則規定，本公司全部已發行股本其中至少25%由公眾人士持有。

薪酬政策

董事薪酬由本公司薪酬委員會經考慮本公司之經營業績、個人表現及／或可資比較市場數據後建議。為鼓勵員工，亦可能根據個人表現評估給予員工花紅及現金獎勵。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under age of 18, or were any such rights exercised by them; or was the Company, or any of its holding companies and subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rules, during the year ended 31 December 2019, the following director of the Company was considered to have interests in the following businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

Each of Mr. Fu Kwan, Mr. Zhang Jian, Mr. Zhang Bishu, Ms. Liu Jing and Mr. Chan Yeuk (collectively the "Relevant Directors") is either the beneficial owner or the director and/or senior management of a number of companies (the "Companies") in which either Macrolink Holding Co., Ltd. and its subsidiaries or the Relevant Directors have beneficial interests. The businesses engaged by the Companies include property investment and development, securities investment and trading of mineral concentrates.

The above-mentioned businesses are operated and managed by the Companies with independent management and administration. In addition, the Board is independent of the boards of the Companies carrying on the competing businesses. Accordingly, the Group is capable of carrying on its businesses independently of the competing businesses mentioned above.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this Annual Report, at least 25% of the total issued share capital of the Company was held by the public as required under the Listing Rules.

EMOLUMENT POLICY

The emoluments of the directors are recommended by the Remuneration Committee of the Company, having regard to the Company's operating results, individual performance and/or comparable market statistics. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation.

企業管治

本公司致力於維持高標準之企業管治常規。

本公司之企業管治報告載於本年報第55至68頁。

核數師

截至二零一九年十二月三十一日止年度之綜合財務報表乃由國衛會計師事務所有限公司審核，彼於即將舉行之股東週年大會上任滿，並符合資格及願意接受續聘。於過往三年之任何年度內，本公司之核數師概無其他變動。

代表董事會

傅軍
主席

香港，二零二零年四月二十九日

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices.

The Corporate Governance Report of the Company is set out on pages 55 to 68 of this Annual Report.

AUDITORS

The consolidated financial statements for the year ended 31 December 2019 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. There has been no other change in the auditors of the Company in any of the preceding three years.

ON BEHALF OF THE BOARD

Fu Kwan
Chairman

Hong Kong, 29 April 2020

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

關於本報告

新華聯資本有限公司(「新華聯」或「本公司」)連同其附屬公司(統稱為「本集團」或「我們」)欣然刊發其第四份環境、社會及管治報告(「本報告」)，其概述有關支持其業務營運的可持續發展的管理方針、常規及表現。

報告準則

本報告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七所載的《環境、社會及管治報告指引》編製，並遵循重要性、量化、平衡及一致性的環境、社會及管治報告匯報原則。

本報告的範圍

本報告的範圍¹集中於本集團的精礦貿易業務(其主要經營鎳貿易(品牌電解鎳)及有色金屬貿易)以及於秘魯的煤炭開採業務。除另有指明者外，本報告涵蓋我們於二零一九年一月一日至二零一九年十二月三十一日期間(「報告期間」、「二零一九年」)的環境、社會及管治表現。與去年相同，本集團的製造及銷售建築材料業務分部由於其唯一供應商繼續暫停供應用於生產之水渣而依然暫停。

我們的環境、社會及管治管理方針

就環境、社會及管治管理而言，我們在本集團內實行由上而下的管理方針。董事會負責決定本集團的環境、社會及管治策略、評估環境、社會及管治風險及機遇，以及監督本集團的整體環境、社會及管治表現，包括環境管理事宜、勞工常規及其他環境、社會及管治層面。本集團亦設立了內部環境、社會及管治工作小組，以支援環境、社會及管治管理的執行、收集相關的環境、社會及管治數據，以及編製環境、社會及管治報告。董事會已經於二零二零年三月審閱及批准環境、社會及管治報告，確保所有有關可持續發展的重大議題及影響均公平呈列。

¹ 精礦貿易業務包括在二零一九年環境、社會及管治報告的範圍內，以收入貢獻計，該業務被視為未來的核心業務分部，對本集團業務而言屬重大。

ABOUT THE REPORT

Macrolink Capital Holdings Limited (“Macrolink” or the “Company”), together with its subsidiaries (collectively referred to as the “Group”, or “We” and “Us”) is pleased to publish its fourth environmental, social and governance (“ESG”) report (the “Report”) summarising the management approaches, practices and performance in supporting sustainable development of its business operation.

Reporting Standard

The Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”), as well as adhering to the ESG reporting principles of materiality, quantitative, balance and consistency.

Scope of the Report

The scope of the Report¹ focuses on the Group’s mineral concentrates trading business, which is principally operates in Nickel trading (branded electrolytic nickel cathodes) and non-ferrous metals trading, and coal mining business in Peru. Unless otherwise specified, it covers our ESG performance during the period of 1 January 2019 to 31 December 2019 (the “Reporting Period”, “2019”). Same as last year, the Group’s manufacture and sales of the construction materials business segment is still under suspension since the sole supplier continue to suspend the supply of granulated steel slag for production.

OUR ESG MANAGEMENT APPROACH

We have implemented a top-down management approach within the Group for ESG Management. The board of directors (the “Board”) is responsible for the determination of the Group’s ESG strategy, assessing the ESG risks and opportunities as well as the oversight of the Group’s overall ESG performance, including environmental management issues, labour practices and other ESG aspects. An internal ESG taskforce team has also been set up to support the execution of ESG management, to collect relevant ESG data and to compile the ESG report. The Board has reviewed and approved the ESG report in March 2020 to ensure all material issues and impacts on sustainable development are fairly presented.

¹ The trading of mineral concentrates business is included in the scope of 2019 ESG reporting, which is considered as the core business segment in the coming years in term of revenue contribution and is significant to the Group’s business.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

持份者參與

我們非常重視與持份者的溝通，因為此舉可加深我們對他們就有關我們的業務營運的需要、關注及期望的了解，以便制訂環境、社會及管治策略以及識別環境、社會及管治管理中的改進機會。我們通過不同渠道與主要持份者維持定期溝通，如下表所示：

STAKEHOLDER ENGAGEMENT

We attach great importance to communicate with our stakeholders as this exercise can deepen our understanding of their needs, concerns and expectations relevant to our business operation for formulating the ESG strategies and identifying improvement opportunities in ESG management. We have maintained regular communications with our major stakeholders through various channels, which are indicated in the table below:

持份者 Stakeholders	溝通渠道 Communication channels
股東 Shareholders	<ul style="list-style-type: none"> • 公司網站 • 股東大會 • 公司報告及公告 • 實地視察 • Company website • General meetings • Corporate reports and announcements • Inspection on site
員工 Employees	<ul style="list-style-type: none"> • 電郵及意見箱 • 員工代表會議 • 年度表現回顧 • 員工培訓 • 團隊建立活動 • Emails and suggestion box • Employee representatives meeting • Annual performance review • Employee training • Team building activities
客戶 Customers	<ul style="list-style-type: none"> • 客戶意見反饋及投訴 • 客戶服務熱線 • 客戶到訪 • Customer feedback and complaints • Customer service hotline • Customer visit
業務夥伴 Business partners	<ul style="list-style-type: none"> • 行動合法及溝通 • 持續直接參與 • 採購及投標 • 實地視察 • Lawful actions and communications • On-going direct engagement • Procurement and tendering • Inspection on site

持份者 Stakeholders	溝通渠道 Communication channels
環境 Environment	<ul style="list-style-type: none">• 與當地環境機構／部門溝通• Communication with local environmental authority/department
政府與監管機關 Government and regulatory authorities	<ul style="list-style-type: none">• 定期提交資料• 與監管機關定期溝通• 論壇、研討會及會議• Regular submission of information• Regular communication with regulatory authorities• Forum, seminar and conference
社區 Community	<ul style="list-style-type: none">• 與社區進行溝通會面• Communication meeting with the community
媒體 Media	<ul style="list-style-type: none">• 公司網站• 媒體查詢• Company website• Media enquiry

我們的環境

本集團致力於環境保護及可持續發展。為促進環保及清潔生產，我們訂有政策，實行多項控制措施，以嚴格管理旗下礦場的資源消耗及排放物，藉以減少營運中的碳足跡。於報告期間內，我們已經嚴格遵守適用於秘魯煤炭開採業務的相關環境法律及規例（例如D.S. 003-2017- MINAM（其批准有關空氣環境質素的標準及已設立配合條文）以及D.L. 1278（其批准固體廢棄物管理法）），我們並無知悉有任何重大違反環保法律的不合規個案。

OUR ENVIRONMENT

The Group pays efforts in environmental conservation and sustainability. To promote environmentally-friendly and clean production, we have policies in place with various control measures to strictly manage the resources consumption and emissions at our mine site in order to reduce the carbon footprint in our operation. During the Reporting Period, we have strictly complied with relevant environmental laws and regulations (e.g. D.S. 003-2017- MINAM approves the standards of environmental quality (ECA) for the air and establish complementary provisions, D.L. 1278 that approves the Law of Solid Wastes Management etc) applicable to coal mining business in Peru and we were not aware of any non-compliance case for material violation of environmental laws.

排放物

基於精礦貿易的業務性質，我們主要在辦公室內進行業務活動。因此，排放物來自辦公室內購買的電力產生的溫室氣體排放以及日常辦公室運作產生的有限固體辦公室廢棄物。我們已採納了一般綠色辦公室常規，以避免及減少廢棄物的產生。我們會審視辦公室物料的使用情況，以避免出現存量過剩的情況。本公司會將可回收物品（例如塑料、廢紙及碳粉盒）妥善分類，並委託服務提供商及物業管理公司作進一步處理。此外，我們在辦公室的影印機位置附近及印刷房放置廢紙收集箱，以循環使用單面打印紙張。

礦場空氣污染物的主要來源為機械設備及汽車的燃料燃燒，以及生產過程（包括表土層剝離、切石及碎石以及煤炭裝卸）中產生的粉塵。為減少大氣排放對環境的影響，我們在機械設備及汽車靜止或不使用時關閉其待機狀態，並進行定期保養，以確保其以最佳水平運作。我們為礦場的汽車設定速度限制，並於有關設施的入口、礦井的內部以及煤炭庫存的儲存區域灑水，以減少粉塵。

煤炭開採營運中產生的無害廢棄物的主要類型是來自礦井表面的岩石及石頭以及數量有限的生活垃圾。收集到的岩石及石頭會被回收及再用於修復通道和建造新通道，而生活垃圾則會被運往市政固體廢棄物存放處以作進一步處理。由於本集團所產生的有害廢棄物數量極少，因此並無對環境產生任何重大影響。

Emission

Due to the business nature of mineral concentrates trading, we mainly conduct our business activities confined in office. Thus, the emission is derived from the GHG emission from the purchased electricity in office as well as limited solid office waste production in daily office operation. We have adopted general green office practices to avoid and reduce the waste generation. We review the usage of office materials to avoid overstock. The recyclables, such as plastics, wastepaper and toners, are properly separated and consigned to service provider and property management company for further handling. In addition, we place paper collection bins near the area of photocopiers and printing room in office for reusing the single-sided printed paper.

The major sources of air pollutants in mine site come from the fuel combustion of machinery equipment and vehicles, as well as the dust generated from the production process, including the soil stripping, rocks cutting and breaking, and coal loading and unloading. To reduce the environmental impact due to the air emission, we switch off the idling of the machinery equipment and vehicles when they are stationary or not in use and carry out routine maintenance to ensure they are functioned in optimum level. We set the speed limit for vehicle at mine and water the access of the installations, the interior of the mine pit and the storage areas of coal stocks to reduce the dust.



The main types of non-hazardous waste generated in the coal mining operation are the rocks and stone coming from the surface in the mine pit and the limited amount of domestic waste. The collected rocks and stones are recycled and reused for the rehabilitation of the access and the construction of new access, while the domestic waste is transported to the municipal solid waste deposit for further handling. The Group does not have significant impact on the environment from hazardous waste due to minimal amount of waste production.

秘魯煤礦的溫室氣體排放主要來自煤炭開採過程中的逃逸性排放以及煤礦營運的能源消耗。範圍1溫室氣體排放為現場機械設備的固定燃料燃燒、汽車的流動燃料燃燒以及煤礦生產中甲烷的逃逸性排放所產生的直接排放。範圍2溫室氣體排放為在生產過程中消耗購買的電力的間接排放。為儘量減少碳足跡，我們已經實施溫室氣體減少策略，尤其在材料採購、商務差旅、節約能源及節約用水方面。於二零一九年，我們在秘魯的煤礦主要使用當地可獲取的原材料進行生產。我們亦限制辦公室空調的溫度以節約用電，並鼓勵使用視像及會議通話，以減少不必要的差旅。

於報告期間內，本集團精礦貿易業務和秘魯煤礦業務的溫室氣體排放載於下表：

The greenhouse gas (“GHG”) emission of the coal mine in Peru is mainly derived from the fugitive emission during the coal mining and the energy consumption of the coal mine operation. Scope 1 GHG emission is the direct emissions from the stationary fuel combustion of machinery equipment onsite, mobile fuel combustion of vehicles and fugitive emission of methane in coal mine production. Scope 2 GHG emission is the indirect emission from the consumption of purchased electricity in the production process. In order to minimise the carbon footprint, we have implemented GHG reduction strategy, especially for material procurement, business travel, energy conservation, and water conservation. In 2019, our coal mines in Peru were produced by using mainly locally available raw materials. We also limit the air conditioning temperature set in the office to save electricity and encourages video and conference calls to reduce unnecessary travels.

The GHG emission of the Group’s mineral concentrates trading business and coal mine business in Peru during the Reporting Period is shown in the below table:

	單位 Unit	二零一九年 2019
溫室氣體排放		
GHG Emission		
範圍1：能源直接溫室氣體排放 Scope 1: Direct Energy GHG emissions	噸二氧化碳當量 tonnes of carbon dioxide equivalent ("tCO ₂ e")	76.48
範圍2：能源間接溫室氣體排放 Scope 2 Indirect Energy GHG emissions	噸二氧化碳當量 tCO ₂ e	6.22
溫室氣體排放總量 Total GHG emission	噸二氧化碳當量 tCO ₂ e	82.70
溫室氣體密度	噸二氧化碳當量／平方呎 噸二氧化碳當量／公噸原煤 tCO ₂ e / square feet tCO ₂ e / tonne of raw coal	0.0008 0.08
GHG intensity		

* 上述溫室氣體排放物根據下列參考資料界定及計算：

- * The above greenhouse gas emissions are defined and calculated according to the following reference:
- 聯合國環境規劃署對企業和非商業機構發出計算溫室氣體排放物的指引
 - UNEP Guidelines for Calculating Greenhouse Gas Emissions for Businesses and Non-Commercial Organizations
 - 溫室氣體盤查議定書
 - GHG Protocol
 - 國際能源署(IEA)，CO₂ Emissions from Fuel Combustion (燃燒燃料之二氧化碳排放) 摘要版，<http://www.iea.org>，二零一一年
 - International Energy Agency (IEA), highlights version of CO₂ Emissions from Fuel Combustion, <http://www.iea.org>, 2011
 - 2006年IPCC國家溫室氣體清單指南
 - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
 - 聯交所，「如何準備環境、社會及管治報告？附錄二：環境關鍵績效指標匯報指引」
 - HKEX, “How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs”

資源使用

本集團明白，環境的可持續發展與負責任地使用資源息息相關，因此，我們持續努力減少能源消耗以及提高水和物料的使用效率。

在我們的精礦貿易業務中，本集團已制訂內部指引及採取若干措施以減少用電。例如，在不使用時關掉辦公室內的電器（例如電腦、打印機、影印機及照明）、將辦公室內的空調溫度保持於24至26攝氏度以節省能源，以及選用有能源效益標籤的電器，以減少電力消耗。

為減少紙張消耗，本集團已經採用電腦化資料系統進行文件歸檔及管理，以及以電子方式（例如電子郵件、電子通訊及內聯網）進行溝通及資料發佈，以避免文件列印。我們亦收集辦公室內用過的單面打印紙張，供草稿及列印循環使用，以減少紙張消耗。

煤礦生產中消耗能源的主要類型為柴油及所購買的電力。柴油乃用於為本集團業務服務的採礦機器和汽車的運作。電力用於礦場的電器設備及日常辦公室運作。為提高能源效益，我們在辦公室及礦場選用具能源效益的電器及機械設備，並會定期維護及保養設備。

Use of Resources

The Group recognises that environmental sustainability is closely linked with the responsible use of resources and hence we continually make efforts to reduce the energy consumption and improve water and materials efficiency.

In our mineral concentrates trading business, the Group has set up internal guidelines and taken certain measures to reduce the electricity use. For instance, switching off electrical appliances (e.g. computer, printer, photocopier and lighting) in the office when they are not in use, maintaining the temperature of air conditioning in the office at 24-26 degree Celsius to save energy and opting for the electrical appliances with Energy Efficiency label in order to cut down power consumption.

In order to reduce paper consumption, the Group has adopted computerised information system for document filling and management, as well as communicating and disseminating information through electronic means (e.g. email, e-newsletter and intranet) to avoid document printing. We also collect the single-sided printing used paper in office and reuse for drafting and printing to reduce paper consumption.

The main types of energy consumption in coal mine production are diesel and the purchased electricity. Diesel is consumed by the operation of mining machinery and mobile vehicles. Electricity is consumed in the electrical equipment and daily office operation at mine site. To increase the energy efficiency, we opt for the energy-efficient electrical and mechanical equipment in our office area and mine site, as well as carrying out regular maintenance and commissioning of the equipment.



環境、社會及管治報告

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淡水是寶貴的資源，我們需要保護。礦場的用水主要用作抑制塵埃、降低鑽頭內部的溫度以及員工的日常生活用水。我們在所有員工廁所水龍頭及水槽上貼上節水標貼，提醒員工明智用水。由於礦場使用來自河水的直接來源，因此，本集團於報告期內在求取水源上並無任何問題。

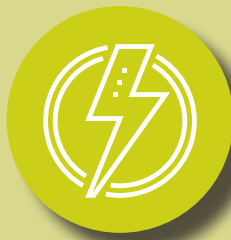
木材是我們用於支撐礦場隧道的另一種材料。煤礦所用的木材中約有90%會被回收及重用，以減少消耗和浪費資源。與製造業不同，煤礦營運並無消耗包裝材料。

Fresh water is the precious resources that we conserve. The use of water in mine site is mainly for dust suppression, lowering the temperature inside the drills and the daily domestic use by employees. We attached water saving signs at all employees' bathroom faucets and sinks to remind employees to wisely consume the water. The Group did not face any issue in water sourcing during the Reporting Period due to the direct source of river water used in mine site.

Wood is another type of materials we utilise for tunnels support in mine site. About 90% of the woods used in the coal mine are recycled and reused to reduce the consumption and waste of resources. Unlike the manufacturing industry, there is no packaging material consumption in coal mine operation.



柴油：6,240加侖
Diesel: 6,240 gallons



電力：4,677千瓦時
Electricity: 4,677 kWh



木材：225.80立方米
Wood: 225.80 m³

環境及天然資源

為儘量減少煤炭開採生產對我們營運所在地的環境的影響(包括土壤侵蝕、生物多樣性及地質環境及潛在地下水污染)，我們的生產管理團隊會定期進行視察及評估檢討，以確保生產過程符合相關的操作規格及要求。

我們的員工

僱傭及勞工準則

本集團確認員工是實現我們可持續業務發展最寶貴的資產。本集團已制定一系列有關薪酬及解僱、招聘及晉升、工作時數、休息日、補償以及員工福利及待遇的僱傭政策，並已經建立有效的人力資源管理制度，旨在為全體員工創造安全、具激勵性及包容的工作環境。

THE ENVIRONMENT AND NATURAL RESOURCES

To minimise the environmental impacts of coal mining production including soil erosion, biodiversity and geological environment and potential underground water pollution where we operate, our production management team maintains regular inspections and assessment reviews to ensure the production process complies with the relevant operational specifications and requirements.

OUR EMPLOYEES

Employment and Labour Standards

The Group acknowledges our employees are the most valued assets in achieving our sustainable business development. The Group has a series of employment policies related to remuneration and dismissal, recruitment and promotion, working hours, rest days, compensation and employee welfares and benefits in place, and has established an effective system in human resources management with an objective to create a safe, motivated and inclusive working environment for all employees.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

為了讓員工可肩負家庭責任，除法定假日外，本集團的女性及男性員工均可享有婚假、產假及待產假。本集團亦訂有每天最多八小時的標準工作時數，並根據有關當地之勞工法律及規例如香港特別行政區法例第57章《僱傭條例》以及秘魯勞動法(TUO del D. Leg. 728 - Ley de Productividad y Competitividad Laboral (勞動部生產力及競爭力法))為員工提供社會保障、醫療保險及退休計劃。

In order to enable employees to shoulder their family responsibility, both female and male employees of the Group are entitled to marriage leave, maternity leave and paternity leave, in addition to statutory holidays. The Group also sets standard working hours in maximum of eight hours per day and provides employees with social security, medical insurance and retirement scheme in accordance with the relevant local labour laws and regulations such as Cap 57 Employment Ordinance of Hong Kong Special Administrative Region, and TUO del D. Leg. 728 - Ley de Productividad y Competitividad Laboral (Work Ministry law of productivity and competitiveness).



我們致力招聘不同地方、背景及種族的人才，營造多元化平台，使人力資源得以完全發揮，並尋求具有合適才幹及態度的人才加入我們。由招聘到薪酬、晉升及培訓的整個僱傭過程中，我們依循公正、公平及公開的原則，僅會根據每名候選人的資格、經驗、個人能力及表現作出決定，而不會基於性別、年齡、宗教、婚姻狀況、種族或其他與工作職責無關的因素而作出歧視。本集團僅會在有正當理由(例如裁員、表現欠佳等)的情況下解僱員工，並會根據法律的法規要求給予補償。

We strive to bring together talents from different geographic locations, backgrounds and ethnics, creating a diversified platform in which human resources can be turned to best account, and looking for high calibre individuals with the right talent and attitude to join us. Adhering to the principles of justice, fairness and openness in the whole employment process - from recruitment to remuneration, promotion and training, we merely make decision based on the qualification, experience, individual competence and performance of each candidate, without discrimination against on the ground of gender, age, religion, marital status, ethnic or other factors unrelated to work duties. Employees are only dismissed by the Group with fair reasons such as redundancy and poor performance and compensation will be granted in accordance with the legislative requirements under the laws.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

本集團尊重及保護人權。我們已經嚴格遵守相關的當地勞動法，並禁止在我們的精礦貿易業務及煤炭開採業務中僱用任何未滿18歲的童工或強制勞工。在招聘過程中，應徵者需提交身份證及護照等身份證明文件以及工作證明文件作為記錄，以確保其年齡及工作資格符合法律及規例的規定。同時，所有僱傭合約均由員工自願簽署，而員工可以自由離開現有職位。

於報告期間內，並無任何違反相關香港和秘魯勞動法律及規例的檢控個案。

員工組成

於二零一九年十二月三十一日，本集團有127名全職員工，當中在報告範圍內香港及秘魯分別有2名員工及7名員工。員工組成的明細如下表所示：

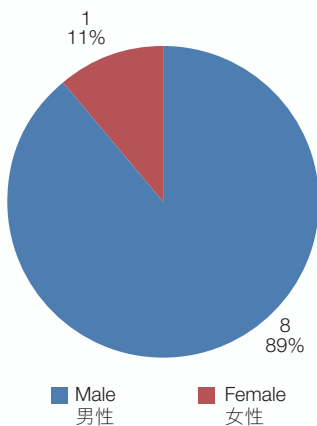
The Group respects and protects the human rights. We have strictly complied with the relevant local Labour Laws and prohibited any employment of child labour aged under 18 or forced labour in the operation of our trading of mineral concentrates business and coal mining business. During the recruitment process, the candidates require to submit the identity documents such as identity cards and passports and the job reference documents for our record to ensure their age and job eligibility meet the requirements under the laws and regulations. Meanwhile, all the employment contact is voluntarily signed by the employees and they are free to leave their existing position.

There were no cases of prosecution for breach of relevant Hong Kong and Peruvian labour laws and regulations during the Reporting Period.

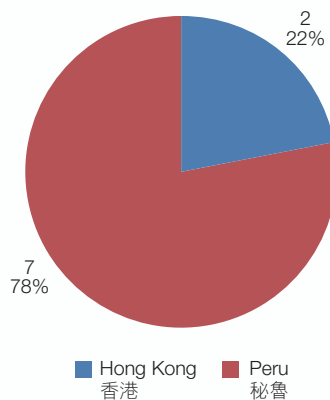
Employee Profile

As at 31 December 2019, the Group had 127 full-time employees, consisting of 2 employees in Hong Kong and 7 employees in Peru respectively within the reporting scope. The breakdown of employee profile is shown in the charts below:

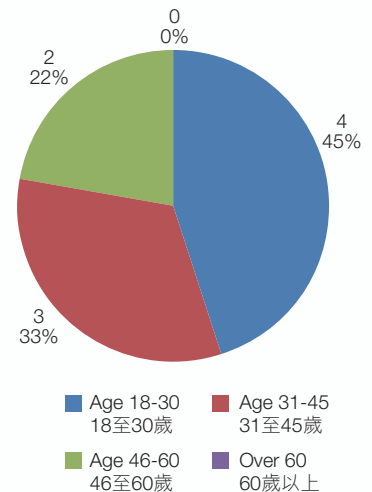
Employee composition by gender
按性別劃分的員工組成



Employee composition by geographical region
按地區劃分的員工組成



Employee composition by age
按年齡劃分的員工組成



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健康與安全

基於精礦貿易的業務性質，我們的業務營運主要在辦公室內進行，因此，預計不會出現重大職業健康及安全危害。儘管如此，維持安全及健康的工作環境仍然是我們的首要項目。我們加強辦公室地方的良好管理，並提高員工對使用顯示屏幕設備、體力處理及消防安全方面的安全意識，以保障工作場所的安全。

在我們的煤炭開採業務中，我們已經設立職業健康與安全管理系統及多項安全措施，從而保障工作場所安全，並符合秘魯煤炭開採的相關法律及規例（例如採礦職業安全保障規例）。

由於煤炭開採作業主要在地下進行，因此，斜坡的穩定性、崩塌、滑坡、物料抬升、火警及爆炸是有關作業中所識別的主要安全風險。礦場乃根據法律及規例指定的設計規格及建造要求建造。地下隧道的入口已建造一個較高的斜坡，以防止雨季期間礦場發生水浸。我們亦在斜坡周圍建造壕溝，以引導地面徑流，從而避免礦場出現滲漏。如屬開採可燃煤炭，會在沿礦場廊道的指定地方設置消防安全設備（例如滅火筒）。我們亦對斜坡安全、煤礦結構支撐及通道以及在礦場使用的機械設備進行定期的實地安全檢查，有關檢查由我們的礦場管理團隊及機械工程師領導，以確保安全措施妥善實行，以及通過在較早階段採取糾正行動，適當地處理安全危害，從而避免及減輕對採礦工人構成的潛在安全風險。

Health and Safety

Due to the business nature of mineral concentrates trading, our business operation mainly housed in office and thus no significant occupational health and safety hazards are anticipated. Nevertheless, maintaining a safe and healthy environment at work is our top priority. We strengthen the good housekeeping in the office areas and raise the safety awareness of our employees on the use of display screen equipment, manual handling and the fire safety as our approaches to safeguard workplace safety.

In our coal mining business, we have established an occupational health and safety management (“OHS”) system with various safety measures to safeguard the workplace as well as complying with relevant laws and regulations for coal mining in Peru (e.g. Regulations of Security and Safety Occupation in Mining).

Since the coal mining operation is mainly carried out in underground, the stability of slope, collapse, landslide, material lifting, fire and explosion are the key identified safety risks in the operation. The mine site has been built in accordance with the specific design specification and building requirements under the laws and regulations. The higher slope is constructed at the entrance of the underground tunnel to prevent the flooding at mine site during rainy seasons. We also built trenches around the slope for directing the surface run-off to prevent seepage at mine site. Fire safety equipment (e.g. fire extinguishers) is located at designated area along the gallery of mine site in case the mine of flammable coal. We also conduct regular on-site safety inspections, which are led by our mine management team and mechanical engineers, on the slope safety, coal mine structure support and channels and mechanical equipment used at mine site to ensure the safety measures are properly implemented and the safety hazards are appropriately addressed by carrying out corrective actions at the earlier stage to avoid and mitigate the potential safety risks posed to the mine workers.

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提高員工對煤炭開採安全作業的意識對於工作場所安全至關重要。本集團特別注意職業健康與安全培訓，並為員工提供多種培訓計劃，包括安全督導意識培訓、急救以及處理爆炸物和相關物料的培訓課程，以及應對地震、火災及救援方面的危機管理培訓。我們亦為員工提供安全簡報，以在每日開始工作之前提醒他們注意的主要安全事項，並進行實地緊急情況演習，以確保在發生緊急情況時能夠迅速地作出反應。另一方面，我們為員工提供符合當地標準的所需個人保護裝備，並規定所有員工均須於進入礦場前穿戴好個人保護裝備。工作地點亦安裝有急救箱及醫療設備，以處理輕傷。

儘管我們已盡最大努力在各個礦場實施安全常規及措施，但我們傷心地匯報，於報告期間內，有兩名採礦工人喪命（死亡率為4.5%），並錄得因礦場發生的工傷而損失工作天數22天。於回顧年度內，一組三名採礦工人在距離礦場廊道入口12米的工作區進行煤炭鑽探及開採。該等工人未有注意到煤層頂板不穩定，而煤層頂板於鑽探過程中倒塌，造成兩名採礦工人喪命。在致命意外發生後，我們立即暫停煤礦生產，並向有關當局報告個案，以進行個案調查。我們已經從速採取糾正行動，包括在內部礦井與地面之間安裝通訊裝置及警報、評估和修訂現有的安全保障措施，並向有關職員提供各種安全培訓（例如安全培訓及急救）等，以滿足當地有關當局的要求。其後，當地有關當局對所採取的措施及糾正行動感到滿意，並允許礦場於二零一九年八月恢復營運。此外，本集團為礦場的每名工人提供保險，因此，根據秘魯現行法律及規例，本集團無須就意外支付賠償。

Increasing the employee awareness of the coal mining safety operation is critical to workplace safety. The Group pays extra attention to the OHS training and offers various training programmes for employees, including the awareness training of safety supervision, training courses in first aids and handling of explosives and related materials and crisis management training in response to earthquakes, fires and rescues. We also provide safety briefing to the employees for reminding the key safety issues before starting their daily work and conduct onsite emergency drills to ensure rapid response in the event of an emergency. On the other hands, we provide necessary personal protective equipment, which is conformed with the local standards, to the employees and regulate all the employees must wear personal protective equipment before entering the mine site. First aid kits and medical equipment are also installed in the workplace for the treatment of minor injury.

Notwithstanding our greatest efforts to implement safety practices and measures across our mining sites, we are saddened to report the loss of lives involving two mine workers (with the rate of fatalities is 4.5%) and recorded twenty-two lost days due to work injury in our mine site during the Reporting Period. During the year under review, a team of three mine workers conducted coal drilling and extraction at the working area where is twelve meters far from the entrance of the gallery at mine site. The workers were not attentively aware of the unstable coal roof and the coal roof collapsed during the drilling process which resulted in the casualty of two mine workers. After the occurrence of the fatal accident, we immediately suspended the coal mine production and reported the case to the relevant authority for case investigation. We have taken prompt corrective actions, including the installation of communications and alarm between interior mines and the surface, evaluation and revision of the existing safety security measures and offering a variety of safety training (e.g. security training and first aid) and etc to the relevant staff to meet the requirements from the local authority. Subsequently the local authority satisfied with the measures and corrective actions taken and allowed the mine site to resume operation in August 2019. In addition, the Group provides insurance coverage for every worker at the mine site and therefore the Group has not required to pay compensation in respect of the accident pursuant to the current laws and regulations in Peru.

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發展及培訓

本集團相信，一支卓越及有才能的管理團隊可推動長遠業務成功。我們致力於通過提供學習及發展機會，拓寬我們人員的知識視野、提升其技能，並全面發展其潛能。

本集團為新入職員工提供迎新培訓，以確保順利銜接新職位及工作環境。為緊貼轉變中的營商環境，本集團亦為員工提供在職培訓及專業培訓，讓其掌握實際技能及知識以履行其職責，並促進其事業發展。隨著社區參與日益受到關注，本集團安排了有關社區關係及企業社會責任的專項培訓，讓秘魯員工獲得有關維持和諧社區關係的知識以及在當地社區經營煤炭開採業務獲得「社會許可」。

我們的業務營運

供應鏈管理

本集團明白與供應商保持緊密合作對促進我們價值鏈的可持續性及推動業務成功至關重要。

本集團已經就供應商評估及採購管理設定嚴格的管理方針。在挑選新的供應商及承包商時，本集團會對其資格、能力及先前的業務及合規往績紀錄進行調查及評估。只有符合我們的要求的供應商方能成為我們的合資格供應商。我們亦對我們現有的供應商及承包商進行定期的供應商表現回顧，包括產品及服務質量、交付時間以及售後服務，以確保其能夠達到我們的標準及期望。本集團不單期望所有供應商符合適用的法律及規例，亦鼓勵供應商以良好的環境、社會及管治常規（包括環境可持續性、勞工準則、健康與安全以及道德操守）經營其業務，從而持續改善其環境及社會表現。

Development and Training

The Group believes that an excellent and talented management team can drive the long-term business success. We are dedicated to broadening our people's knowledge horizons, enhancing their skillsets and fully nurture their potentials by providing learning and development opportunities.

The Group provides orientation training to new joiners to ensure they seamlessly fit into the new positions and working environment. To keep pace with the changing business environment, the Group also offers on-the-job training and professional training to the employees to equip their practical skills and knowledge for accomplishing their duties and nurture their career development. With the increasing concerns on community engagement, the Group arranged specific-topic training in related to community relationship and corporate social responsibility for employees in Peru to acquire the knowledge of maintaining the harmonious community relations and the "social license" to operate the coal mining in the local community.

OUR BUSINESS OPERATION

Supply Chain Management

The Group understands that it is crucial to maintain close cooperation with our suppliers to promote sustainability in our value chain and drive our success of business.

The Group has set stringent management approaches in supplier assessment and procurement management. When selecting new suppliers and contractors, the Group carries out investigations and assessments on their qualification, capability and previous business and compliance track records. Only the suppliers who fulfil our requirements can register as our qualified suppliers. We also conduct regular supplier performance review on our existing suppliers and contractors, in term of product and service quality, delivery time and after-sale services, to ensure they can meet our standards and expectations. The Group not only expects all suppliers to comply with applicable laws and regulations, but also encourages them to operate their business in good ESG practices, including environmental sustainability, labour standards, health and safety and ethical conduct, in order to continually improve their environmental and social performance.

產品責任

我們非常重視提升客戶對提供優質產品及服務的滿意度及信任。本集團已制定質量管理政策及嚴格的營運控制程序，以確保產品質素符合客戶要求及達到標準。

我們採用倫敦金屬交易所就鎳及有色金屬所定的官方價格(其為國際參考價)，以將旗下精礦貿易業務的定價標準化。所有合約協議均根據相關合約規格(涵蓋(但不限於)定價期、結算條款以及交易及結算貨幣)擬備。我們選擇獲倫敦金屬交易所認可的品牌，其須嚴格遵守倫敦金屬交易所訂立有關質量、形狀及重量之規定，並須從賣方取得獨立實驗室測試、收貨檢查報告及質量證書，目的為在產品出口及交付前認可產品符合規格及國際認可標準的一貫性。

除監管產品質量外，我們明白準時交付產品同樣重要，尤其是對煤炭開採業務而言。本集團已經制定產品及服務質量保證政策，並訂有營運控制措施以符合產品質量標準。我們的質量檢查人員按照既定作業要求進行取樣、製樣、留樣及覆核工作。我們亦已經制定有關準時交付、售後服務及／或客戶退貨保證的政策，以滿足客戶需要。

隨著對資料私隱日益關注，本集團要求所有員工盡其應盡的努力將所有公司及客戶資料(例如商業秘密、業務預測及定價等)嚴格保密。在未取得本集團及客戶事先同意前，員工禁止向未獲授權人士洩露及披露任何資料。

於報告期間內，本集團並無知悉有任何違反有關產品質量及安全以及私隱事宜的法律及規例的情況。

Product Responsibility

We place high emphasis on enhancing customer satisfaction and trust in terms of delivering quality products and services. The Group has formulated a quality management policy and stringent operational control procedures to ensure that the product quality is conformed with the requirements of client and up to standard.

We adopt the official prices of nickel and non-ferrous metals as set by the London Metal Exchange (the "LME"), which are the global reference price, to standardise the pricing of our business of mineral concentrate trading. All the contract agreement is prepared in accordance with relevant contract specification covering but not limited to pricing period, settlement terms, traded and cleared currencies. We select the LME approved brands, which are required to be strictly in conformance with the requirements on quality, shape and weight as outlined by LME, and obtain the independent laboratory tests, acceptance inspections report and quality certificate from vendors, with the aim to validate the consistency of the product conformance towards the specifications as well as internationally recognised standards before product export and delivery.

Apart from governing the product quality, we understand the on-time product delivery is equally important, in particular to coal mining business. The Group has set up product and service quality assurance policy with established operational control measures to meet product quality standards. Our quality inspectors carry out sampling, sample preparation, sample retention and review in accordance with established operational requirements. We have also formulated policies related to on-time delivery, after-sales services and/or return guarantee for customers to satisfy our customer needs.

With the increasing concern in information privacy, the Group requires all employees to exercise their due diligence to keep all the corporate and customer information (e.g. trade secrets, business forecasts, and pricing etc.) in strict confidentiality. Employees prohibit to divulge and disclose any information to unauthorised persons without prior consent from the Group and customers.

The Group was not aware of any breaches of relevant laws and regulations related to product quality and safety and privacy matter during the Reporting Period.

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商業誠信與反貪污

誠信是公司業務可持續發展的基石。本集團致力於在我們的業務中維持高水平的商業道德標準及誠信。我們的行為守則概述了在我們的業務營運及交易中規定的商業操守及行為，以供員工遵守。本集團嚴禁員工及業務夥伴直接或間接索取或接受賄賂（例如金錢、款待及佣金），或以不正當手段謀取個人利益，以及進行任何勒索、欺詐及洗黑錢活動。違反有關規則的員工須面對紀律行動，包括終止僱用。

本集團制定了舉報政策，鼓勵員工真誠舉報潛在或懷疑的不正當行為、行為不檢以及貪污及欺詐行為。舉報人的身份以及所有相關舉報資料均會嚴格保密，以防止任何不公平的處理及報復。如有任何舉報個案被發現，我們會適時進行內部調查以作核實及處理。對於觸犯刑事罪行的個案，我們會將個案移送當地司法機構作進一步處理。

於報告期間內，本集團並無知悉有任何違反我們經營所在地區的相關反貪污及反賄賂法律及規例的情況。

我們的社區

本集團明白其有企業社會責任，並通過社會活動及社區參與努力為社區創造正面及長期的價值。

於報告期間內，本集團繼續優先考慮為礦場附近的當地人提供就業機會，以促進經濟發展以及改善當地社區的生活水平。本集團與我們業務營運相關的利益團體維持良好關係，亦進一步將關懷服務延伸至當地家庭及周邊社區。

Business Integrity and Anti-corruption

Integrity is the cornerstone of corporate business sustainability. The Group is committed to upholding high standards of business ethics and honesty within our business. Our code of conduct outlined the required business conducts and behaviours in our business operations and dealings for our employees to abide by. The Group strictly prohibits the employees and business partners to solicit or accept bribes (e.g. money, entertainment and commission) directly or indirectly, or use improper means to seek personal advantages, as well as conducting any extortion, fraud and money laundering activities. The employee who breaches the rules is subject to disciplinary action including employment termination.

The Group has whistleblowing policy in place to encourage employees to report the potential or suspected improprieties, misbehaviours and corrupt and fraudulent practices in good faith. The identity of the whistle-blower with all the relevant reported information is kept in strict confidentiality to prevent any unfair treatment and reprisal. In event of any reported case discovered, we undertake internal investigation in a timely manner for validation and handling. For the case which is committed criminal offence, we will transfer the case to local judicial authorities for further handling.

During the Reporting Period, the Group was not aware of any breaches of relevant anti-corruption and anti-bribery laws and regulations in the region where we operate.

OUR COMMUNITY

The Group recognises its corporate social responsibility and strive to create positive and long-term values to the community through social activities and community engagement.

During the Reporting Period, the Group continues to prioritise the offer of job opportunities to the locals nearby the mine site in order to facilitate the economic development and improve the living standard of the local community. We maintain good relationship with interest groups relevant to our business operation, which also further extends the caring services to local families as well as the surrounding community.

關鍵績效指標

環境表現

KEY PERFORMANCE INDICATORS

Environmental Performance

	單位 Unit	二零一九年 ¹ 2019 ¹	二零一八年 2018
排放物類型			
Types of emissions			
溫室氣體排放			
GHG emissions			
範圍1—能源直接排放	噸二氧化碳當量	76.48	1,875.00
Scope 1 – Direct energy emissions	tCO ₂ e		
範圍2—能源間接排放	噸二氧化碳當量	6.22	1.00
Scope 2 – Indirect energy emissions	tCO ₂ e		
溫室氣體排放總量	噸二氧化碳當量	82.70	1,876.00
Total GHG emission	tCO ₂ e		
溫室氣體密度			
GHG intensity			
	噸二氧化碳當量／		
精礦貿易業務	平方呎	0.0008	—
Mineral concentrates trading business	tCO ₂ e/ square feet		
	噸二氧化碳當量／公噸		
煤炭開採業務	原煤	0.08	—
Coal mining business	tCO ₂ e/ tonne of raw coal		
廢棄物類型			
Type of waste			
有害廢棄物	公噸	不適用	不適用
Hazardous waste	tonne	Not applicable	Not applicable
無害廢棄物 ²			
Non-hazardous waste ²			
— 一般廢棄物	公噸	0.40	無可得數據
– General waste	tonne		No available data

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	單位 Unit	二零一九年 ¹ 2019 ¹	二零一八年 2018
資源消耗類型			
Types of resource consumption			
能源			
Energy			
	加侖		
– 柴油	gallon	6,240.98	19,389.00
– Diesel	千瓦時		
	kWh	853.23	–
– 電	千瓦時	4,677.00	4,944.00
– Electricity	kWh		
能源密度			
Energy intensity			
精礦貿易業務	千瓦時／平方呎	0.95	–
Mineral concentrates trading business	kWh / square feet		
煤炭開採業務	千瓦時／公噸原煤	250.97	–
Coal mining business	kWh / tonne of raw coal		
水 ³	加侖	3,780	無可得數據
Water ³	gallon		No available data
水密度			
Water intensity			
煤炭開採業務	加侖／公噸原煤	3.71	–
Coal mining business	gallon / tonne of raw coal		
木材	立方米	225.80	664.59
Wood	m ³		
紙 ⁴	公噸	0.02	–
Paper ⁴	tonne		

附註：

Note:

- | | |
|--|---|
| <p>1. 二零一九年數據涵蓋範圍包括精礦貿易業務以及煤炭開採業務(二零一九年一月至二零一九年二月)，原因為所有煤礦由二零一九年三月起已暫停運作。基於業務性質，我們的業務營運概無使用任何包裝材料。</p> | <p>1. The data coverage in 2019 includes the business of mineral concentrates trading as well as the coal mining business from January 2019 to February 2019 as all the coal mines were under suspension since March 2019. Due to the business nature, no packaging materials are used in our business operation.</p> |
| <p>2. 有關數字乃根據一般垃圾產生量以每星期50千克及每月四星期作估算而計算得出。</p> | <p>2. The figure is calculated based on the estimation of general trash production: 50kg/week and four weeks/month.</p> |
| <p>3. 有關數字乃根據每月用水量(約1,890加侖)作估算而計算得出。精礦貿易業務的水費包括在辦公室租金費用內，因此並無有關數據供資料披露之用。</p> | <p>3. The figure is calculated based on the estimation of monthly water consumption approximately 1890 gallons. The water billing of mineral concentrates trading business is included in the office rental fee and hence there is no available data for information disclosure.</p> |
| <p>4. 有關數字僅涵蓋精礦貿易業務的消耗量。</p> | <p>4. The figure is only covered the consumption in mineral concentrates trading business.</p> |

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A1 一般披露 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	第37頁 Page 37	我們的環境 －排放物 Our Environment －Emission
A1.1 排放物種類及相關排放數據。 The types of emissions and respective emission data.	第37頁 Page 37	我們的環境 －排放物 Our Environment －Emission
A1.2 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	第38及48頁 Page 38, 48	我們的環境 －排放物 Our Environment －Emission 關鍵績效指標 Key Performance Indicators
A1.3 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	第48頁 Page 48	關鍵績效指標 Key Performance Indicators
A1.4 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 Total non-hazardous waste produced (in tonnes and, where appropriate, intensity (e.g. per unit of production volume, per facility).	第48頁 Page 48	關鍵績效指標 Key Performance Indicators
A1.5 描述減低排放量的措施及所得成果。 Description of measures to mitigate emissions and results achieved.	第37頁 Page 37	我們的環境 －排放物 Our Environment －Emission
A1.6 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	第37頁 Page 37	我們的環境 －排放物 Our Environment －Emission

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A2 一般披露 有效使用資源（包括能源、水及其他原材料）的政策。 General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	第39頁 Page 39	我們的環境 — 資源使用 Our Environment – Use of Resources
A2.1 按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	第48頁 Page 48	關鍵績效指標 Key Performance Indicators
A2.2 總耗水量及密度（如以每產量單位、每項設施計算）。 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	第48頁 Page 48	關鍵績效指標 Key Performance Indicators
A2.3 描述能源使用效益計劃及所得成果。 Description of energy use efficiency initiatives and results achieved.	第39頁 Page 39	我們的環境 — 資源使用 Our Environment – Use of Resources
A2.4 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	第40頁 Page 40	我們的環境 — 資源使用 Our Environment – Use of Resources
A2.5 製成品所用包裝材料的總量（以噸計算）及（如適用）每生產單位佔量。 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	第48頁 Page 48	關鍵績效指標 Key Performance Indicators

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A3 一般披露 減低發行人對環境及天然資源造成重大影響的政策。 General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	第40頁 Page 40	我們的環境 — 環境及天然資源 Our Environment – The Environment and Natural Resources
A3.1 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	第40頁 Page 40	我們的環境 — 環境及天然資源 Our Environment – The Environment and Natural Resources
B. 社會 B. Social		
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B1 一般披露 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	第41頁 Page 41	我們的員工 — 僱傭及勞工準則 Our People – Employment and Labour Standards

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B2 一般披露 有關提供安全工作環境及保障員工避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	第43頁 Page 43	我們的員工 – 健康與安全 Our People – Health and Safety
層面B3：發展及培訓 Aspect B3: Development and Training		
B3 一般披露 有關提升員工履行工作職責的知識及技能的政策。描述培訓活動。 General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	第45頁 Page 45	我們的員工 – 發展及培訓 Our People – Development and Training
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B4 一般披露 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	第41頁 Page 41	我們的員工 – 僱傭及勞工準則 Our People – Employment and Labour Standards
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B5 一般披露 管理供應鏈的環境及社會風險政策。 General Disclosure Policies on managing environmental and social risks of the supply chain.	第45頁 Page 45	我們的業務營運 – 供應鏈管理 Our Business Operation – Supply Chain Management

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<p>B6 一般披露</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>第46頁 Page 46</p>	<p>我們的業務營運 — 產品責任 Our Business Operation – Product Responsibility</p>
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<p>B7 一般披露</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	<p>第47頁 Page 47</p>	<p>我們的業務營運 — 商業誠信與反貪污 Our Business Operation – Business Integrity and Anti-corruption</p>
層面B8：社區投資 Aspect B8: Community Investment		
<p>B8 一般披露</p> <p>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p> <p>General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	<p>第47頁 Page 47</p>	<p>我們的社區 Our Community</p>

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新華聯資本有限公司(「本公司」)之董事(「董事」)會(「董事會」)承諾維持高標準之企業管治常規。適用於本公司之主要企業管治規則為香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所刊載企業管治守則(「企業管治守則」)。

於截至二零一九年十二月三十一日止年度(「報告年度」)內及截至本報告日期止，本公司已遵從企業管治守則所載之所有守則條文，惟以下偏離者除外：

- 根據企業管治守則守則條文第E.1.2條規定，董事會主席應出席股東週年大會。董事會主席及提名委員會主席因其他業務安排並未能出席本公司於二零一九年六月十一日舉行之股東週年大會(「股東週年大會」)。審核委員會主席、薪酬委員會主席及提名委員會之若干委員均出席股東週年大會，以回答股東問題。
- 根據企業管治守則守則條文第A.2.7條，董事會主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。由於有多項其他業務安排，董事會主席未能於本年度與獨立非執行董事舉行會議。董事會主席將儘早與獨立非執行董事協定會議日期，確保彼等可於二零二零年報告年度內舉行沒有其他執行董事出席的會議。
- 根據企業管治守則守則條文第A.6.7條，獨立非執行董事應出席股東大會，對公司股東的意見有全面、公正的了解。於本年度內，獨立非執行董事因其他業務安排而並無全部出席股東週年大會。本公司日後將會儘早訂定股東大會日期並給予通知，以確保獨立非執行董事能夠出席股東大會。

The board (the “Board”) of directors (the “Directors”) of Macrolink Capital Holdings Limited (the “Company”) is committed to maintaining high standard of corporate governance practices. The primary corporate governance rules applicable to the Company is the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

For the year ended 31 December 2019 (the “Reporting Year”) and up to the date of this Annual Report, the Company has complied with all the code provisions as set out in the CG Code except for the following deviations:

- Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting. The Chairman of the Board and the chairman of the Nomination Committee did not attend the annual general meeting of the Company held on 11 June 2019 (“AGM”) due to other business engagement. The chairman of the Audit Committee, the chairman of the Remuneration Committee and certain members of the Nomination Committee were present at the AGM to answer the shareholders’ questions.
- Under code provision A.2.7 of the CG Code, the chairman of the Board should at least annually hold meetings with the independent non-executive directors without the presence of other directors. Due to the various other business engagement, the Chairman of the Board did not meet up with the independent non-executive Directors during the year. The Chairman of the Board will come up with a meeting date with the independent non-executive Directors as earliest as possible to make sure that they can meet without other executive Directors present in the reporting year of 2020.
- Under code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year, not all the independent non-executive Directors attended the AGM due to other business engagement. The Company will finalize and inform the dates of the general meetings as earliest as possible to make sure that the independent non-executive Directors can attend the general meetings in future.

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董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易之操守守則。於作出具體查詢後，所有董事確認彼等於截至二零一九年十二月三十一日止整個年度內一直遵守標準守則。

本公司認為現有程序於刊發本集團中期及全年業績前提醒所有董事及本公司及其附屬公司（統稱為「本集團」）之高級管理人員嚴格遵守標準守則，仍然足夠防止違反標準守則情況發生。

董事會成員

於報告年度內及截至本年報日期為止，董事會結構並無任何變動，董事會現由以下九名董事組成，並認為其各具專業技能及經驗，相輔相成：

執行董事

傅軍先生(主席)
張建先生(總經理)
張必書先生
劉靜女士
陳躍先生
周建人先生

獨立非執行董事

林聞深先生
曹貺予先生
張嘉偉先生

本公司有三名獨立非執行董事，佔董事會成員人數三分之一。最少一名獨立非執行董事具有適當之專業會計資歷及／或經驗及／或相關財務管理專業知識。截至二零一九年十二月三十一日止整個年度，本公司一直遵守上市規則第3.10(1)條及第3.10(2)條。各獨立非執行董事已與本公司訂立服務合約，為期兩年，直至根據該合約列明之條款及條件獲終止為止。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the Directors' securities transactions. All Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2019 after specific enquiry.

The Company believes that the current procedures to remind all Directors and senior management of the Company and its subsidiaries (collectively the "Group") to follow strictly with the Model Code prior to publication of the Group's interim and final results remain sufficient to prevent non-compliance with the Model Code.

BOARD COMPOSITION

During the Reporting Year and up to the date of this Annual Report, there was no change in the structure of the Board, which currently comprises nine Directors and is of the opinion that it has a balance of skill and experience based on the following composition:

Executive Directors

Mr. Fu Kwan (Chairman)
Mr. Zhang Jian (General Manager)
Mr. Zhang Bishu
Ms. Liu Jing
Mr. Chan Yeuk
Mr. Zhou Jianren

Independent Non-Executive Directors

Mr. Lam Man Sum, Albert
Mr. Cao Kuangyu
Mr. Cheung Ka Wai

The Company has three independent non-executive Directors representing one-third of the Board. At least one of the independent non-executive Directors possess appropriate professional qualification and/ or experience in accounting and/or related financial management expertise. Throughout the year ended 31 December 2019, the Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules. Each independent non-executive Director has entered into a service contract with the Company for a period of two years until terminated in accordance with the terms and conditions specified therein.

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董事之履歷詳情載於本年報第17至20頁。除有關所披露者外，董事會成員之間概無其他關係（包括財務、業務、家族或其他重大或相關關係）。董事會已經收到各獨立非執行董事有關其獨立性之週年確認書，並且認為，根據上市規則第3.13條所載之指引，彼等確屬獨立人士。

The biographical details of the Directors are set out on pages 17 to 20 of this Annual Report. Save as disclosed therein, there are no other relationship (including financial, business, family or other material or relevant relationships) among members of the Board. The Board has received from each independent non-executive Directors an annual confirmation of his independence and considers that they are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

董事會會議

董事會定期舉行會議，以討論本集團的整體策略以及營運及財務表現，並審閱及批准本集團的年度及中期業績，以及審視企業管治、財務、資本、薪酬以及合併與收購之事宜。於回顧年度內，曾舉行四次董事會會議及股東週年大會。各董事出席董事會會議及股東週年大會之情況載列如下：

BOARD MEETINGS

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results, as well as corporate governance, financial, capital, remuneration and mergers and acquisition matters. During the year under review, four Board meetings and the AGM were held. The attendance of each Director at the Board meetings and the AGM is set out as follows:

董事	Directors	出席／舉行會議次數	
		董事會 Board Meeting	股東 週年大會 AGM
執行董事	Executive Directors		
傅軍先生	Mr. Fu Kwan	0/4	0/1
張建先生	Mr. Zhang Jian	4/4	1/1
張必書先生	Mr. Zhang Bishu	0/4	0/1
劉靜女士	Ms. Liu Jing	1/4	0/1
陳躍先生	Mr. Chang Yeuk	2/4	0/1
周建人先生	Mr. Zhou Jianren	3/4	0/1
獨立非執行董事	Independent Non-Executive Directors		
林聞深先生	Mr. Lam Man Sum, Albert	4/4	1/1
曹貺予先生	Mr. Cao Kuangyu	3/4	0/1
張嘉偉先生	Mr. Cheung Ka Wai	4/4	1/1

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於報告年度內，董事會曾處理之事項主要包括本集團的整體策略、全年及中期業績、內部監控及風險評估、企業管治、營運及出售附屬公司之事宜。此外，亦以本公司全體董事簽署書面決議案之方式審視及批准有關本公司公告及其他事務之若干事宜。

董事會例會前將向全體董事發出至少十四天通知。至於其他董事會會議，則於舉行前一段合理時間發出通知。通常於董事會會議舉行前至少三天向董事發出會議議程及其他相關資料，並向所有董事徵詢，以便將其他事項列入董事會會議議程內。

公司秘書負責保存所有董事會及委員會會議記錄，其列有所考慮事項之詳細資料。會議記錄之初稿及最終定稿會送交所有董事，以供彼等審議以提出意見及作為記錄。董事可從公司秘書獲得建議及服務，而公司秘書則向董事會負責，確保遵循董事會會議程序。公司秘書將為每位獲新委任之董事安排入職培訓，內容涵蓋監管責任。

資料使用

全體董事均經常獲適時告知可能影響到本集團業務的主要變動，包括相關規則及規例，並可在有需要時作進一步查詢。本公司已向董事會提供充分的解釋及資料，讓董事會可以就提交給他們批准的財務及其他資料，作出有根據的評審。董事亦可無限制取得公司秘書的意見和享用他的服務。本公司會向全體董事提供更新資料，載列有關本公司的表現、財務狀況及前景的公正及扼要的評估，內容足以讓董事履行職責。董事會亦已同意，董事可在履行其董事職責時尋求獨立專業意見，費用由本公司支付。

董事就任及持續專業發展

任何新委任的董事在其受委任後獲得就任須知，以確保他們對本集團的業務有適當的理解，以及知道本身在上市規則及相關法定及監管規定下的職責及責任。本公司向董事提供有關本集團業務表現之定期更新資料。董事持續獲得有關法律及監管發展以及業務及市場變動之最新資料，以幫助履行其責任。本公司將會於有需要時為董事安排持續之介紹及專業發展。

During the Reporting Year, the Board has dealt with matters covering mainly the Group's overall strategy, annual and interim results, internal control and risk assessment, corporate governance and matters of disposal of subsidiaries. In addition, certain matters relating to the Company's announcements and other affairs were reviewed and approved by written resolutions signed by all the Directors of the Company.

Notice of at least 14 days is given to all Directors in advance for regular Board meetings. For other Board meetings, reasonable notice period is given. Meeting agendas and other relevant information are normally provided to the Directors at least 3 days in advance of the Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

The company secretary is responsible for keeping minutes of all Board and committee meetings which are recorded in sufficient detail about the matters considered. Both draft and final versions of the minutes are sent to all Directors for their comments and records. Directors have access to the advice and services of the company secretary who is responsible to the Board for ensuring that Board meeting procedures are followed.

ACCESS TO INFORMATION

All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including relevant rules and regulations and are able to make further enquiries when necessary. Sufficient explanation and information have been provided to the Board to enable the Board to make an informed assessment of financial and other information put before it for approval. They also have unrestricted access to the advices and services of the Company Secretary. Update which gives a balanced and concise assessment of the Company's performance, position and prospects in sufficient details is provided to all Directors to enable the Board as a whole and each Director to discharge their duties. The Board has also agreed that the Directors may seek independent professional advice in performing their Directors' duties at the Company's expenses.

DIRECTORS INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Any newly appointed Directors are given an induction after their appointment so as to ensure that they have appropriate understanding of the Group's business and of their duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements. The Company provides regular updates on the business performance of the Group to the Directors. The Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development to Directors will be arranged whenever necessary.

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本公司鼓勵個別董事持續參與接受專業培訓，費用由本公司承擔。個別董事於二零一九年年內參與培訓之概況如下：

The Company encourages the participation of ongoing professional trainings by individual Director at the Company's expenses. The training participation by individual Director during 2019 is summarised as below:

		參閱材料 Reading materials	出席就任 培訓/ 研討會/ 簡介會 Attending induction training/ seminars/ briefings
執行董事	Executive Directors		
傅軍先生	Mr. Fu Kwan	✓	✓
張建先生	Mr. Zhang Jian	✓	✓
張必書先生	Mr. Zhang Bishu	✓	✓
劉靜女士	Ms. Liu Jing	✓	✓
陳躍先生	Mr. Chan Yeuk	✓	✓
周建人先生	Mr. Zhou Jianren	✓	-
獨立非執行董事	Independent Non-Executive Directors		
林聞深先生	Mr. Lam Man Sum, Albert	✓	✓
曹貺予先生	Mr. Cao Kuangyu	✓	-
張嘉偉先生	Mr. Cheung Ka Wai	✓	✓

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董事會責任

除監管及法定職責以外，董事會的主要職責更包括制定策略，以及監控本集團之經營及財務表現。董事會亦須以負責任及重效益之態度領導及管理本公司之事務，肩負促使本公司成功之責任。全體董事（包括獨立非執行董事）在本公司之主要及重大事宜上均獲諮詢，並已鼓勵對董事會之事務作出積極貢獻。全體董事明白彼等對本公司股東承擔共同和個別責任，並致力真誠行事，作出符合本集團及本公司股東最佳利益之決定。董事會授權有關主要部門之管理層處理本集團之日常業務管理。本公司已設立審核委員會、薪酬委員會及提名委員會，以協助董事會履行其職責及監督本集團之具體事務。所有委員會均擁有特定之職能及權力以履行職責，連同推薦建議向董事會報告，董事會有最終決定權，惟於有關委員會之職權範圍內另行規定者除外。

董事會負責履行載於企業管治守則守則條文第D.3.1條之企業管治職能，並已自二零一六年三月起採納最新企業管治守則手冊（包括董事之持續專業發展、遵守標準守則等）。此外，本公司已自二零一二年三月起採納員工舉報指引。本公司已為其董事及高級管理人員購買責任保險，以就彼等履行職責時可能引起的任何法律責任提供保障。

BOARD RESPONSIBILITY

On top of the regulatory and statutory responsibilities, the main duties of the Board include formulating strategy as well as monitoring and controlling operating and financial performance of the Group. The Board is also responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. All Directors (including independent non-executive Directors) have been consulted on major and material matters of the Company and have been encouraged to make active contribution to the affairs of the Board. All Directors are aware of their collective and individual responsibilities to the shareholders of the Company and are committed to act in good faith and make decisions in the best interests of both the Group and the shareholders of the Company. The Board delegates day-to-day management of the businesses of the Group to the management of the relevant principal divisions. The Company's Audit Committee, Remuneration Committee and Nomination Committee have been set up to assist the Board to discharge its duties and to oversee particular aspects of the Group's affairs. All Committees have specific functions and authority to examine issues and report to the Board with recommendations. The final decisions are rested with the Board, unless otherwise provided in terms of reference of the relevant Committees.

The Board is responsible for performing the corporate governance functions as set out in the code provision D.3.1 of the CG Code and has adopted the latest corporate governance code manual (including continuous professional development of directors, the compliance of the Model Code, etc) since March 2016. In addition, the Company's employee whistleblowing guidelines has also been in place since March 2012. Liability insurance for the Company's Directors and senior management was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

董事編製財務報表之責任

董事知悉，彼等須負責根據法定要求及適用之會計準則編製真實兼公平反映本集團財務狀況之本集團截至二零一九年十二月三十一日止年度綜合財務報表。董事會負責就本集團之表現及前景作出平衡、清晰及全面之評估。董事會並不知悉任何重大不確定因素可能會對本集團之持續經營能力造成重大疑問之事件或情況。因此，董事會已按持續基準編製綜合財務報表。本公司核數師已就其對綜合財務報表之申報責任作出聲明，有關聲明載於本年報第69至76頁之獨立核數師報告。

主席及行政總裁

董事會主席及行政總裁之角色應有區分及不應由同一人執行。於報告年度內，傅軍先生為本公司主席，負責領導董事會及使其有效運作。張建先生為本公司總經理，承擔行政總裁的責任。其負責有效管理本集團日常業務之所有事宜，以及實施經董事會批准之策略，發展和制定業務計劃、預算及財務目標交由董事會考慮，以及在本公司審核委員會支持下建立及維持適當之內部監控和風險管理系統。

獨立非執行董事

獨立非執行董事負責就本集團之發展、表現及風險管理作出獨立判斷等相關職能。彼等之就任及參與亦令董事會可嚴格遵守財務及其他強制性申報規定，並可提供充分之審核及維持平衡，以維護本公司股東及本公司之利益。各獨立非執行董事之任期為兩年，彼等須於股東週年大會上輪值退任，並符合資格膺選連任。獨立非執行董事在本公司所有公司通訊內均已明確列明。

DIRECTORS' RESPONSIBILITY IN PREPARING FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2019 that give a true and fair view of the financial position of the Group in accordance with statutory requirements and applicable accounting standards. The Board is responsible for presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and, therefore, the consolidated financial statements were prepared on a going concern basis. The statement of the auditors of the Company regarding their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditors' Report on pages 69 to 76 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of the chairman of the board and the chief executive officer are segregated and are not exercised by the same individual. During the Reporting Year, Mr. Fu Kwan has been the Chairman of the Company and responsible for the leadership and the effective operation of the Board. Mr. Zhang Jian has been the general manager of the Company and assumes the responsibility of the Chief Executive Officer of the Company. He has been responsible for the day-to-day management of the businesses in all aspects effectively, the implementation of the strategies approved by the Board, the development and formulation of business plans, budgets and financial objectives for consideration by the Board, and the establishment and maintenance of proper internal controls and risk management systems with the support of the Company's Audit Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group. Their presence and participation also enable the Board to maintain good standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company. Each of the independent non-executive Directors has been appointed for a term of two years and subject to retirement by rotation at annual general meeting and, being eligible, offer themselves for re-election. The independent non-executive Directors are explicitly identified in all of the Company's corporate communications.

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董事的委任及重選

委任新董事及其他相關事宜已轉授權力予本公司提名委員會，提名委員會就相關事宜(包括本公司董事的委任及重新委任)向董事會提出建議。董事會認為，預期新任董事具備有關範疇的專業知識，為本公司作出貢獻，且有足夠時間參與本公司的決策過程。

本公司執行董事與本公司已訂立服務合約，為期兩年或三年。此外，各獨立非執行董事已經跟本公司簽署委任書，指定任期為期兩年。

根據本公司之細則，(i)任何為填補某臨時空缺而獲董事會委任之董事只任職至其獲委任後本公司下屆股東大會止；或(ii)任何獲董事會委任作為現有董事會之新增成員之董事只任職至本公司下屆股東週年大會止。任何獲委任之董事於其時合資格再度獲重選。

薪酬委員會

本公司已於二零零五年成立薪酬委員會。薪酬委員會由三名獨立非執行董事林聞深先生、曹貽予先生及張嘉偉先生組成。張嘉偉先生為薪酬委員會主席。薪酬委員會之主要職責包括就本公司所有董事及高級管理人員之薪酬政策及架構向董事會作出推薦建議，並參照董事會所決定之企業目標及指標，檢討全體執行董事與高級管理人員之特定薪酬待遇。董事之薪酬乃根據董事之專業技能及對本公司之貢獻，並經考慮本集團表現及當時市場情況(包括同類公司支付之薪酬)以及參照執行董事之職責及責任而釐定。概無董事參與決定其本身之薪酬。薪酬委員會之職權範圍已刊載於本公司網站。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The appointment of new Director(s) and other related matters have been delegated to the Company's Nomination Committee, which would make recommendations to the Board on relevant matters including the appointment or reappointment of the Directors of the Company. The Board considers that the new Director(s) is expected to have expertise in relevant area to make contribution to the Company and to have sufficient time to participate in the decision making process of the Company.

The executive Directors of the Company entered into service contracts with the Company for terms of two or three years. In addition, each of the independent non-executive Directors signed a letter of appointment with the Company for a specific term of two years.

Pursuant to the Company's bye-laws, (i) any director appointed by the Board to fill a casual vacancy shall hold office until the next general meeting of the Company after his/her appointment or (ii) any director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company. Any Director appointed shall then be eligible for re-election.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in 2005. The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Lam Man Sum, Albert, Mr. Cao Kuangyu and Mr. Cheung Ka Wai. Mr. Cheung Ka Wai is the chairman of the Remuneration Committee. The principal responsibilities of the Remuneration Committee include making recommendation to the Board on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board. The remuneration of Directors are based on the skill and contribution in the Company's affairs and are determined by reference to duties and responsibilities of the executive Directors after considering the Group's performance and the prevailing market situations including salaries paid by comparable companies. No Director is involved in determining his own remuneration. The terms of reference of the Remuneration Committee are available at the Company's website.

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於截至二零一九年十二月三十一日止年度內，薪酬委員會曾舉行一次會議，以檢討董事及高級管理人員之薪酬待遇，以及薪酬政策。

For the year ended 31 December 2019, there was one meeting held by the Remuneration Committee to review the remuneration packages of the Directors and senior management as well as the remuneration policies.

於截至二零一九年十二月三十一日止年度內，支付予董事及高級管理層成員之薪酬按等級披露之詳情在綜合財務報表附註8及9內披露。

Details of the remuneration paid to Directors and members of senior management by band for the year ended 31 December 2019 are disclosed in notes 8 and 9 to the consolidated financial statements.

於報告年度內，薪酬委員會之出席情況載列如下：

Attendance of the Remuneration Committee during the Reporting Year is set out below:

成員	Members	出席會議次數／舉行會議次數 No. of meeting attended/ No. of meeting held
張嘉偉先生(主席)	Mr. Cheung Ka Wai (Chairman)	1/1
林聞深先生	Mr. Lam Man Sum, Albert	1/1
曹貺予先生	Mr. Cao Kuangyu	1/1

提名委員會

本公司於二零一二年已成立提名委員會，向董事會作出檢討及建議合適人選。提名委員會目前由兩名執行董事(傅軍先生(提名委員會主席)及張建先生)及三名獨立非執行董事(林聞深先生、曹貺予先生及張嘉偉先生)組成。提名委員會將根據人選之專業技能及經驗，評估董事認為有能力為董事會之表現作出積極貢獻之人選。提名委員會之職權範圍可於本公司網站查閱。

NOMINATION COMMITTEE

The Company's Nomination Committee was set up in 2012 to review and make recommendations for new candidates to the Board. The Nomination Committee currently comprises two executive Directors (Mr. Fu Kwan (chairman of the Nomination Committee) and Mr. Zhang Jian) and three independent non-executive Directors (Mr. Lam Man Sum, Albert, Mr. Cao Kuangyu and Mr. Cheung Ka Wai). The Nomination Committee will assess new candidates based on their skills, experience and who, in its opinion, are able to make positive contribution to the performance of the Board. The terms of reference of the Nomination Committee are available on the Company's website.

董事會已於二零一三年採納董事會多元化政策，其載有達致董事會多元化之方法。提名委員會亦負責檢討有關政策及可能不時採納之任何可量度目標並檢討達致該等目標之進展。本公司透過考慮多項因素(包括但不限於技能、區域及行業經驗、背景、種族、性別及其他品質)達致董事會多元化。於釐定董事會之最佳架構方面，本公司亦將計及其本身之業務模式及不時之特定需求。雖然董事會支持多元化原則，惟目前並不擬就董事會成員之委任而設定多元化配額或就性別多元化訂定短期目標，因有關政策可能會影響董事水平。

The Board has adopted a board diversity policy in 2013 which sets out the approach to achieve diversity on the Board. The Nomination Committee is also responsible to review the policy and any measurable objectives as may be adopted from time to time and to review the progress on achieving the objectives. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. The Company will also take into account of its own business model and specific needs from time to time in determining the optimum composition of the Board. Although the Board supports the principle of diversity, it currently does not intend to fix a diversity quota for Board members appointment or set a short term objective on gender diversity, for such policies may compromise on the calibre of Directors.

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於截至二零一九年十二月三十一日止年度內，提名委員會曾舉行一次會議，主要乃為審視(i)董事會的架構、人數、組成及成員多元化政策；(ii)本公司獨立非執行董事之獨立性；及(iii)重新委任退任董事以供本公司股東於股東週年大會上選舉。

During the year ended 31 December 2019, there was one meeting held by the Nomination Committee to mainly review (i) the structure, size, composition and diversity policy of the Board; (ii) the independence of the independent non-executive Directors of the Company and (iii) the re-appointment of retiring Directors for election by shareholders of the Company at the AGM.

於報告年度內，提名委員會之出席情況載列如下：

Attendance of the Nomination Committee during the Reporting Year is set out below:

成員	Members	出席會議次數／舉行會議次數 No. of meeting attended/ No. of meeting held
傅軍先生(主席)	Mr. Fu Kwan (Chairman)	0/1
張建先生	Mr. Zhang Jian	1/1
林聞深先生	Mr. Lam Man Sum, Albert	1/1
曹貺予先生	Mr. Cao Kuangyu	1/1
張嘉偉先生	Mr. Cheung Ka Wai	1/1

審核委員會

審核委員會於一九九九年成立，現時由三名獨立非執行董事林聞深先生、曹貺予先生及張嘉偉先生組成，並由林聞深先生擔任主席。審核委員會主席具有合適之專業會計資歷及／或經驗及／或上市規則第3.10(2)條規定之相關財務管理專業知識。本公司已遵守上市規則第3.21條之規定。審核委員會之職權範圍可於本公司網站查閱。

AUDIT COMMITTEE

The Audit Committee was established in 1999 and currently comprises three independent non-executive Directors, namely Mr. Lam Man Sum, Albert, Mr. Cao Kuangyu and Mr. Cheung Ka Wai, and is chaired by Mr. Lam Man Sum, Albert. The chairman of the Audit Committee possesses appropriate professional qualifications and/or experience in accounting and/or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Company has complied with Rule 3.21 of the Listing Rules. The terms of reference of the Audit Committee are available on the Company's website.

審核委員會於二零一九年曾舉行兩次會議，其成員出席率為100%。年內，審核委員會向董事會提供會計及財務建議及推薦意見，並審閱外部核數師之獨立性及有關審核事項。此外，審核委員會檢討本集團之風險管理及內部監控系統。本集團截至二零一九年六月三十日止六個月之未經審核中期業績及截至二零一九年十二月三十一日止年度之經審核年度業績已由審核委員會審閱，審核委員會認為，該等相關財務報表已根據適用之會計準則及規定編製，並已作出充分披露。

The Audit Committee held two meetings in 2019 with 100% attendance of its members. During the year, the Audit Committee provided accounting and financial advices and recommendations to the Board as well as reviewed the independence of external auditors and relevant auditing matters. Also, the Audit Committee reviewed the risk management and internal control system of the Group. The Group's unaudited interim results for the six months ended 30 June 2019 and audited annual results for the year ended 31 December 2019 have been reviewed by the Audit Committee which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

核數師酬金

截至二零一九年十二月三十一日止年度綜合財務報表已由國衛會計師事務所有限公司審核。於報告年度內，國衛會計師事務所有限公司所提供審核服務收取之費用約為900,000港元(二零一八年：950,000港元)。就有關協助審閱中期財務報告內的披露情況之非核數服務已付／應付國衛會計師事務所有限公司之費用為285,000港元(二零一八年：285,000港元)。此外，於截至二零一八年十二月三十一日止年度內，國衛會計師事務所有限公司就日期為二零一八年八月一日之綜合文件提供專業服務，就有關非核數事宜已付／應付予彼等之費用為158,950港元。

風險管理及內部監控

董事會知悉具整體責任建立及維持足夠及有效之風險管理及內部監控系統以保障本集團之資產免受未經授權動用或處置，並保障本公司股東之權益。此外，風險管理及內部監控系統設計為管理而非杜絕失誤風險，其僅可提供合理保證而非絕對保證可防範重大失實陳述或損失。

本集團設有內部審核功能，並已經設立風險管理框架，其包括董事會、審核委員會及管理層。本集團已確立既定程序，以確定、評估及管理本集團所面對的重大風險。業務單位負責識別、評估及監察與相關業務單位有關之風險。評估結果將透過所識別風險清單及管理層對本集團影響評估，定期召開內部會議上報管理層。董事會對所識別風險進行討論並評估風險管理及內部控制系統之有效性。

本集團認為有效之風險管理及內部監控系統經已設立，其包括健全監控環境、適當職務分工、清楚界定的政策及監察程序，並且由管理層定期檢討及提升。

本集團致力維持及主張良好企業管治常規，風險管理及內部監控系統。就截至二零一九年十二月三十一日止年度，本集團已委聘外部顧問最少每年一次對本集團之風險管理及內部監控系統之有效性進行檢討，並就改善及加強其內部監控系統作出建議。根據外部顧問之檢討結果報告，並無發現任何主要事宜，但有可改善之處。所有推薦建議均將會妥善跟進，以確保其於合理時間內實行，而董事會認為，於本年度內，本集團之風險管理及內部監控系統在各重大方面均為有效。

AUDITORS' REMUNERATION

The consolidated financial statements for the year ended 31 December 2019 have been audited by HLB Hodgson Impey Cheng Limited. During the Reporting Year, the fee in respect of audit service provided by HLB Hodgson Impey Cheng Limited was approximately HK\$900,000 (2018: HK\$950,000). The fee paid/payable to HLB Hodgson Impey Cheng Limited for non-audit services relating to assisting in reviewing the disclosure of interim financial report was HK\$285,000 (2018: HK\$285,000). In addition, during the year ended 31 December 2018, the fee paid/payable to HLB Hodgson Impey Cheng Limited for non-audit matters relating to professional services rendered in connection with the composite document dated 1 August 2018 was HK\$158,950.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it has overall responsibilities for the establishment and maintenance of an adequate and effective risk management and internal control system to safeguard the Group's assets against unauthorised use or disposition, and to protect the interest of shareholders of the Company. Furthermore, the risk management and internal control system is designed to manage rather than eliminate the risk of failure and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has a built-in internal audit function and has established a risk management framework, which consists of the Board, the Audit Committee and the management. On-going process for identifying, evaluating and managing the significant risks of the Group has been established. Business units are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to management through regular internal meetings associated with the list of risks identified and management's assessment on the impact to the Group. The Board discussed the risk identified and evaluates the effectiveness of the risk management and internal control system.

The Group is of the view that an effective risk management and internal control system is in place which encompasses sound control environment, appropriate segregation of duties, well-defined policies and monitoring procedures and is reviewed and enhanced by the management at regular intervals.

The Group is committed to maintaining and upholding good corporate governance practices, risk management and internal control system. In respect of the year ended 31 December 2019, the Group engaged external consultants to perform review on the effectiveness of the risk management and internal control system of the Group at least once a year and make recommendations for improvement and strengthening of its risk management and internal control system. Based on the reports on the findings from the external consultants, no major issues but areas of improvement have been identified. All recommendations will be properly followed up to ensure that they are implemented within a reasonable period of time and the Board considered the Group's risk management and internal control system were effective in all material aspects during the year.

企業管治報告

CORPORATE GOVERNANCE REPORT

就監察及披露內幕消息而言，本公司已制定指引，旨在確保內部人士遵守保密性規定及履行內幕消息之披露責任。

With respect to the monitoring and disclosure of inside information, the Company has formulated its guidelines, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligation of the inside information.

公司秘書

截至二零一九年十二月三十一日止年度，公司秘書已出席不少於15小時之相關專業培訓。

COMPANY SECRETARY

During the year ended 31 December 2019, the company secretary attended relevant professional training for not less than 15 hours.

股東之權利

股東召開股東特別大會之程序

根據本公司之公司細則，董事會可因應持有不少於本公司已發行股本十分之一且所持證券附有於本公司任何股東大會表決權利之任何股東之要求召開股東特別大會。股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港銅鑼灣告士打道262號中糧大廈15樓）（「總辦事處」），當中列明股東之持股資料、詳細聯絡方式、有關任何特定交易／業務之建議及其支持文件。

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene a special general meeting

Pursuant to the Company's bye-laws, special general meetings may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the company secretary at the Company's head office and principal place of business at 15/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong ("Head Office"), specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

於股東大會上提呈建議之程序

股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及於其總辦事處之主要營業地點，當中列明股東之持股資料、詳細聯絡方式、擬於股東大會上提呈之有關任何特定交易／業務之建議及其支持文件。

Procedures for putting forward proposals at a general meeting

A shareholder shall make a written requisition to the Board or the company secretary at the Company's head office and principal place of business at its Head Office, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

向董事會發出股東查詢之程序

股東可隨時以書面方式將其查詢及關注事宜寄往本公司之總辦事處及於其總辦事處之主要營業地點，透過公司秘書轉交予董事會。股東亦可於本公司之股東大會上向董事會作出查詢。

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary at the Company's head office and principal place of business at its Head Office. Shareholders may also make enquiries with the Board at the general meetings of the Company.

組織章程文件

截至二零一九年十二月三十一日止年度，本公司之組織章程文件並無重大變動。

投資者關係

董事了解與本公司股東維持良好關係及保持良好溝通之重要性。本公司繼續提倡投資者關係及與其投資者溝通。本公司使用各種溝通工具，如召開股東週年大會、股東特別大會、發佈年度及中期報告、各種通告、公告及通函等，以確保其股東能夠及時知悉本公司之資訊。

本公司設有網站(網址為<http://macrolinkcapital.etnet.com.hk>)，為其股東及公眾人士提供公司通訊平台。上市規則規定之所有公司通訊(於過往五年內刊登之文件)均於本公司網站上刊載，本公司網站已設立程序以確保按照上市規則及時更新企業資訊。

股息政策

於二零一九年，本公司採納一份新股息政策(「股息政策」)。根據該股息政策，本公司可向本公司股東宣佈派發及分派股息，但須以本集團錄得除稅後溢利且宣佈派發及分派股息不會對本集團之正常營運構成影響為前提。本公司擬就當時之財政年度派付年度股息，惟須考慮(其中包括)以下因素：

- (i) 本集團之財務業績；
- (ii) 本集團之財務狀況；
- (iii) 業務營運、業務策略及未來發展所需的未來現金需求及可獲得途徑；
- (iv) 是否有資金履行本集團銀行及其他貸款的財務契諾；及
- (v) 董事會可能認為適當的任何其他因素。

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the year ended 31 December 2019.

INVESTOR RELATIONS

The Directors are aware of the importance of maintaining good relations and communications with shareholders of the Company. The Company continues to promote investor relations and communication with its investors. The Company uses a range of communication tools, such as annual general meetings, special general meetings, annual and interim reports, various notices, announcements and circulars etc, to ensure its shareholders are kept informed of the Company's information.

The Company has maintained a website at <http://macrolinkcapital.etnet.com.hk>, which serves as a platform for corporate communications with its shareholders and the general public. All corporate communications required under the Listing Rules are displayed (for documents published in the previous 5 years) on the Company's website, which has established procedures to ensure timely update in compliance with the Listing Rules.

DIVIDEND POLICY

The Company adopted a new dividend policy (the "Dividend Policy") in 2019. Pursuant to the Dividend Policy, the Company may declare and distribute dividends to the shareholders of the Company, provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group. The Company intends to pay out on annual dividend payment for the then financial year after taking into consideration of, inter alia, the following factors:

- (i) the Group's financial results;
- (ii) the financial condition of the Group;
- (iii) future cash requirements and availability for business operations, business strategies and future development needs;
- (iv) the availability of funds to meet the financial covenants of our Group's bank and other loans; and
- (v) any other factors that our Board may consider appropriate.

企業管治報告

CORPORATE GOVERNANCE REPORT

本公司派付股息亦須遵守百慕達公司法及本公司細則之任何限制。本公司宣佈派發的任何末期股息必須經其股東於股東週年大會上以普通決議案予以批准，且不得超過董事會所建議之金額。董事會可不時向股東支付其認為有本集團溢利支持的有關中期及／或特別股息。

根據該股息政策宣佈派發及／或派付任何未來股息，須經董事會認為其符合本集團及本公司股東之整體最佳利益後，方可進行。董事會致力在股東利益與審慎資本管理之間取得平衡，且董事會將不時檢討股息政策，並在其認為適合及有需要時可隨時運用其獨有及絕對酌情權去更新、修訂及／或更改該政策。概不保證會就任何指定期間支付任何特定金額之股息。

The payment of the dividend by the Company is also subject to any restrictions under the Companies Act of Bermuda and the Bye-Laws of the Company. Any final dividends declared by the Company must be approved by an ordinary resolution of its shareholders at an annual general meeting. The Board may from time to time pay to the shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.

Any declaration and/or payment of future dividends under the Dividend Policy are/is subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole. The Board endeavors to strike a balance between the shareholders' interests and prudent capital management and the Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.



香港 31/F, Gloucester Tower
中環 The Landmark
畢打街11號 11 Pedder Street
置地廣場 Central
告羅士打大廈31樓 Hong Kong

致新華聯資本有限公司
全體股東
(於百慕達註冊成立之有限公司)

**TO THE MEMBERS OF
MACROLINK CAPITAL HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

意見

吾等已審核第77頁至第202頁所載新華聯資本有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此財務報表包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合全面收益表、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，綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實及公平地反映貴集團於二零一九年十二月三十一日的綜合財務狀況及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

吾等按照香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審核工作。吾等於該等準則項下之責任已於吾等之報告內核數師就審核綜合財務報表須承擔的責任一節進一步闡述。吾等根據香港會計師公會頒佈之專業會計師道德守則(「守則」)獨立於貴集團，吾等亦已根據守則達致吾等之其他道德責任。吾等認為吾等所獲得的審核憑證屬充足及適當以為吾等之意見提供基準。

OPINION

We have audited the consolidated financial statements of Macrolink Capital Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 77 to 202, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, 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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors’ 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.

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

關鍵審核事項

關鍵審核事項為就吾等之專業判斷而言，對吾等審核本期間之綜合財務報表最為重要的事項。該等事項是在吾等審核整體綜合財務報表及就此出具意見時進行處理的，且吾等不會對該等事項提供單獨的意見。

關鍵審核事項

Key audit matter

採礦權以及勘探及評估資產之減值評估

Impairment assessments on mining rights and exploration and evaluation assets

參考綜合財務報表附註16。

Refer to note 16 to the consolidated financial statements.

貴集團採礦權以及勘探及評估資產於二零一九年十二月三十一日之賬面值分別約為12,213,000港元及8,877,000港元(未就資產減值評估結果作出調整前)。

The carrying amounts of the Group's mining rights and exploration and evaluation assets as at 31 December 2019 were approximately HK\$12,213,000 and HK\$8,877,000 respectively before adjusting for the results of the impairment assessment of the assets.

採礦權以及勘探及評估資產之賬面值會於有事件或情況之轉變顯示可能無法收回賬面值時作出減值檢討。釐定採礦權以及勘探及評估資產於報告期末之賬面值是否出現任何減值跡象以及減值虧損多寡(倘若存在有關跡象)時須要作出重大判斷。

The carrying amounts of mining rights and exploration and evaluation assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Determining whether there is any indication of impairment of the carrying amounts of mining rights and exploration and evaluation assets as at the end of the reporting period, and the extent of impairment loss if such indication exists, require significant judgement.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

吾等之審核如何處理關鍵審核事項

How our audit addressed the key audit matter

吾等就管理層對採礦權以及勘探及評估資產進行減值評估所進行之程序包括：

Our procedures in relation to management's impairment assessments on mining rights and exploration and evaluation assets included:

- 與管理層討論減值跡象，以及質疑管理層有關是否存在減值跡象的看法。在有關跡象被識別的情況下，評估管理層進行的減值測試；
Discussing indicators of impairment with the management and challenging the management's views about the existence or non-existence of indicators of impairment. Where such indicators were identified, assessing the impairment testing performed by management;
- 根據 貴集團之會計政策及吾等對 貴集團業務之理解評估管理層識別的現金產生單位；
Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business;

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

關鍵審核事項(續)

KEY AUDIT MATTERS (continued)

關鍵審核事項

Key audit matter

為進行減值評估，採礦權以及勘探及評估資產分配至現金產生單位(「現金產生單位」)。管理層根據使用價值計算使用現金流量預測釐定現金產生單位於二零一九年十二月三十一日之可收回金額。進行減值評估過程中，須運用重大判斷以適當確定採礦權以及勘探及評估資產所屬的有關現金產生單位及釐定用於編製現金流量預測及計算使用價值的關鍵假設，包括經營利潤率、增長率及貼現率。

For the purpose of assessing impairment, mining rights and exploration and evaluation assets are allocated to cash-generating units ("CGUs"). The recoverable amounts of the CGUs as at 31 December 2019 were determined by management based on value-in-use calculations using cash flow projections. In carrying out the impairment assessments, significant judgements were required to be exercised to appropriately identify the respective CGUs to which mining rights and exploration and evaluation assets belong and to determine the key assumptions, including operating margins, growth rates and discount rates, to be used in the preparation of the cash flow projections and the value-in-use calculations.

由於進行減值評估，因此，已經在綜合損益表內確認減值虧損為數約4,806,000港元及1,764,000港元，以分別將採礦權以及勘探及評估資產的賬面金額撇減。

As a result of the impairment assessment, impairment losses amounting to approximately HK\$4,806,000 and HK\$1,764,000 were recognised in the consolidated statement of profit or loss to write down the carrying amounts of mining rights and exploration and evaluation assets respectively.

吾等之審核如何處理關鍵審核事項

How our audit addressed the key audit matter

- 評估管理層採納之使用價值計算(包括有關方法)：
Assessing the value-in-use calculations, including the methodologies adopted by the management;
- 根據吾等的業務及行業知識評估所採納的關鍵假設(包括經營利潤率、增長率及貼現率)之合理性：
Assessing the reasonableness of key assumptions adopted (including operating margins, growth rates and discount rates) based on our knowledge of the business and industry;
- 對賬輸入數據及支持憑證(如經批准預算)，並考慮該等預算之合理性：
Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets;
- 評估獨立專業合資格估值師之勝任力、能力及客觀性；及
Evaluation of the independent professional qualified valuer's competence, capabilities and objectivity; and
- 委聘估值專家協助吾等評估所用方法及關鍵假設之合適性。
Engaging a valuation expert in assisting us to assess the methodology used and the appropriateness of the key assumptions.

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

關鍵審核事項(續)

KEY AUDIT MATTERS (continued)

關鍵審核事項

Key audit matter

投資物業之估值

Valuation of investment properties

參考綜合財務報表附註14。

Refer to note 14 to the consolidated financial statements.

貴集團的投資物業以公平值列值。管理層估算 貴集團投資物業於二零一九年十二月三十一日之公平值約為73,850,000港元，而投資物業於截至二零一九年十二月三十一日止年度之公平值收益約63,000港元於綜合損益表內入賬。已就投資物業取得獨立外部估值。投資物業的估值依賴在估值過程中所採納的若干假設，而該等假設受不確定因素影響，可能與實際結果存在重大差異。已合理考慮主要根據報告期結束時之市況作出之相關假設。

The Group's investment properties are carried at fair value. Management has estimated the fair value of the Group's investment properties to be approximately HK\$73,850,000 as at 31 December 2019 with fair value gains on investment properties for the year ended 31 December 2019 recorded in the consolidated statement of profit or loss of approximately HK\$63,000. Independent external valuation was obtained in respect of the investment properties. The valuation of the investment properties is dependent on certain assumptions adopted in the valuation process, which are subject to uncertainties and might materially differ from the actual results. Reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the end of the reporting period.

吾等之審核如何處理關鍵審核事項

How our audit addressed the key audit matter

吾等就管理層對投資物業之估值所進行之程序包括：

Our procedures in relation to management's valuation of investment properties included:

- 評估獨立專業合資格估值師之勝任力、能力及客觀性；
Evaluation of the independent professional qualified valuer's competence, capabilities and objectivity;
- 委聘估值專家協助吾等評估所用方法的合適性及所作關鍵假設之合理性；及
Engaging a valuation expert in assisting us to assess the appropriateness of the methodology used and the reasonableness of the key assumptions made; and
- 考慮所用數據的相關性以及測試估計計算的準確性。
Considering the relevance of the data used and testing the accuracy of the calculation of the estimates.

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

其他資料

貴公司之董事負責編製其他資料。其他資料包括年報所載之資料，惟不包括綜合財務報表及吾等就此之核數師報告(「其他資料」)。

吾等有關綜合財務報表之意見並不涵蓋其他資料，吾等亦並不就此發表任何形式之核證結論。

就吾等對綜合財務報表之審核而言，吾等之責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或存在重大錯誤陳述。倘若吾等基於已完成的工作認為其他資料出現重大錯誤陳述，吾等須報告此事實。在這方面，吾等並沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製作出真實而公允反映之綜合財務報表，並負責董事認為就確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需之有關內部控制。

於編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

貴公司董事在審核委員會協助下履行其監督 貴集團的財務報告流程的責任。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("Other Information").

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

核數師就審核綜合財務報表須承擔的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並根據百慕達一九八一年公司法第90章僅向閣下(作為整體)出具包括吾等意見的核數師報告，除此以外，吾等的報告不作其他用途。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。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等個別或整體可能影響該等綜合財務報表使用者所作出的經濟決策，則有關的錯誤陳述可被視作重大。

吾等根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的效能發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue auditors' report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

獨立核數師報告(續)

INDEPENDENT AUDITORS' REPORT (continued)

核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。倘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對綜合財務報表中的相關披露資料的關注。倘有關的披露資料不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核證據，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。吾等僅對吾等之審核意見承擔責任。

吾等與審核委員會溝通了(其中包括)計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核期間識別出內部控制的任何重大缺陷。

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的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性的關係及其他事項，以及相關防範措施(倘適用)。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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.

獨立核數師報告(續) INDEPENDENT AUDITORS' REPORT (continued)

核數師就審核綜合財務報表須承擔的責任(續)

從與審核委員會溝通的事項中，吾等決定哪些事項對本期間綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在吾等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為盧健基。

國衛會計師事務所有限公司
執業會計師

盧健基

執業證書編號：P06413
香港，二零二零年四月二十九日

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

The engagement director on the audit resulting in this independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei

Practising Certificate Number: P06413
Hong Kong, 29 April 2020

綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零一九年十二月三十一日止年度(以港元列值)
For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

		附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
營業額	Revenue	5	337,839	184,704
銷售及服務成本	Cost of sales and services		(328,114)	(178,252)
毛利	Gross profit		9,725	6,452
其他收入及收益	Other income and gains	5	46,142	5,222
行政費用	Administrative expenses		(52,087)	(58,506)
其他經營支出淨額	Other operating expenses, net		(19,360)	(46,520)
投資物業公平值收益	Fair value gains on investment properties	14	63	885
期貨合約公平值虧損	Fair value loss on future contracts	6	(75,763)	–
其他無形資產減值虧損	Impairment loss on other intangible assets	16	(6,570)	(37,110)
經營虧損	Operating loss	6	(97,850)	(129,577)
財務成本	Finance costs	7	(4,293)	(10,088)
除稅前虧損	Loss before tax		(102,143)	(139,665)
所得稅抵免	Income tax credit	10	3,524	7,765
年度虧損	Loss for the year		(98,619)	(131,900)
應佔：	Attributable to:			
本公司擁有人	Owners of the Company		(88,810)	(111,784)
非控股權益	Non-controlling interests		(9,809)	(20,116)
			(98,619)	(131,900)
本公司擁有人應佔每股虧損	Loss per share attributable to owners of the Company			
基本及攤薄(每股港仙)	Basic and diluted (HK cents per share)	11	(7.36)	(10.61)

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
年度虧損	Loss for the year	(98,619)	(131,900)
其他全面開支(扣除稅項) 將不會重新分類至 損益賬之項目:	Other comprehensive expenses, net of tax <i>Item that will not be reclassified to profit or loss:</i>		
以公平值計量且其變動計入 其他全面收益的股本投資 之公平值變動	Change in fair value of equity investments at fair value through other comprehensive income	(443)	(1,556)
		(443)	(1,556)
其後可能重新分類至損益賬 之項目:	<i>Item that may be reclassified subsequently to profit or loss:</i>		
換算海外業務產生之匯兌差額	Exchange differences on translation of foreign operations	(3,097)	(2,441)
		(3,097)	(2,441)
年度其他全面開支(扣除稅項)	Other comprehensive expenses for the year, net of tax	(3,540)	(3,997)
年度全面開支總額	Total comprehensive expenses for the year	(102,159)	(135,897)
應佔:	Attributable to:		
本公司擁有人	Owners of the Company	(91,842)	(113,268)
非控股權益	Non-controlling interests	(10,317)	(22,629)
		(102,159)	(135,897)

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日(以港元列值)
At 31 December 2019 (Expressed in Hong Kong dollars)

		附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	13	99,104	122,045
投資物業	Investment properties	14	73,850	74,367
使用權資產	Prepaid land lease payments	15	-	17,963
預付土地租賃款項	Right-of-use assets	15	17,196	-
其他無形資產	Other intangible assets	16	14,520	21,171
以公平值計量且其變動計入其他 全面收益的股本投資	Equity investments at fair value through other comprehensive income	17	-	508
遞延稅項資產	Deferred tax assets	31	347	349
非流動資產總值	Total non-current assets		205,017	236,403
流動資產	Current assets			
物業存貨	Stock of properties	18	-	3,411
存貨	Inventories	19	30,841	15,794
應收賬款	Accounts receivable	20	3,171	1,300
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	21	22,247	22,929
應收關連公司款項	Amounts due from related companies	22	12,420	12,656
以公平值計量且其變動計入 損益的金融資產	Financial instruments at fair value through profit or loss	24	19,781	-
現金及銀行結餘	Cash and bank balances	25	35,784	100,901
流動資產總值	Total current assets		124,244	156,991
流動負債	Current liabilities			
應付賬款	Accounts payable	26	4,515	7,028
其他應付款項及應計負債	Other payables and accruals	27	52,539	45,969
計息銀行及其他借貸	Interest-bearing bank and other borrowings	29	33,060	34,469
應付關連公司款項	Amounts due to related companies	23	26,740	3,780
應付稅項	Tax payable		50	6,562
流動負債總值	Total current liabilities		116,904	97,808
流動資產淨值	Net current assets		7,340	59,183
資產總值減流動負債	Total assets less current liabilities		212,357	295,586

綜合財務狀況表（續）

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

於二零一九年十二月三十一日（以港元列值）

At 31 December 2019 (Expressed in Hong Kong dollars)

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note		
非流動負債	Non-current liabilities			
計息銀行及其他借貸	Interest-bearing bank and other borrowings	29	-	2,512
財務擔保合約	Financial guarantee contract	30	134	-
遞延稅項負債	Deferred tax liabilities	31	33,256	33,207
非流動負債總值	Total non-current liabilities		33,390	35,719
資產淨值	Net assets		178,967	259,867
權益	Equity			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital	32	120,625	120,625
儲備	Reserves	34	38,476	109,059
非控股權益	Non-controlling interests		159,101	229,684
			19,866	30,183
總權益	Total equity		178,967	259,867

綜合財務報表於二零二零年四月二十九日獲董事會批准及授權並由以下董事代表董事會簽發：

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 April 2020 and are signed on its behalf by:

傅軍
Fu Kwan
董事
Director

張建
Zhang Jian
董事
Director

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

截至二零一九年十二月三十一日止年度(以港元列值)
For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

		本公司擁有人應佔 Attributable to owners of the Company										
		以公平值計量且 法定 其變動計入其他 全面收益儲備 Fair value				物業 重估儲備		匯兌 波動儲備		總計		
股本	股份溢價賬	盈餘儲備	全面收益儲備	重估儲備	其他儲備	波動儲備	累計虧損	總計	非控股權益	總權益		
Share capital	Share premium account	Statutory surplus reserve	through other comprehensive income reserve	Property revaluation reserve	Other reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity		
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		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
(附註32)		(附註34(i))				(附註34(ii))						
(Note 32)		(Note 34(i))				(Note 34(ii))						
於二零一九年一月一日	At 1 January 2019	120,625	163,910	18,380	(361)	1,132	-	6,589	(80,591)	229,684	30,183	259,867
溢利或虧損	Profit or loss	-	-	-	-	-	-	-	(88,810)	(88,810)	(9,809)	(98,619)
其他全面開支(扣除稅項)	Other comprehensive expenses, net of tax											
以公平值計量且其變動計入其他全面收益的股本投資之公平值變動	Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	(443)	-	-	-	-	(443)	-	(443)
換算海外業務產生之匯兌差額	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(2,589)	-	(2,589)	(508)	(3,097)
年度全面開支總額(扣除稅項)	Total comprehensive expenses for the year, net of tax	-	-	-	(443)	-	-	(2,589)	(88,810)	(91,842)	(10,317)	(102,159)
於出售以公平值計量且其變動計入其他全面收益的股本投資時將公平值儲備轉撥	Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	-	804	-	-	-	(804)	-	-	-
股東出資	Shareholder's contribution	-	-	-	-	-	21,259	-	-	21,259	-	21,259
於二零一九年十二月三十一日	At 31 December 2019	120,625	163,910	18,380	-	1,132	21,259	4,000	(170,205)	159,101	19,866	178,967

綜合權益變動表 (續)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

截至二零一九年十二月三十一日止年度 (以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

		本公司擁有人應佔 Attributable to owners of the Company												
		股本	股份溢價賬	可換股 債券儲備	法定 盈餘儲備	購股權 儲備	投資 重估儲備	以公平值計量且 其變動計入其他 全面收益儲備	物業 重估儲備	匯兌 波動儲備	保留溢利/ (累計虧損)	總計	非控股權益	總權益
		Share capital	Share premium account	Convertible bonds reserve	Statutory surplus reserve	Share option reserve	Investments revaluation reserve	Fair value through other comprehensive income reserve	Property revaluation reserve	Exchange fluctuation reserve	Retained profits/ (accumulated loss)	Total	Non- controlling interests	Total equity
		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
		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
		(附註32)	(附註32)	(附註28)	(附註34(i))	(附註28)	(附註28)	(附註34(i))	(附註28)	(附註28)	(附註34(i))	(附註34(i))	(附註34(i))	(附註34(i))
		(Note 32)	(Note 32)	(Note 28)	(Note 34(i))	(Note 28)	(Note 28)	(Note 34(i))	(Note 28)	(Note 28)	(Note 34(i))	(Note 34(i))	(Note 34(i))	(Note 34(i))
於二零一七年十二月三十一日	At 31 December 2017	104,540	78,399	-	18,380	1,673	1,195	-	1,132	6,517	30,000	241,836	52,812	294,648
採用香港財務報告準則 第9號的影響	Effect of adoption of Hong Kong Financial Reporting Standard 9	-	-	-	-	-	(1,195)	1,195	-	-	(480)	(480)	-	(480)
於二零一八年一月一日 (經重列)	At 1 January 2018 (restated)	104,540	78,399	-	18,380	1,673	-	1,195	1,132	6,517	29,520	241,356	52,812	294,168
溢利或虧損	Profit or loss	-	-	-	-	-	-	-	-	-	(111,784)	(111,784)	(20,116)	(131,900)
其他全面(開支)/收益 (扣除稅項)	Other comprehensive (expenses)/income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
以公平值計量且其變動計入其 他全面收益之股本投資之公 平值變動	Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	(1,556)	-	-	-	(1,556)	-	(1,556)
換算海外業務產生 之匯兌差額	Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	72	-	72	72	(2,513)	(2,441)
年度全面(開支)/收益總額 (扣除稅項)	Total comprehensive (expenses)/income for the year, net of tax	-	-	-	-	-	-	(1,556)	-	72	(111,784)	(113,268)	(22,629)	(135,897)
發行可換股債券	Issuance of convertible bonds	-	-	19,266	-	-	-	-	-	-	-	19,266	-	19,266
可換股債券發行費用	Convertible bonds issuance expenses	-	-	(241)	-	-	-	-	-	-	-	(241)	-	(241)
可換股債券獲轉換	Conversion of convertible bonds	16,085	85,511	(18,462)	-	-	-	-	-	-	-	83,134	-	83,134
可換股債券的遞延稅項	Deferred tax on convertible bonds	-	-	(563)	-	-	-	-	-	-	-	(563)	-	(563)
註銷購股權	Cancellation of share options	-	-	-	-	(1,673)	-	-	-	-	1,673	-	-	-
於二零一八年十二月三十一日	At 31 December 2018	120,625	163,910	-	18,380	-	-	(361)	1,132	6,589	(80,591)	229,684	30,183	259,867

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一九年十二月三十一日止年度(以港元列值)
For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

	附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
經營業務現金流量			
CASH FLOWS FROM OPERATING ACTIVITIES			
除稅前虧損		(102,143)	(139,665)
已就下列各項作出調整：	Adjustments for:		
財務成本	Finance costs	7	10,088
利息收入	Interest income	(1,178)	(439)
出售物業、廠房及設備項目之收益	Gain on disposal of items of property, plant and equipment	(1,011)	(1,499)
投資物業公平值收益	Fair value gains on investment properties	14	(885)
以公平值計量且其變動計入損益的股本投資公平值之收益	Fair value gains on equity investments at fair value through profit or loss	(346)	(39)
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	13	18,072
預付土地租賃款項之攤銷	Amortisation of prepaid land lease payments	15	455
使用權資產折舊	Depreciation of right-of-use assets	15	–
其他無形資產之攤銷	Amortisation of other intangible assets	16	6,333
撇銷物業、廠房及設備項目	Write-off of items of property, plant and equipment	–	324
其他無形資產之減值虧損	Impairment loss on other intangible assets	16	37,110
應收賬款之減值虧損撥備淨額	Provision of impairment loss on accounts receivable, net	413	13
預付款項、按金及其他應收款項之減值虧損(轉回)/撥備淨額	(Reversal)/provision of impairment loss on prepayments, deposits and other receivables, net	(442)	23,953
物業、廠房及設備的減值虧損	Impairment loss on property, plant and equipment	13	4,251
存貨撇減	Write-down of inventories	1,994	3,894
財務擔保合約的預期信貸虧損	Expected credit loss on financial guarantee contract	10	–
財務擔保合約攤銷	Amortisation of financial guarantee contract	(10)	–
出售附屬公司的收益	Gain on disposal of subsidiaries	44	–
		(73,227)	(38,034)
物業存貨減少	Decrease in stock of properties	3,411	2,264
存貨增加	Increase in inventories	(17,041)	(6,859)
以公平值計量且其變動計入損益的股本投資(增加)/減少	(Increase)/decrease in equity investments at fair value through profit or loss	(19,435)	1,086
應收賬款增加	Increase in accounts receivable	(2,314)	(419)
預付款項、按金及其他應收款項減少	Decrease in prepayments, deposits and other receivables	512	11,593
應收關連公司款項減少	Decrease in amounts due from related companies	236	540
應付賬款(減少)/增加	(Decrease)/increase in accounts payable	(64)	1,859
其他應付款項及應計負債增加/(減少)	Increase/(decrease) in other payables and accruals	6,036	(2,205)
應付關連公司款項增加/(減少)	Increase/(decrease) in amounts due to related companies	22,960	(38)
財務擔保合約增加	Increase in financial guarantee contract	136	–
經營業務所用現金	Cash used in operations	(78,790)	(30,213)
已收銀行利息	Bank interest received	1,178	439
已付海外稅項	Overseas tax paid	(2,767)	(401)
用於經營活動之現金流量淨額	Net cash flows used in operating activities	(80,379)	(30,175)

綜合現金流量表 (續)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

截至二零一九年十二月三十一日止年度 (以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

	附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
投資活動現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
購買物業、廠房及設備項目	Purchases of items of property, plant and equipment	(67)	(812)
出售物業、廠房及設備項目之所得款項	Proceeds from disposal of items of property, plant and equipment	1,071	1,659
出售以公平值計量且其變動計入其他全面收益的股本投資的所得款項	Proceeds from disposal of equity investments at fair value through other comprehensive income	65	–
添置其他無形資產	Additions to other intangible assets	–	(124)
已收回之應收貸款	Receipt of loan receivable	–	397
受限制現金減少	Decrease of restricted cash	16	10
出售附屬公司的現金流入淨額	Net cash inflow from disposal of subsidiaries	44	–
投資活動所得之現金流量淨額	Net cash flows from investing activities	2,788	1,130
融資活動現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付利息	Interest paid	(3,132)	(2,672)
支付貸款安排費用	Loan arrangement fee paid	(625)	(1,500)
發行可換股債券的所得款項	Proceeds from issuance of convertible bonds	–	100,000
可換股債券發行費用	Convertible bonds issuance expenses	–	(1,250)
已付可換股債券利息	Convertible bonds interest paid	–	(1,945)
償還銀行貸款	Repayment of bank loan	(3,724)	(3,724)
股東出資	Shareholder's contribution	21,259	–
應付最終控股公司款項減少	Decrease in amount due to ultimate holding company	–	(29)
融資活動所得之現金流量淨額	Net cash flows from financing activities	13,778	88,880
現金及現金等價物之(減少)/增加淨額	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(63,813)	59,835
年初之現金及現金等價物	Cash and cash equivalents at beginning of year	100,822	34,201
外幣匯率變動之影響，淨額	Effect of foreign exchange rate changes, net	(1,288)	6,786
年終之現金及現金等價物	CASH AND CASH EQUIVALENTS AT END OF YEAR	35,721	100,822
現金及現金等價物結餘之分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	25	100,901
減：受限制現金	Less: Restricted cash	(63)	(79)
列賬於綜合現金流量表內之現金及現金等價物	Cash and cash equivalents as stated in the consolidated statement of cash flows	35,721	100,822

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

1. 公司及集團資料

新華聯資本有限公司(「本公司」)乃一間於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司於香港之註冊辦事處及主要營業地點之地址於本年報第2頁至第3頁公司資料一節中披露。

本公司連同其附屬公司(統稱「本集團」)於本年度內從事的主要業務如下：

- 物業投資及發展；
- 製造及銷售建築材料；
- 證券投資；
- 精礦貿易；
- 煤炭開採；及
- 銷售採礦設備零部件。

本公司董事認為，於二零一八年七月二十六日之前，本公司之直接控股公司為盛世投資有限公司(一間於英屬處女群島(「英屬處女群島」)註冊成立之公司)，而本公司之最終控股公司為於香港註冊成立之莊勝(集團)有限公司，其最終控制方為本公司前主席兼前執行董事周建和先生(於二零一八年八月二十二日辭任)。自二零一八年七月二十六日起及根據本公司日期為二零一八年六月一日、二零一八年六月二十二日及二零一八年七月二十六日有關買賣本公司股份之公告，本公司之直接控股公司及最終控股公司更改為新華聯集團有限公司(「新華聯集團」，前稱新華聯國際控股有限公司)及君立實業投資有限公司，兩者分別於開曼群島及英屬處女群島註冊成立，而其最終控制方則更改為本公司主席兼執行董事傅軍先生(於二零一八年八月一日獲委任)。

1. CORPORATE AND GROUP INFORMATION

Macrolink Capital Holdings Limited (the “Company”) is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business in Hong Kong of the Company are disclosed in the corporate information section on pages 2 to 3 of this annual report.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- property investment and development;
- manufacture and sale of construction materials;
- securities investments;
- trading of mineral concentrates;
- coal mining; and
- sale of parts of mining equipment.

In the opinion of the directors of the Company, prior to 26 July 2018, the immediate holding company of the Company was Prime Century Investments Limited, a company incorporated in the British Virgin Islands (“BVI”), and the ultimate holding company of the Company was Junefield (Holdings) Limited, a company incorporated in Hong Kong, and its ultimate controlling party was Mr. Zhou Chu Jian He, the former chairman and former executive director of the Company who resigned on 22 August 2018. Since 26 July 2018 and pursuant to the announcements of the Company dated 1 June 2018, 22 June 2018 and 26 July 2018 in relation to the sale and purchase of shares in the Company, the immediate holding company and the ultimate holding company of the Company changed to Macrolink Group Limited (formerly known as Macrolink International Holdings Limited, “Macrolink Group”) and Truly Industry Investment Company Limited, which are incorporated in Cayman Islands and BVI respectively, and its ultimate controlling party changed to Mr. Fu Kwan, the chairman and an executive director of the Company who was appointed on 1 August 2018.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

1. 公司及集團資料（續）

1. CORPORATE AND GROUP INFORMATION (continued)

附屬公司之資料

本公司之主要附屬公司之資料如下：

Information about subsidiaries

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

公司名稱 Name	註冊成立／ 登記及經營地點 Place of incorporation/ registration and operations	已發行及繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	本公司 應佔權益 百分比 Percentage of equity attributable to the Company	主要業務 Principal activities
直接持有				
Directly held				
Junefield Energy Holdings Limited Junefield Energy Holdings Limited	英屬處女群島 BVI	1美元（「美元」） United States dollars （“USD”）1	100	投資控股 Investment holding
Topshine Reward Limited Topshine Reward Limited	英屬處女群島 BVI	50,000美元 USD50,000	100	投資控股 Investment holding
新華聯國際發展有限公司 Macrolink International Development Limited	香港 Hong Kong	5,000,000美元 USD5,000,000	100	投資控股 Investment holding
間接持有				
Indirectly held				
巧悅有限公司 Best Yield Corporation Limited	香港 Hong Kong	1港元 HK\$1	100	證券投資 Securities investments
Compañía Minera Caminante S.A.C.	秘魯	10,000秘魯索爾 （「索爾」）	100	搜索、勘察、勘探、 開發、運輸及銷售煤 炭以及相關採礦業務
Compañía Minera Caminante S.A.C.	Peru	Peruvian Soles （“Soles”）10,000		Searching, prospectation, exploration, development, transport and sale of coal and related mining activities
恒栢發展有限公司 Ever Park Development Limited	香港 Hong Kong	1,000,000港元 HK\$1,000,000	100	物業投資 Property investment
金才發展有限公司 Golden Talent Development Limited	香港 Hong Kong	1港元 HK\$1	100	物業投資 Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

1. 公司及集團資料(續)

1. CORPORATE AND GROUP INFORMATION
(continued)

附屬公司之資料(續)

Information about subsidiaries (continued)

公司名稱 Name	註冊成立/ 登記及經營地點 Place of incorporation/ registration and operations	已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司 應佔權益 百分比 Percentage of equity attributable to the Company	主要業務 Principal activities
間接持有(續) Indirectly held (continued)				
Grade Honor Investments Limited	英屬處女群島	1美元	100	投資控股
Grade Honor Investments Limited	BVI	USD1		Investment holding
湖南泰基建材有限公司 (「湖南泰基」)(附註(i))	中華人民共和國 (「中國」)	11,000,000美元	60	製造及銷售建築材料
Hunan Taiji Construction Material Co., Ltd. (“Hunan Taiji”) (Note (i))	The People’s Republic of China (“PRC”)	USD11,000,000		Manufacture and sale of construction materials
莊勝(建材)有限公司(「莊勝(建材)」) Junefield (Building Material) Limited (“Junefield Building Material”)	香港 Hong Kong	2港元 HK\$2	100	投資控股 Investment holding
莊勝貴金屬投資有限公司 Junefield High Value Metals Investments Limited	香港 Hong Kong	10,000港元 HK\$10,000	100	證券投資 Securities investments
Junefield Metal Development S.A.C.	秘魯	28,000索爾	100	精礦貿易及銷售 採礦設備零部件
Junefield Metal Development S.A.C.	Peru	Soles 28,000		Trading of mineral concentrates and sale of parts of mining equipment
Able Field Colombia S.A.S.	哥倫比亞	4,749,936,000 哥倫比亞披索	100	精礦貿易
Able Field Colombia S.A.S.	Colombia	Colombian Peso 4,749,936,000		Trading of mineral concentrates
勵御有限公司 Link Wide Corporation Limited	香港 Hong Kong	1港元 HK\$1	100	投資控股 Investment holding

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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1. 公司及集團資料（續）

1. CORPORATE AND GROUP INFORMATION (continued)

附屬公司之資料（續）

Information about subsidiaries (continued)

公司名稱 Name	註冊成立／ 登記及經營地點 Place of incorporation/ registration and operations	已發行及繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	本公司 應佔權益 百分比 Percentage of equity attributable to the Company	主要業務 Principal activities
間接持有（續） Indirectly held (continued)				
Lima Junefield Plaza S.A.C.	秘魯	7,848,316索爾	100	推廣及發展 房地產項目
Lima Junefield Plaza S.A.C.	Peru	Soles 7,848,316		Promotion and development of real estate projects
Minera RC S.A.C.	秘魯	7,286,874索爾	100	搜索、勘察、 勘探、開發、 運輸及銷售煤炭 以及相關採礦業務
Minera RC S.A.C.	Peru	Soles 7,286,874		Searching, prospection, exploration, development, transport and sale of coal and related mining activities
Talent Note Limited	英屬處女群島	3美元	100	投資控股
Talent Note Limited	BVI	USD3		Investment holding
莊勝（北京）房地產經紀有限公司 （「莊勝房地產經紀」）（附註(ii)）	中國	100,000美元	100	物業代理
Junefield (Beijing) Property Agency Co., Ltd. (“Junefield Property Agency”) (Note (ii))	PRC	USD100,000		Property agency
深圳新華聯工貿發展有限公司（附註(ii)）	中國	5,000,000美元	100	精礦貿易
Shenzhen Macrolink Industrial & Trading Development Limited (Note (ii))	PRC	USD5,000,000		Trading of mineral concentrates

附註：

- (i) 該附屬公司乃根據中國法律註冊為合約合營企業。
- (ii) 有關附屬公司乃根據中國法律註冊為外商獨資企業。

Notes:

- (i) The subsidiary is registered as a contractual joint venture under the PRC law.
- (ii) The subsidiaries are registered as wholly-foreign-owned enterprises under the PRC law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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1. 公司及集團資料(續)

附屬公司之資料(續)

董事認為上表載列之本公司附屬公司對本集團之本年度業績有重大影響或組成本集團資產淨值之主要部分。董事認為，提供其他附屬公司之詳情將導致資料過於冗長。

2.1 編製基準

此等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則而編製。此等綜合財務報表亦遵照香港公司條例之披露規定及聯交所證券上市規則(「上市規則」)之適用披露條款。編製這些綜合財務報表時，除投資物業和股本投資採用公平值計價外，均採用了歷史成本計價原則。除非另外說明，這些綜合財務報表以港元列報，所有金額進位至最接近的千港元。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至二零一九年十二月三十一日止年度之財務報表。附屬公司乃本公司直接或間接控制之實體(包括結構性實體)。當本集團就參與被投資公司營運所得之可變動回報有風險承擔或享有權利，並能夠向被投資公司運用其權力以影響回報金額(即現有之權利以致本集團現時能夠指示被投資公司之相關活動)，即代表本集團取得控制權。

倘本公司直接或間接擁有被投資公司少於大多數的投票權或類似權利，則本集團於評估其是否擁有對被投資公司之權力時會考慮一切相關事實及情況，包括：

- (a) 與被投資公司其他投票持有人之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also complied with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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2.1 編製基準（續）

綜合賬目基準（續）

附屬公司的財務報表乃就本公司之相同報告期間使用一致之會計政策予以編製。附屬公司的業績乃由本集團取得控制權之日起綜合計算，至上述控制權終止之日止。

損益及其他全面收益各部分歸屬於本集團母公司擁有人及非控股權益，即使此舉導致非控股權益結餘出現虧絀。有關本集團成員公司之間交易之所有集團內資產及負債、權益、收入、開支及現金流於綜合賬目時全數對銷。

倘事實及情況顯示上文所述控制權之三個要素之一項或多項出現變動，則本集團會重新評估其是否控制被投資公司。倘於一間附屬公司之擁有權權益出現變動而並無失去控制權，則列賬為權益交易。

倘本集團失去一間附屬公司之控制權，其取消確認(i)該附屬公司之資產（包括商譽）及負債，(ii)任何非控股權益之賬面值及(iii)於權益列賬之累計換算差額；並確認(i)已收代價之公平值，(ii)任何保留投資之公平值及(iii)任何於損益產生之盈餘或虧絀。本集團應佔過往於其他全面收益確認之部分按所須相同基準（倘本集團已直接出售有關資產或負債）重新分類至損益或累計虧損（視何者適用而定）。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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2.2 會計政策變動及披露

本集團已於本年度的綜合財務報表中首次採納下列新訂及修訂香港財務報告準則：

香港財務報告準則第9號之修訂	具有負補償的提前償付特徵
香港財務報告準則第16號	租賃
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益
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
香港財務報告準則二零一五年至二零一七年週期之年度改進	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號及香港會計準則第23號的修訂

除下文闡述有關香港財務報告準則第16號的影響外，採納其他新訂及修訂香港財務報告準則對本集團的綜合財務報表並無產生重大影響。採納香港財務報告準則第16號的主要影響如下：

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)－詮釋第4號「確定一項安排是否包括租賃」、香港(常設詮釋委員會)－詮釋第15號「經營租賃：激勵」和香港(常設詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的實質」。該準則闡述了對租賃的確認、計量、報告及披露的原則，要求承租人採用單一資產負債表內模型對所有租賃進行會計處理，以確認和計量使用權資產及租賃負債，惟若干確認豁免除外。出租人的會計處理在香港財務報告準則第16號下與香港會計準則第17號相比無實質性變化。出租人將繼續使用與香港會計準則第17號相似的原則，將其分類為經營租賃或融資租賃。

對於本集團作為出租人的租賃，香港財務報告準則第16號對本集團無重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and amendments to HKFRSs for the first time for the current year's consolidated financial statements.

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

Other than as explained below regarding the impact of HKFRS 16, the adoption of the other new and amendments to HKFRSs has had no material impact on the Group's consolidated financial statements. The principal effects for adopting HKFRS 16 are as follows:

HKFRS 16 replaces HKAS 17 *Leases*, 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*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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2.2 會計政策變動及披露（續）

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

本集團自首次執行日二零一九年一月一日採用香港財務報告準則第16號，選擇使用經修訂的追溯調整法。根據該方法追溯應用該準則，對首日執行的累計影響調整二零一九年一月一日期初累計虧損結餘確認；且二零一八年的比較資料不予重列，仍按照香港會計準則第17號及相關詮釋進行列報。

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of accumulated losses at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

租賃的新定義

根據香港財務報告準則第16號，如果合約讓渡在一定期間內控制被識別資產使用的權利以換取代價，則該合約為租賃或者包含租賃。客戶需同時擁有使用被識別資產所產生的幾乎全部經濟利益和主導被識別資產使用的權利，控制權方已讓渡。本集團選擇使用過渡期簡化處理方法，在首次執行日對之前根據香港會計準則第17號和香港（國際財務報告詮釋委員會）—詮釋第4號被識別為租賃的合約方採用本準則，未根據香港會計準則第17號和香港（國際財務報告詮釋委員會）—詮釋第4號被識別為租賃的合約不進行重新評估。因此，香港財務報告準則第16號下租賃的定義僅適用於二零一九年一月一日起新簽訂或修訂的合約。

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

作為承租人—以前被分類為經營租賃的租賃

採用香港財務報告準則第16號的影響性質

本集團租賃合約的類別為物業。作為承租人，本集團以前根據租賃是否實質上向本集團轉移了與標的資產所有權相關的全部風險和報酬分類為經營租賃。在香港財務報告準則第16號下，本集團採用單一模型對除低價值資產租賃（以單項租賃為基礎選擇）和租賃期為12個月或更短期間的租賃（「短期租賃」）（以相關資產類別選擇）兩項可選擇豁免以外的所有租賃確認和計量使用權資產和租賃負債。代替按照直線法確認經營租賃的租金開支，由二零一九年一月一日起，本集團確認使用權資產的折舊（及減值（如有））以及尚未支付租賃負債的應計利息（作為財務成本（如有））。

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for properties. As a lessee, the Group previously classified leases as operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs, if any).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.2 會計政策變動及披露(續)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

過渡影響

使用權資產按照租賃負債的金額計量，並根據緊接二零一九年一月一日前計入財務狀況表的與該租賃相關的預付或預提租賃付款額進行調整。

採用香港會計準則第36號評估租賃資產於該日的減值。本集團選擇在其財務狀況表中單獨列報使用權資產。這包括於二零一九年一月一日由預付土地租賃款項重新分類先前按經營租賃確認的租賃土地17,963,000港元。根據土地租賃的條款並無任何持續付款義務，因此，於香港財務報告準則第16號首次執行日並無確認任何租賃負債。

對於先前包括在投資物業內並按公平值計量的租賃土地及樓宇(為賺取租金收入及/或作資本增值而持有者)，本集團於二零一九年一月一日繼續將其包括在投資物業內。其繼續應用香港會計準則第40號按公平值計量。

本集團於二零一九年一月一日應用香港財務報告準則第16號時採用了下列可選擇的簡化處理方法：

- 對於首次執行日後12個月內到期的租賃，應用短期租賃豁免
- 存在續租選擇權或終止租賃選擇權的，根據最新情況確定租賃期

Impact on transition

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

The leased asset was assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the leasehold land recognised previously under operating leases of HK\$17,963,000 that were reclassified from prepaid land lease payments as at 1 January 2019. There were no ongoing payment obligations under the terms of the land lease, therefore, no lease liabilities were recognised at the date of initial application of HKFRS 16.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

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2.2 會計政策變動及披露(續)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

於二零一九年一月一日的財務影響

Financial impact at 1 January 2019

於二零一九年一月一日，採用香港財務報告準則第16號的影響如下表所示：

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

		增加／(減少) Increase/ (decrease) 千港元 HK\$'000
資產	Assets	
使用權資產的增加額	Increase in right-of-use assets	17,963
預付土地租賃款項的減少額	Decrease in prepaid land lease payments	(17,963)
總資產的增加額	Increase in total assets	—

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔對賬如下：

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

		千港元 HK\$'000
於二零一八年十二月三十一日已披露的經營租賃承擔	Operating lease commitments disclosed as at 31 December 2018	156
減：確認豁免—短期租賃	Less: Recognition exemption – short-term leases	(156)
於二零一九年一月一日應用香港財務報告準則第16號確認的租賃負債	Lease liabilities upon application of HKFRS 16 as at 1 January 2019	—

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2.3 已頒佈但仍未生效之香港財務報告準則

本集團並未於此等綜合財務報表內應用下列已頒佈但仍未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則 第3號之修訂	業務的定義 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號之修訂	利率基準改革 ²
香港財務報告準則 第10號及香港會計準則第28 號(二零一一年)之修訂	投資者與其聯營公司或合 營企業之間出售或注資 資產 ³
香港財務報告準則第17號	保險合約
香港會計準則第1號及香港會計 準則第8號之修訂	重大的定義 ¹

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 尚未釐定強制生效日期，但可予採納

預期適用於本集團之該等香港財務報告準則之進一步資料如下。

香港財務報告準則第3號之修訂對業務的定義進行了澄清並提供額外指引。該項修訂明確了如果要構成一項業務，一組整合的活動和資產必須至少包括一項投入和一項實質性過程，二者可以共同顯著促進創造產出的能力，業務可以不具備所有創造產出所需的投入和過程。該修訂刪除了對市場參與者是否有能力購買業務並能持續產生產出的評估，轉而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。該修訂縮小了產出的定義範圍，重點關注於向顧客提供的商品或服務、投資收益或其他日常活動收入。此外，該修訂為實體評估所取得的過程是否為實質性過程提供了指引，並引入了可選的公平價值集中度測試，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。本集團預期將會由二零二零年一月一日起按未來適用法採用修訂。由於修訂以未來適用法應用於首次採用日當天或以後發生的交易或其他事項，在過渡日，修訂不會對本集團產生影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

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 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

綜合財務報表附註（續）

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2.3 已頒佈但仍未生效之香港財務報告準則（續）

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號之修訂闡述了銀行間拆借利率改革對財務報告的影響。在現有的利率基準被取代前的不確定階段，修訂為套期會計持續應用提供了臨時豁免。此外，修訂要求本公司向投資者提供關於直接受該等不確定性影響的套期關係的額外信息。該修訂適用於二零二零年一月一日或之後開始的年度期間，允許提前採用。該等修訂預計不會對本集團的財務報表產生任何重大影響。

香港財務報告準則第10號及香港會計準則第28號（二零一一年）之修訂旨在解決香港財務報告準則第10號與香港會計準則第28號（二零一一年）對關於投資者與其聯營企業或合營企業之間資產出售或投入的不同處理規定。該修訂規定，當投資者向聯營企業或合營企業出售或投入資產構成一項業務，則相關的收益或虧損應予全額確認；如果上述資產交易不構成一項業務，則交易產生的收益或虧損以其他不相關投資者在聯營企業或合營企業的權益為限在投資者的損益內進行確認。修訂須按未來適用法應用。香港會計師公會已經於二零一六年一月移除香港財務報告準則第10號及香港會計準則第28號（二零一一年）（修訂）先前的強制生效日期，新的強制生效日期將會於對聯營企業及合營企業的會計處理所作更廣泛的審視完成後釐定。然而，修訂現已可供採用。

香港會計準則第1號及香港會計準則第8號之修訂為重大性提供了新的定義。新定義指出，如果可合理預計漏報、錯報或掩蓋某信息將影響通用目的財務報表的主要使用者，基於該等財務報表作出的決策，則該信息具有重大性。該修訂澄清，重大性將取決於信息的性質或規模。如果可合理預計對信息的錯報會對主要使用者的決策造成影響，則該錯報為重大錯報。本集團預期將會由二零二零年一月一日起按未來適用法採用修訂。預期修訂將不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要

公平值計量

於各報告期末，本集團按公平值計量其投資物業及股本投資。公平值為市場參與者於計量日期在有序交易中出售資產所得或轉讓負債所付出的作價。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃按假設市場參與者於資產或負債定價時會以彼等最佳經濟利益行事計量。

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用資產之最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

本集團使用適用於不同情況之估值技術，而其有足夠資料計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有其公平值載於綜合財務報表計量或披露之資產及負債均按對其公平值計量整體而言屬重大之最低層輸入參數(見以下描述)分類至公平值等級制度：

- 第一級 — 根據相同資產或負債於活躍市場的報價(未調整)
- 第二級 — 根據對公平值計量而言屬重大之可觀察(直接或間接)最低層輸入參數之估值方法
- 第三級 — 根據對公平值計量而言屬重大之不可觀察最低層輸入參數之估值方法

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

The Group measures its investment properties and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

綜合財務報表附註（續）

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2.4 主要會計政策概要（續）

公平值計量（續）

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類（按對其公平值計量整體而言屬重大的最低層輸入參數）以確定是否發生不同等級轉移。

非金融資產之減值

每逢出現減值跡象，或於每年需就資產（存貨、遞延稅項資產、金融資產及投資物業除外）進行減值測試時，便須估計該資產之可收回數額。資產之可收回數額以該資產或現金產生單元之使用價值及公平值減銷售成本兩者之較高者為準，並以個別資產釐定，惟倘該資產並不產生很大程度上獨立於其他資產或資產組別之現金流入則當別論，在此情況下，其可收回數額按該資產所屬之現金產生單元釐定。

減值虧損僅於資產賬面值超逾其可收回數額時確認。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值和資產特有風險評估的除稅前折現率折現至現值。減值虧損於產生期間計入綜合損益表中之按該減值資產之功能所屬之開支分類。

各報告期末均須作出評估，以考慮是否有跡象顯示先前確認之減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計可收回數額。該資產（商譽除外）之先前確認之減值虧損僅於釐定資產可收回數額之估計出現變動時回撥，惟回撥後之賬面值不得超越假設過往年度並無就該資產確認減值虧損之賬面值之數額（扣除任何折舊／攤銷）。減值虧損之回撥於產生期間計入綜合損益表，惟倘該資產以重估數額列賬，則減值虧損之回撥根據經重估資產之有關會計政策處理。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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2.4 主要會計政策概要(續)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

關聯方

任何一方如屬以下情況，即被視為與本集團有關聯：

- (a) 該方為一名人士或其所屬家庭之親密成員，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

- (b) 該方為實體，且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一間實體(或另一間實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方之合營企業；
 - (iv) 一間實體為第三方實體之合營企業，而另一間實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後福利計劃；
 - (vi) 該實體受(a)定義之人士控制或共同控制；
 - (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
 - (viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of the employees of either 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 the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損列賬。當物業、廠房及設備項目被分類為待售資產或作為處置組的一部分被分類為待售資產時,不再對其計提折舊並按香港財務報告準則第5號列賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。

物業、廠房及設備項目投入運作後所涉及之費用(如維修保養費用)一般會在產生期間在綜合損益表中扣除。在符合確認準則的情況下,相關主要檢查的支出可按撥充資本計入作為重置之資產賬面值。倘物業、廠房及設備的重要部分需要不時重置,本集團將確認該部分為個別具有特定使用年期之資產並相應計提折舊。

物業、廠房及設備按各項目之估計可用年期以直線法計算折舊,以撇銷其成本至其殘值。就此所採用之主要年率如下:

永久業權土地	不計折舊
樓宇	20至30年
租賃物業裝修	租期或6年兩者之較短者
廠房及機器	4至12年
辦公設備	5年
汽車	3至6年

倘物業、廠房及設備項目之組成部分有不同之可用年期,則該項目之成本按合理之基準分配至各組成部分,每個組成部分獨立計算折舊。殘值、可用年期及折舊方法至少於每個財政年度末進行檢討及調整(如適用)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	20 to 30 years
Leasehold improvements	Over the shorter of the lease terms and 6 years
Plant and machinery	4 to 12 years
Office equipment	5 years
Motor vehicles	3 to 6 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

物業、廠房及設備項目(包括初始確認之任何重要部分)將在被出售,或預計其使用或出售不再產生未來經濟利益時終止確認。出售或廢棄所產生之任何利潤或虧損於資產終止確認當年在綜合損益表中確認,其數額為出售有關資產所得款項淨額與其賬面值之差額。

投資物業

投資物業為持作賺取租金收入及/或作資本增值而非用於生產或供應貨品或服務或行政目的,或在日常業務過程中出售之土地及樓宇之權益(包括作為使用權資產持有的租賃物業(二零一八年:以經營租賃持有的租賃物業),其其他方面符合投資物業定義)。該等物業初始以成本(包括交易成本)計量。初始確認後,投資物業按公平值呈列,反映報告期末的市況。

投資物業公平值之變動所產生之損益,計入所產生年度之損益表。

報廢或出售投資物業之任何損益均於報廢或出售年度之綜合損益表中予以確認。

無形資產(商譽除外)

單獨購入之無形資產於首次確認時以成本計量。於業務合併中所購入無形資產之成本為其於收購日之公平值。無形資產之可使用年期評估為有限或無限。年期有限之無形資產其後於可使用經濟壽命內攤銷,並於有跡象顯示無形資產可能出現減值時作減值評估。可使用年期有限之無形資產之攤銷年期及攤銷方法至少於每個財政年度結束時審閱一次。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

可使用年期無限之無形資產於每年按個別或於現金產生單位作減值測試。該等無形資產不予攤銷。年期無限之無形資產之可使用年期於每年作審閱，以釐定無限年期之評估是否持續可靠。如不持續可靠，則可使用年期之評估自此由按無限年期更改為有限年期入賬。

採礦權

採礦權按成本初步確認。當有證據顯示開採礦資源在技術及商業上均屬可行時，勘探及評估資產之賬面值會重新分類為採礦權。具有有限可用年期之採礦權按成本減累計攤銷及任何已識別減值虧損入賬。具有有限可用年期之採礦權乃就礦點之估計經濟儲量按生產單位法予以攤銷。

勘探及評估資產

於首次確認時，勘探及評估資產以成本確認。於首次確認後，勘探及評估資產以成本減任何累計減值虧損入賬。勘探及評估資產包括勘探權之成本以及尋找礦產資源以及釐定開採該等資源之技術可行性及商業可行性所招致之開支。當可證實開採該等礦產資源之技術可行性及商業可行性時，之前確認之勘探及評估資產重新分類為無形資產或物業、廠房及設備。此等資產在重新分類前應評估減值，而任何減值虧損於損益確認。

租賃(由二零一九年一月一日起適用)

在合約開始時，本集團評估合約是否為租賃或包含租賃。如果合約讓渡在一段時間內被識別資產使用的控制權以換取代價，則合約為租賃或包含租賃。

本集團作為承租人

本集團對所有租賃應用單一確認和計量方法，惟短期租賃及低價值資產租賃除外。本集團確認作出租賃付款額的租賃負債，以及代表相關資產使用權的使用權資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Mining rights

Mining rights are initially measured at cost. The carrying amount of exploration and evaluation assets is reclassified to mining rights when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Mining rights with finite useful lives are carried at costs less accumulated amortisation and any identified impairment losses. The mining rights with finite useful lives are amortised on a unit of production basis over the estimated economic reserve of the mine.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrated, previously recognised exploration and evaluation assets are reclassified as either intangible assets or property, plant and equipment. These assets are assessed for impairment before reclassification, and any impairment loss is recognised in profit or loss.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

2.4 主要會計政策概要(續)

租賃(由二零一九年一月一日起適用)
(續)

本集團作為承租人(續)

(a) 使用權資產

在租賃開始日(即相關資產可供使用的日期),承租人確認使用權資產。使用權資產以成本計量,並減去累計折舊和減值虧損,同時根據租賃負債的重新計量進行調整。使用權資產的成本包括租賃負債的確認金額,發生的初始直接費用,以及在租賃期開始日或之前支付的租賃付款額,扣除收到的租賃激勵。應在租賃期與資產估計使用壽命孰短的期間內按照直線法對使用權資產計提折舊如下:

租賃土地 租賃期

如果租賃資產的所有權於租賃期結束時轉移予本集團或成本反映會行使購買選擇權,則使用資產估計使用壽命計算折舊。

當使用權資產符合投資物業的定義時,應作為投資物業列報。該等使用權資產根據本集團「投資物業」的政策,初始以成本計量,後續以公平值計量。

(b) 租賃負債

在租賃開始日,租賃負債以將於租賃期內作出的租賃付款額的現值計量。租賃付款額包括固定付款額(包括實質固定付款額),扣除應收的租賃激勵,取決於指數或比率的可變租賃付款額,以及根據餘值擔保預計應付的金額。該租賃付款額還包含本集團合理確定將會行使的購買選擇權的行權價,以及在租賃期反映出本集團將行使終止租賃選擇權時終止租賃的罰款金額。非取決於指數或比率的可變租賃付款額在觸發該付款的事件或情況發生當期確認為費用。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019)
(continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land Over the lease term

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

租賃（由二零一九年一月一日起適用）
（續）

本集團作為承租人（續）

(b) 租賃負債（續）

在計算租賃付款額的現值時，由於無法直接確定租賃內含利率，本集團採用其於租賃期開始日的增量借款利率進行計量。在租賃期開始日之後，增加租賃負債的金額以反映利息，減少其金額以反映支付的租賃付款額。另外，如有租賃條款變更、租賃期的變化、租賃付款額的變化（例如指數或比例的變化導致的未來租賃付款額的變化）及購買相關資產選擇權的評估結果的變化，本集團應重新計量租賃負債的賬面金額。

(c) 短期租賃

本集團將短期租賃確認豁免應用於其物業的短期租賃（即在租賃期開始日，租賃期為12個月或更短期間的租賃，且不包含購買選擇權）。

短期租賃的租賃付款額在租賃期內按照直線法確認為費用。

本集團作為出租人

當本集團為出租人，其於租賃開始時（或於出現租賃修改時）將其各租賃分類為經營租賃或融資租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019)
(continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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2.4 主要會計政策概要(續)

租賃(由二零一九年一月一日起適用)
(續)

本集團作為出租人(續)

本集團並無將資產所有權附帶的幾乎全部風險和報酬轉移的租賃歸類為經營租賃。如果一項合約包含租賃組成部分以及非租賃組成部分，則本集團按照每個組成部分的相對單獨售價分配合約中的代價予每個組成部分。基於其經營性質，租金收入在租賃期內按照直線法入賬，並包括在損益表內的收入。於磋商及安排經營租賃時發生的初始直接費用加入租賃資產的賬面金額，並在租賃期內按與租金收入相同的基準確認。

將相關資產所有權附帶的幾乎全部風險和報酬轉移予承租人的租賃作為融資租賃入賬。

租賃(適用於二零一九年一月一日前)

凡將資產所有權之絕大部分回報及風險(法定所有權除外)轉移至本集團之租約，均視作融資租賃。融資租賃開始時，租賃資產之成本即按最低應付租金之現值資本化，並連同負債(不計利息部分)一併記錄，以反映購置及融資。根據已資本化之融資租賃持有之資產(包括融資租賃項下之預付土地租金)會列入物業、廠房及設備，並按該等資產之租賃期限及估計可使用年期兩者中之較短者進行折舊。該等租約之財務成本自綜合損益表中扣除，以得出一個於租賃期限內之固定週期支銷率。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019)
(continued)

Group as a lessor (continued)

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the consolidated statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

租賃（適用於二零一九年一月一日前） （續）

透過融資性質之租購合約收購之資產作為融資租賃入賬，但於其估計可使用年內折舊。

凡資產所有權之絕大部分回報及風險仍由出租人承擔之租約，均視為經營租賃。倘本集團為出租人，本集團根據經營租賃出租之資產列入非流動資產內，而經營租賃之應收租金，乃按租賃期限以直線法列入綜合損益表內。倘本集團為承租人，經營租賃之應付租金（扣除已收出租人之任何獎勵）在租賃期限內乃按直線法自綜合損益表扣除。

根據經營租賃預付土地租賃款項首次按成本列賬，其後則於租期內以直線法確認。

投資及其他金融資產

初始確認和計量

在初始確認時，金融資產分類為後續以攤銷成本計量、以公平值計量且其變動計入其他全面收益以及以公平值計量且其變動計入損益。

金融資產於初始確認時的分類取決於金融資產的合約現金流量特徵以及本集團管理金融資產的業務模式。除未包含重大融資成分或本集團已應用便於實務操作的方法不致重大融資成分的影響作出調整的應收賬款外，本集團初始以其公平值計量金融資產，如果不是以公平值計量且其變動計入損益的金融資產，則還應加上交易費用。未包含重大融資成分或本集團已應用便於實務操作的方法的應收賬款以根據香港財務報告準則第15號根據下文「收入確認」所載政策釐定的交易價格計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019) (continued)

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the consolidated statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認和計量(續)

金融資產如要分類為以攤銷成本計量或以公平值計量且其變動計入其他全面收益，其產生的現金流量須僅為對本金和未償付本金金額為基礎的利息支付。現金流量並非僅為對本金和利息的支付的金融資產分類為及以公平值計量且其變動計入損益而不論業務模式為何。

本集團管理金融資產的業務模式，是指如何管理金融資產以產生現金流量。業務模式決定現金流量的來源是收取合約現金流量、出售金融資產還是兩者兼有。如果管理該金融資產的業務模式是以收取合約現金流量為目標，金融資產會分類為及以攤銷成本計量。如果管理該金融資產的業務模式既以收取合約現金流量為目標又以出售該金融資產為目標，金融資產會分類為及以公平值計量且其變動計入其他全面收益。並非在上述業務模式持有的金融資產分類為及以公平值計量且其變動計入損益。

所有常規購買和出售金融資產於交易日(即本集團承諾購買或銷售該資產之日)確認。常規購買或出售金融資產指購買或出售需要在一般由法規或市場慣例確定的期間內移交資產。

後續計量

金融資產的後續計量視乎其分類如下：

以攤銷成本計量的金融資產(債務工具)

以攤銷成本計量的金融資產後續使用實際利率法計量，並可予減值。收益及虧損在資產終止確認、修改或減值時在綜合損益表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income ("FVTOCI") are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss ("FVTPL").

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

投資及其他金融資產（續）

後續計量（續）

以公平值計量且其變動計入其他全面收益的金融資產（債務工具）

有關以公平值計量且其變動計入其他全面收益的債務投資，利息收入、外匯重估及減值虧損或轉回在綜合損益表內確認，計算方法與以攤銷成本計量的金融資產相同。餘下公平值變動在其他全面收益內確認。於終止確認時，在其他全面收益內確認的累積公平值變動劃轉至綜合損益表。

指定為以公平值計量且其變動計入其他全面收益的金融資產（股本投資）

在初始確認時，本集團可以選擇將非交易性股本投資不可撤銷地分類為指定為以公平值計量且其變動計入其他全面收益的股本投資，其應滿足香港會計準則第32號「金融工具：列報」對股本工具的定義。分類乃按逐項工具基準而釐定。

該等金融資產的收益及虧損永不劃轉至綜合損益表。在獲支付的權利確立、與股息相關的經濟利益很可能流入本集團且股息的金額能可靠地計量時，股息在綜合損益表內作為其他收入確認，惟當本集團作為收回金融資產的部分成本而獲得有關款項的利益，則作別論，在該情況下，有關收益會記錄於其他全面收益內。指定為以公平值計量且其變動計入其他全面收益的股本投資無須進行減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the consolidated statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量(續)

以公平值計量且其變動計入損益的金融資產
以公平值計量且其變動計入損益的金融資產
在綜合財務狀況表以公平值計量，而其公平
值變動淨額在綜合損益表內確認。

該類別包括衍生工具以及本集團並無不可撤銷地選擇分類為以公平值計量且其變動計入其他全面收益的股本投資。在獲支付的權利確立、與股息相關的經濟利益很可能流入本集團且股息的金額能可靠地計量時，分類為以公平值計量且其變動計入損益的金融資產的股本投資的股息亦在綜合損益表內作為其他收入確認。

當嵌入到混合合約(包含金融負債或非金融主合約)中的衍生工具的經濟特徵和風險與主合約不緊密相關；與嵌入衍生工具具有相同條款的單獨工具符合衍生工具的定義；且該混合合約不是以公平值計量且其變動計入損益時，嵌入衍生工具與主合約分拆並作為單獨衍生工具處理。嵌入衍生工具以公平值計量，且其公平值變動計入綜合損益表。只有在合約條款出現變動，且重大改變所需的現金流量或將以公平值計量且其變動計入損益的金融資產重新分類時，方進行重新評估。

嵌入混合合約(包含金融資產主合約)的衍生工具不得單獨核算。金融資產主合約連同嵌入衍生工具須整體分類為以公平值計量且其變動計入損益的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

剔除確認金融資產

金融資產（或（如適用）金融資產一部分或同類金融資產組別之一部分）主要在下列情況下剔除確認（即自本集團之綜合財務狀況表中剔除）：

- 收取資產之現金流量之權利屆滿時；或
- 本集團已轉讓收取資產所產生現金流量之權利，或已承擔責任根據「轉手」安排向第三方支付全數已收取之現金流量而無重大延誤；並且(a)本集團已轉讓該資產之絕大部分風險及回報，或(b)本集團並無轉讓或保留該資產之絕大部分風險及回報，但已轉讓該資產之控制權。

倘本集團已轉讓收取資產所產生現金流量之權利或已訂立轉手安排，則評估其是否保留該資產所有權之風險及回報及其程度。倘本集團並無轉讓或保留該資產絕大部分風險及回報，亦無轉讓該資產之控制權，則本集團將以本集團所繼續涉及之程度為限而繼續確認已轉讓資產。在此情況下，本集團亦同時確認相關負債。已轉讓資產及相關負債均按可反映本集團已保留之權利及責任之基準計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

金融資產減值

本集團就所有並非以公平值計量且其變動計入損益持有的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損是以本集團按照概約的原實際利率折現的、根據合約應收的合約現金流量與預期收取的所有現金流量之間的差額為基礎。預期現金流量將包括出售所持擔保品獲得的現金流量，以及屬於合約條款組成部分的其他信用增級所產生的現金流量。

一般方法

預期信貸虧損分兩個階段進行確認。對於自初始確認後並未顯著增加的信貸風險，就可能於未來12個月內出現的違約事件計提預期信貸虧損(12個月預期信貸虧損)。對於自初始確認後已顯著增加的信貸風險，須就預期在剩餘存續期內發生的信貸虧損風險計提虧損撥備，不論違約事件於何時發生(整個存續期預期信貸虧損)。

本集團在每個報告日評估金融工具的信用風險自初始確認後是否已顯著增加。在作出評估時，本集團會比較金融工具在報告日期發生違約的風險與金融工具在初始確認日發生違約的風險，本集團會考慮無須付出不必要的額外成本或努力即可獲得的合理且有依據的信息，包括歷史及前瞻性信息。

本集團將合約付款逾期90日的金融資產視作違約。然而，在若干情況下，當內部或外部信息顯示本集團不大可能悉數收回未支付合約金額(未計及本集團所持的任何信用增級前)，本集團亦可能視金融資產為違約。當無合理預期可收合同約現金流量時，金融資產將會撇銷。

以公平值計量且其變動計入其他全面收益的債務投資及以攤銷成本計量的金融資產須根據一般方法評估減值，除應收賬款及合約資產應用簡化方法(詳見下文)外，其就預期信貸虧損計量分類於以下階段。

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable and contract assets which apply the simplified approach as detailed below.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

金融資產減值（續）

一般方法（續）

- 第一階段 — 金融工具的信貨風險自初始確認後並未顯著增加，按照相當於該金融工具12個月內預期信貨虧損的金額計量其減值撥備
- 第二階段 — 金融工具的信貨風險自初始確認後已顯著增加，但並非信用減值的金融資產，按照相當於該金融工具整個存續期內預期信貨虧損的金額計量其減值撥備
- 第三階段 — 於報告日期已信用減值的金融資產（但不是購買或源生的已發生信用減值的金融資產），按照相當於該金融工具整個存續期內預期信貨虧損的金額計量其減值撥備

簡化方法

對於不包含重大融資成分的應收賬款及合約資產，或當本集團應用便於實務操作的方法而不就重大融資成分的影響作出調整，本集團應用簡化方法計量預期信貨虧損。根據簡化方法，本集團不會追蹤信貨風險的變化，而是於每個報告日期根據整個存續期預期信貨虧損確認虧損撥備。本集團已根據其歷史信貨虧損經驗計算應收賬款的預期信貨虧損，並根據債務人及經濟環境的特定前瞻性因素作出調整。

金融負債

首次確認及計量

金融負債於首次確認時分類為以公平值計量且其變動計入損益的金融負債、貸款及借貸，或在有效對沖中指定為對沖工具之衍生工具，視乎情況而定。

所有金融負債首次按公平值確認，如為貸款及借貸以及應付款項，則以直接應佔之交易成本淨額確認。

本集團之金融負債包括應付賬款、計入其他應付款項及應計負債之金融負債、計息銀行及其他借貸、應付關連公司款項以及財務擔保合約。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For accounts receivable and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group calculates ECLs of accounts receivable that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, amounts due to related companies and financial guarantee contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

金融負債(續)

其後計量

金融負債之其後計量視乎其以下分類而定：

以攤銷成本計量的金融負債(貸款及借貸)

於首次確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，倘折現之影響並不重大，則按成本列賬。當負債剔除確認以及按實際利率法進行攤銷過程中，在綜合損益表中確認收益及虧損。

攤銷成本之計算乃考慮到於收購之任何折讓或溢價，以及組成實際利率一部分之費用或成本。實際率攤銷列入綜合損益表之財務成本內。

財務擔保合約

本集團發出的財務擔保合約為要求在指明債務人到期不能根據債務工具條款付款時，代為償付合約持有人的損失的合約。財務擔保合約按公平值並就直接歸屬於發出擔保的交易費用作出調整後初始確認為負債。在初始確認後，本集團的財務擔保合約按(i)根據「金融資產減值」內所載的政策確定的預期信貸虧損撥備和(ii)初始確認金額減(如適用)已確認收入的累計金額孰高進行計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

金融負債（續）

其後計量（續）

可換股債券

可換股債券具有負債特徵的部分，在綜合財務狀況表中按扣除交易費用確認為負債。發行可換股債券時，其負債部分的公平值採用相類似的不可換股債券的市場利率釐定；並且這一金額以攤銷成本為基礎作為長期負債入賬，直到轉換或贖回為止。發行所得款項的其餘部分分配至轉換期權，扣除交易費用確認，計入股東權益。後續年度不再重新計量該轉換期權的賬面金額。交易費用根據可換股債券工具首次確認時其負債和權益部分分配的所得款項為基礎在此兩者間分配。

剔除確認金融負債

當負債項下之責任已被解除、取消或期滿，則剔除確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改作剔除確認原有負債並確認新負債處理，而兩者各自之賬面值差額於綜合損益表確認。

金融工具的抵銷

金融資產與金融負債對銷，而有關淨額當現有可強制執行之法定權利以抵銷已確認金額且有意按淨額基準結算或同時變現資產及結清負債時在綜合財務狀況表呈報。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term 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 transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

存貨

存貨按成本與可變現淨值之較低者列賬。成本按先進先出或加權平均基準計算，倘屬在製品及製成品，則包括直接材料、直接勞工成本及適當比例之間接成本。可變現淨值根據估計售價減去完成時產生之任何估計成本計算。

物業存貨

物業存貨包括持作買賣之完工物業，按成本與可變現淨值之較低者列賬。

待售完工物業之成本按全部開發成本(包括未出售單位應佔之撥充資本之借貸成本)之分配釐定。可變現淨值乃由本集團管理層根據當前的市場環境進行估計，即按估計售價減去銷售物業將發生的估計成本計算。

待售完工物業的任何撇減或撥備金額於撇減或虧損發生期間確認為開支。因可變現淨值增加所產生的任何撇減或撥備撥回金額於撥回發生期間於損益確認。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款及購入時到期日一般在三個月內之短期及高流通性之投資，且該投資可隨時轉換為已知數額之現金，而且價值不會有重大變動，並減去按要求償還且為本集團現金管理之一部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款(包括用途不受限制的定期存款及性質類似現金之資產)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out or 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.

Stock of properties

Stock of properties including completed properties, which are held-for-trading, is stated at the lower of cost and net realisable value.

The cost of completed properties for sale is determined by apportionment of the total development costs, including borrowing costs capitalised, attributable to unsold units. Net realisable value is estimated by the management of the Group based on prevailing market conditions, which represents the estimated selling price less estimated costs to be incurred in selling the property.

The amount of any write-down of or provision for completed properties held for sale is recognised as an expense in the period when the write-down or loss occurs. The amount of any reversal of any write-down or provision arising from an increase in net realisable value is recognised in profit or loss in the period in which the reversal occurs.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

撥備

撥備乃於本集團因以往之事件導致現行之責任（不論法定或推定）產生並將有可能需要於日後作出資源流出以履行責任時確認，惟需可靠地估計有關責任之金額。

倘折現之影響重大，確認為撥備之金額則為預期須用作履行責任之日後開支於報告期間結束時之現值。折現之現值因時間過去而產生之升幅，乃於綜合損益表中列作財務成本。

所得稅

所得稅包括即期及遞延稅項。與在損益以外確認項目之有關所得稅乃於損益外確認，即於其他全面收益或直接於權益內確認。

即期稅項資產及負債乃以報告期間結束時已經頒佈或大致上已經頒佈之稅率（及稅法）為基準，並考慮本集團業務所在國家之現有詮釋及慣例，按預期可從稅務當局收回或向稅務當局繳付之金額而計量。

在報告期間結束時，資產與負債之稅基與作為財務呈報用途之資產與負債賬面值之間之全部暫時性差異，須按負債法計提遞延稅項撥備。

全部應課稅暫時性差異均會確認為遞延稅項負債，惟以下各項除外：

- 若遞延稅項負債之起因，是由於在非業務合併之交易中首次確認商譽或資產或負債，於進行交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及於附屬公司、聯營公司及合營企業之投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，而暫時性差異於可見將來將可能不會撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

所得稅(續)

對於全部可予扣減之暫時性差異、結轉未動用稅項抵免及未動用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可予扣減暫時性差異、結轉未動用稅項抵免及未動用稅項虧損，則遞延稅項資產一律確認入賬，惟以下各項除外：

- 若有關可予扣減暫時性差異之遞延稅項資產之起因，是由於在非業務合併之交易中首次確認資產或負債，於進行交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及於附屬公司、聯營公司及合營企業之投資之可予扣減暫時性差異而言，只有在暫時性差異於可見將來較大可能會撥回，而且於日後出現之應課稅溢利，將用以抵扣該等暫時性差異時，方會確認為遞延稅項資產。

遞延稅項資產之賬面值，在每個報告期間結束時予以審閱。若不再有足夠應課稅溢利用以抵扣全部或部分相關遞延稅項資產，則扣減遞延稅項資產賬面值。未予確認之遞延稅項資產於每個報告期間結束時予以重新審閱，而有足夠應課稅溢利用以收回全部或部分相關遞延稅項資產，則確認未予確認之遞延稅項資產。

變現資產或清償負債之期間預期適用之稅率，會用作衡量遞延稅項資產及負債，並以報告期間結束時已經頒佈或大致上已經頒佈之稅率(及稅法)為基準。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產是與同一稅收徵管部門對同一應納稅主體徵收的所得稅相關或者於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體相關，則遞延稅項資產與遞延稅項負債可予抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxable authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

收入確認

客戶合約收入

客戶合約收入於商品或服務的控制權轉移給客戶時確認，該金額反映本集團就交換該等商品或服務預計有權獲得的代價。

當合約中的代價包含可變金額時，會估計本集團向客戶轉讓商品或服務作為交換而有權獲得的代價金額。可變代價在合約開始時估計並受到限制，直至與可變代價相關的不確定性消除時，累計已確認收入金額極可能不會發生重大收入轉回。

當合約中包含融資成分，為客戶就商品或服務轉讓的融資提供超過一年的重大利益時，收入按應收款項的現值計量，其採用在本集團與客戶在合約開始日單獨的融資交易中會反映的折現率折現。當合約中包含融資成分，為本集團提供了一年以上的重大財務利益時，根據合約確認的收入包括合約負債根據實際利率法增加的利息開支。採用香港財務報告準則第15號中便於實務操作的方法，有關客戶支付價款與轉讓已承諾商品或者服務之間的間隔為一年或更短期間的合約，則不會就重大融資成分的影響調整交易價格。

來自銷售精礦、煤炭及採礦設備零部件的收入於資產控制權轉移予客戶的時點（一般於交付商品時）確認。

來自銷售物業的收入在物業擁有權的有效控制權轉移予買方時確認，其為法定所有權轉移予買方完成的時點。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue from sale of mineral concentrates, coal and parts of mining equipment is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from sale of properties are recognised when effective control of ownership of the properties is transferred to the buyer, which is the point in time upon completion of the transfer of legal title to the buyer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

收入確認(續)

來自其他來源的收入

租金收入按時間比例基準在租期內確認。

其他收入

利息收入按累計制採用實際利率法確認，所使用的利率為將金融工具在預計存續期或更短期間內(如適當)的估計未來現金收款額恰好折現為該金融資產賬面淨額的利率。

管理費收入在預定期間按直線法基準確認，原因為客戶同時取得及消耗本集團所提供的利益。

股息收入在股東的收款權利確立、有關股息的經濟利益很可能流入本集團且股息的金額能可靠地計量時予以確認。

合約資產

合約資產是指因向客戶轉讓商品或服務而獲得代價的權利。如果本集團在客戶支付代價或付款到期前已通過向客戶轉讓商品或服務而履約，則應當將該有條件收取的代價確認為合約資產。

合約負債

倘若客戶在本集團轉讓相關商品或服務之前付款或付款到期時(以兩者中的較早者為準)，會確認合約負債。合約負債在本集團履約(即將相關商品或服務的控制權轉移予客戶)時確認為收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Management fee income is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

2.4 主要會計政策概要（續）

合約成本

除資本化為存貨、物業、廠房及設備以及無形資產的成本外，滿足下列條件的為履行合約發生的成本，資本化為一項資產：

- (a) 該成本與實體可個別識別的當前或預期取得的合約直接相關。
- (b) 該成本產生或增加了實體未來用於履行（或持續履行）履約義務的資源。
- (c) 該成本預期能夠收回。

本集團對資本化的合約成本採用與該資產相關的收入確認相同的系統化基礎進行攤銷，計入綜合損益表。其他合約成本在發生時支銷。

股份結算付款

本公司設有一項購股權計劃，旨在鼓勵及嘉獎為本集團業務成功作出貢獻之合資格參與者。本集團僱員（包括董事）以股份結算付款之方式收取薪酬，而僱員則提供服務作為股本工具之代價（「股份結算交易」）。

與僱員進行之股份結算交易之成本，乃參照授出日期之公平值計量。有關購股權的進一步詳情載於綜合財務報表附註33。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the consolidated statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

Share-based payments

The Company operated 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 is measured by reference to the fair value at the date at which they are granted. Further details of share options are given in note 33 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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2.4 主要會計政策概要(續)

股份結算付款(續)

股份結算交易之成本，連同權益相應增加部分，在績效及／或服務條件獲得履行期間內於僱員福利開支中確認。在歸屬日期前於每個報告期間結束時確認之股份結算交易之累計開支，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。在某一期間內在綜合損益表內扣除或計入，乃反映累計開支於期初與期終確認時之變動。

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會歸屬股本工具數目最佳估計之一部分。市場績效條件反映於獲授當日之公平值。獎勵之任何其他附帶條件(但不帶有相關服務要求)視作非歸屬條件。非歸屬條件反映於獎勵之公平值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

因非市場績效及／或服務條件未能達成而最終無歸屬之獎勵並不確認為支出。凡獎勵包含市場或非歸屬條件，無論市場條件或非歸屬條件獲履行與否，而所有其他績效及／或服務條件均獲履行，則交易仍被視為一項歸屬。

倘股份結算獎勵之條款有所變更，所確認之開支最少須達到猶如條款並無任何變更且符合獎勵原先條款之水平。此外，倘按變更日期之計量，任何變更導致股份結算付款之總公平值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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 the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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2.4 主要會計政策概要（續）

股份結算付款（續）

倘股份結算獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未就獎勵確認之開支均應立刻確認。該情況包括未符合屬本集團或僱員控制範圍內之非歸屬條件所涉及之任何獎勵。然而，若授予新獎勵以代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵均應被視為原獎勵之變更，一如前段所述。

計算每股盈利時，未行使購股權之攤薄效應反映為額外股份攤薄。

其他僱員福利

退休計劃

本集團根據強制性公積金計劃條例，為合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員管理一個界定供款強積金計劃。供款按僱員基本薪金之若干百分比作出，並於根據強積金計劃規則應付供款時在綜合損益表扣除供款。強積金計劃之資產與本集團資產分開持有，並由獨立管理之基金管理。本集團之僱主供款在向強積金計劃供款時即全部歸屬予僱員。

本集團於中國、秘魯及厄瓜多爾經營之附屬公司僱員須參與當地市政府管理之中央退休金計劃。供款乃於根據中央退休金計劃規則應付供款時在綜合損益表扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operates in the PRC, Peru and Ecuador are required to participate in a central pension scheme operated by the local municipal governments. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要(續)

借貸成本

直接源自收購、建造或生產合資格資產(即須經過一段長時間方可作擬定用途或出售之資產)之借貸成本乃撥充資本,作為該等資產成本之一部分。當資產大致上可作擬定用途或出售,則該等借貸成本不再撥充資本。就留待合資格資產支出之特定借貸所進行暫時投資賺取之投資收入,乃從撥充資本之借貸成本中扣除。所有其他借貸成本乃於其產生之期間列支。借貸成本包括一間實體就借入資金所產生之利息及其他成本。

股息

末期股息在獲股東於股東大會批准時確認為負債。

中期股息乃同時建議及宣派。因此,中期股息於建議及宣派時即時確認為負債。

外幣

該等綜合財務報表按港元呈列,而港元為本公司之功能及呈列貨幣。本集團內各實體決定本身之功能貨幣,而各實體之財務報表內各項目均使用該功能貨幣計量。本集團內各實體之外幣交易首次按交易日期各自之功能貨幣匯率入賬。於報告期間結束時以外幣計值之貨幣資產及負債,乃按當日之功能貨幣匯率換算。結算或換算貨幣項目產生之差額於綜合損益表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2.4 主要會計政策概要（續）

外幣（續）

按外幣之歷史成本計量之非貨幣項目按首次交易當日之匯率換算。按外幣公平值計量之非貨幣項目按釐定公平值當日之匯率換算。換算按公平值計量之非貨幣項目產生之收益或虧損按與確認項目公平值變動之收益或虧損一致之方式處理（即於其他全面收益或損益中確認公平值盈虧的項目的匯兌差額，亦分別於其他全面收益或損益確認）。

若干海外附屬公司之功能貨幣為港元以外之貨幣。於報告期間結束時，該等實體之資產及負債按報告期間結束時之匯率換算為港元，而該等公司之損益表按本年度之加權平均匯率換算為港元。

所產生之匯兌差額在其他全面收益中確認，並於匯兌波動儲備中累計。出售海外業務時，有關該特定海外業務之其他全面收益部分在綜合損益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量當日之匯率換算為港元。海外附屬公司於整個年度之經常性現金流量則按本年度加權平均匯率換算為港元。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollar at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 重大會計判斷及估計

編製本集團之綜合財務報表要求管理層作出會影響所呈報的收益、開支、資產與負債金額及其隨附之披露以及或然負債披露的判斷、估計及假設。這些假設和估計的不確定性可能會導致在未來需要對受影響的資產或負債的賬面值進行重大調整。

有關未來的主要假設，以及於報告期間結束時進行估計不確定因素之其他主要來源在下文論述。兩者在對下個財政年度資產及負債之賬面值作出重大調整均具有重大風險。

應收賬款及其他金融資產的預期信貸虧損撥備

為計量預期信貸虧損，應收賬款已根據共同信貸風險特徵及逾期天數分組，當中考慮到合理及可支持的前瞻性信息。就除應收賬款以外的按攤銷成本計量的金融資產，本集團應用一般方法，其亦稱為「三步」模型。於每個報告日期，會重新評估歷史觀察到的欠繳率以及考慮前瞻性信息的改變。

預期信貸虧損金額對情況及預測經濟狀況的變化敏感。本集團過去的信用損失經驗及對經濟狀況的預測也未必能就未來客戶實際違約的情況具代表性。有關本集團應收貿易賬款及包括在預付款項、按金及其他應收款項的金融資產的預期信貸虧損的資料，分別在綜合財務報表附註20及附註21內披露。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated 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.

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.

Provision for expected credit losses on accounts receivable and other financial assets

To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, taking into consideration forward-looking information that is reasonable and supportable available. For financial assets at amortised cost other than accounts receivable, the Group applies the general approach which is also referred to the "three stage" model. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's accounts receivable and financial assets included in prepayments, deposits and other receivables are disclosed in note 20 and note 21 to the consolidated financial statements, respectively.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

3. 重大會計判斷及估計（續）

物業、廠房及設備之可使用年期

本集團管理層負責釐定估計可使用年期及有關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期的過往經驗而作出。這可能會因技術創新及競爭對手因為嚴峻的行業週期所作行動而有重大變化。倘可使用年期較之前的估計為短，則管理層會提高折舊開支，或將技術過時或已報廢或出售的非策略資產撇銷或撇減。物業、廠房及設備於二零一九年十二月三十一日之賬面值約為99,104,000港元（二零一八年：122,045,000港元）。進一步詳情載於綜合財務報表附註13。

其他無形資產－採礦權以及勘探及評估資產之減值

採礦權以及勘探及評估資產之賬面值會於有事件或情況之轉變顯示可能無法收回賬面值時作出減值檢討。本集團會考慮所有已發生之事實及情況以判斷該等事實及情況是否表明採礦權以及勘探及評估資產之賬面值可能會超過其可收回金額（即已減值）。可收回金額為其公平值減出售成本及使用價值兩者之較高者。使用價值的評估要求本集團評估來自現金產生單位的預期未來現金流量，以及選擇合適的折現率以計算該等現金流量的現時價值。進一步詳情載於綜合財務報表附註16。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and consequently related depreciation charges. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amount of property, plant and equipment at 31 December 2019 is approximately HK\$99,104,000 (2018: HK\$122,045,000). Further details are included in note 13 to the consolidated financial statements.

Impairment of other intangible assets – Mining rights and exploration and evaluation assets

The carrying amounts of mining rights and exploration and evaluation assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Group considers all facts and circumstances occurred to judge whether these facts and circumstances would suggest that the carrying amounts of mining rights and exploration and evaluation assets may exceed their recoverable amounts (i.e. impaired). The recoverable amount is the higher of its fair value less costs of disposal and value in use. Estimating the value in use requires the Group to estimate the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in note 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

3. 重大會計判斷及估計(續)

投資物業公平值的估計

根據綜合財務報表附註2.4內所述的會計政策，本集團投資物業按公平值計量。投資物業於二零一九年十二月三十一日之公平值約為73,850,000港元(二零一八年：74,367,000港元)。綜合財務報表附註14內所載的投資物業公平值乃經參考由獨立專業合資格評估師進行之估值釐定。有關估值乃根據若干假設而作出，當中涉及不確定性，並可能與實際結果有重大差異。在作出判斷時，已經對相關假設給予合理考慮，有關假設主要以報告期間結束時存在的市場狀況為基礎。該等估計會與實際市場數據及市場內的實際交易進行比較。

所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷。本集團謹慎評估交易之稅務影響並據此建立稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內。

遞延稅項資產

倘可以動用稅項虧損抵銷應課稅溢利，則會就未動用稅項虧損確認遞延稅項資產。釐定可予確認之遞延稅項資產數額時，管理層須根據未來應課稅溢利可能出現的時間及水平作出重大判斷。於二零一九年十二月三十一日，與已確認稅項虧損有關之遞延稅項資產之賬面值約為347,000港元(二零一八年：349,000港元)。進一步詳情載於綜合財務報表附註31。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation of fair value of investment properties

Investment properties of the Group are stated at fair value in accordance with the accounting policy stated in note 2.4 to the consolidated financial statements. The fair value of investment properties at 31 December 2019 was approximately HK\$73,850,000 (2018: HK\$74,367,000). The fair value of investment properties, set out in note 14 to the consolidated financial statements, are determined with reference to valuations performed by independent professional qualified valuers. Such valuations are made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market condition existing at the end of the reporting period. These estimates are compared to actual market data and actual transactions in the market.

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2019 was approximately HK\$347,000 (2018: HK\$349,000). Further details are included in note 31 to the consolidated financial statements.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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4. 分部資料

就管理目的而言，本集團按業務單位之產品及服務分為下列六個呈報經營分部：

- (a) 物業投資及發展分部，從事出租及銷售物業；
- (b) 製造及銷售建築材料分部，從事製造及銷售礦渣粉；
- (c) 證券投資分部，從事上市證券投資；
- (d) 精礦貿易分部，從事精礦貿易；
- (e) 煤炭開採分部，從事煤礦特許權之勘探及開發以及開採煤炭以供銷售；及
- (f) 其他分部，從事採礦設備零部件銷售。

管理層獨立監察本集團之經營分部業績，以便作出有關資源分配及表現評估之決策。分部表現乃根據呈報分部溢利／虧損評估，而呈報分部溢利／虧損則以經調整除稅前溢利／虧損計量。經調整除稅前溢利／虧損之計量方式與本集團之除稅前虧損計量方式一致，惟有關計量並不計入銀行利息收入及其他未分配收入及收益、財務成本、期貨合約公平值虧損以及其他未分配之總辦事處及集團費用。

分部資產不包括遞延稅項資產、現金及現金等價物、應收關連公司款項以及其他未分配總辦事處及集團資產，因為該等資產乃按集團基準管理。

分部負債不包括計息銀行及其他借貸、應付關連公司款項、財務擔保合約以及其他未分配總辦事處及集團負債，因為該等負債乃按集團基準管理。

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable and operating segments as follows:

- (a) the property investment and development segment engages in leasing and sale of properties;
- (b) the manufacture and sale of construction materials segment engages in the manufacture and sale of slag powder;
- (c) the securities investments segment engages in investing in listed securities;
- (d) the trading of mineral concentrates segment engages in the trading of mineral concentrates;
- (e) the coal mining segment engages in the exploration and development of coal mines concessions and mining for sale of coal; and
- (f) the others segment engages in the sale of parts of mining equipment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that bank interest income and other unallocated income and gains, finance costs, fair value loss on future contracts as well as other unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and cash equivalents, amounts due from related companies and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, amounts due to related companies, financial guarantee contract and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

分部業績

本集團按呈報分部劃分之分部業績分析如下：

截至二零一九年十二月三十一日止年度

4. SEGMENT INFORMATION (continued)

Segment results

An analysis of the Group's segment results by reportable segment is as follows:

Year ended 31 December 2019

		物業投資 及發展 Property investment and development 千港元 HK\$'000	證券 投資 Securities investments 千港元 HK\$'000	製造及銷售 建築材料 Manufacture and sale of construction materials 千港元 HK\$'000	精礦 貿易 Trading of mineral concentrates 千港元 HK\$'000	煤炭 開採 Coal mining 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
分部收益：	Segment revenue:							
外界客戶之銷售/營業額*	Sales to/revenue from external customers*	9,533	-	-	318,148	2,128	7,684	337,493
投資收入	Investment income	-	346	-	-	-	-	346
收入及投資收入總額	Total revenue and investment income	9,533	346	-	318,148	2,128	7,684	337,839
分部業績	Segment results	(1,487)	343	(24,166)	(2,281)	(12,603)	(2,839)	(43,033)
銀行利息收入及其他未分配 收入及收益	Bank interest income and other unallocated income and gains							42,304
集團及其他未分配開支	Corporate and other unallocated expenses							(21,358)
期貨合約公平值虧損	Fair value loss on future contracts							(75,763)
未分配財務成本	Unallocated finance costs							(4,293)
除稅前虧損	Loss before tax							(102,143)

* 由於分部間之銷售額微不足道，故並無作出對賬。

* Since the amount of intersegment sales is insignificant, no reconciliation has been made.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料（續）

分部業績（續）

截至二零一八年十二月三十一日止年度

4. SEGMENT INFORMATION (continued)

Segment results (continued)

Year ended 31 December 2018

		物業投資 及發展	證券 投資	製造及銷售 建築材料 Manufacture and sale of materials	精礦 貿易 Trading of mineral concentrates	煤炭 開採 Coal mining	其他	總計
		Property investment and development 千港元 HK\$'000	Securities investments 千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	Others 千港元 HK\$'000	Total 千港元 HK\$'000
分部收益：	Segment revenue:							
外界客戶之銷售／營業額*	Sales to/revenue from external customers*	7,914	-	-	169,873	657	6,222	184,666
投資收入	Investment income	-	38	-	-	-	-	38
收入及投資收入總額	Total revenue and investment income	7,914	38	-	169,873	657	6,222	184,704
分部業績	Segment results	(9,171)	188	(56,694)	(20,401)	(21,686)	(5,542)	(113,306)
銀行利息收入及其他未分配 收入及收益	Bank interest income and other unallocated income and gains							2,553
集團及其他未分配開支	Corporate and other unallocated expenses							(18,824)
未分配財務成本	Unallocated finance costs							(10,088)
除稅前虧損	Loss before tax							(139,665)

* 由於分部間之銷售額微不足道，故並無作出對賬。

* Since the amount of intersegment sales is insignificant, no reconciliation has been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

分部資產及負債以及其他分部資料

本集團按呈報分部劃分之分部資產及負債以及其他分部資料分析如下：

截至二零一九年十二月三十一日止年度

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities and other segment information

An analysis of the Group's segment assets and liabilities and other segment information by reportable segment is as follows:

Year ended 31 December 2019

		物業投資 及發展 Property investment and development 千港元 HK\$'000	證券投資 Securities investments 千港元 HK\$'000	製造及銷售 建築材料 Manufacture and sale of construction materials 千港元 HK\$'000	精礦貿易 Trading of mineral concentrates 千港元 HK\$'000	煤炭開採 Coal mining 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
資產及負債：	Assets and liabilities:							
分部資產	Segment assets	83,114	19,781	65,062	33,881	20,907	5,338	228,083
集團及其他未分配資產	Corporate and other unallocated assets							101,178
總資產	Total assets							329,261
分部負債	Segment liabilities	41,633	-	12,891	466	565	4,721	60,276
集團及其他未分配負債	Corporate and other unallocated liabilities							90,018
總負債	Total liabilities							150,294
其他分部資料：	Other segment information:							
於損益扣除之折舊及攤銷	Depreciation and amortisation charged in profit or loss	2,915	-	4,901	129	561	5	8,511
集團及其他未分配金額	Corporate and other unallocated amounts							271
								8,782
投資物業公平值收益	Fair value gains on investment properties	(63)	-	-	-	-	-	(63)
物業、廠房及設備減值虧損	Impairment loss on property, plant and equipment	-	-	13,224	-	-	-	13,224
存貨撇減	Write-down of inventories	-	-	-	-	1,994	-	1,994

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料（續）

分部資產及負債以及其他分部資料
（續）

截至二零一九年十二月三十一日止年度（續）

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities and other segment
information (continued)

Year ended 31 December 2019 (continued)

		物業投資 及發展 Property investment and development 千港元 HK\$'000	證券投資 Securities investments 千港元 HK\$'000	製造及銷售 建築材料 Manufacture and sale of construction materials 千港元 HK\$'000	精礦貿易 Trading of mineral concentrates 千港元 HK\$'000	煤炭開採 Coal mining 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
其他無形資產減值虧損	Impairment loss on other intangible assets	-	-	-	-	6,570	-	6,570
應收賬款減值虧損撥備/ （轉回）淨額	Provision/(reversal) of impairment loss on accounts receivable, net	107	-	-	-	(59)	365	413
預付款項、按金及其他應收款項 減值虧損轉回淨額	Reversal of impairment loss on prepayments, deposits and other receivables, net	-	-	-	(162)	(166)	(116)	(444)
集團及其他未分配金額	Corporate and other unallocated amounts							2
								(442)
出售物業、廠房及設備項目 （虧損）/收益	(Loss)/gain on disposal of items of property, plant and equipment	(1)	-	-	-	963	-	962
集團及其他未分配金額	Corporate and other unallocated amounts							49
								1,011
資本開支#	Capital expenditure#	38	-	-	-	-	-	38
集團及其他未分配金額	Corporate and other unallocated amounts							29
								67

資本開支包括添置物業、廠房及設備及其他無形資產。

Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

分部資產及負債以及其他分部資料
(續)

截至二零一八年十二月三十一日止年度

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities and other segment
information (continued)

Year ended 31 December 2018

		物業投資 及發展	證券投資	製造及 銷售建築材料	精礦貿易	煤炭開採	其他	總計
		Property investment and development	Securities investments	Manufacture and sale of materials	Trading of mineral concentrates	Coal mining	Others	Total
		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
資產及負債：	Assets and liabilities:							
分部資產	Segment assets	87,534	508	84,682	11,333	33,040	6,382	223,479
集團及其他未分配資產	Corporate and other unallocated assets							169,915
總資產	Total assets							393,394
分部負債	Segment liabilities	43,277	-	14,772	11,150	692	4,034	73,925
集團及其他未分配負債	Corporate and other unallocated liabilities							59,602
總負債	Total liabilities							133,527
其他分部資料：	Other segment information:							
於損益扣除之折舊及攤銷	Depreciation and amortisation charged in profit or loss	2,948	-	18,838	140	2,149	5	24,080
集團及其他未分配金額	Corporate and other unallocated amounts							780
								24,860
投資物業公平值收益	Fair value gains on investment properties	(885)	-	-	-	-	-	(885)
物業、廠房及設備減值虧損	Impairment loss on property, plant and equipment	-	-	4,251	-	-	-	4,251
存貨撇減	Write-down of inventories	-	-	-	-	3,894	-	3,894

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

分部資產及負債以及其他分部資料
(續)

截至二零一八年十二月三十一日止年度(續)

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities and other segment
information (continued)

Year ended 31 December 2018 (continued)

		物業投資 及發展	證券投資	製造及 銷售建築材料	精礦貿易	煤炭開採	其他	總計
		Property investment and development	Securities investments	Manufacture and sale of construction materials	Trading of mineral concentrates	Coal mining	Others	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
其他無形資產減值虧損	Impairment loss on other intangible assets	-	-	28,245	-	8,865	-	37,110
應收賬款減值虧損(轉回)/ 撥備淨額	(Reversal)/provision of impairment loss on accounts receivable, net	(61)	-	-	-	60	14	13
預付款項、按金及其他 應收款項減值虧損(轉回)/ 撥備淨額	(Reversal)/provision of impairment loss on prepayments, deposits and other receivables, net	-	(213)	-	21,456	1,985	423	23,651
集團及其他未分配金額	Corporate and other unallocated amounts							302
								23,953
撤銷物業、廠房及 設備項目	Write-off of items of property, plant and equipment	-	-	-	-	324	-	324
出售物業、廠房及設備項目收益	Gain on disposal of items of property, plant and equipment	-	-	-	-	1,499	-	1,499
資本開支*	Capital expenditure*	5	-	-	12	888	2	907
集團及其他未分配金額	Corporate and other unallocated amounts							29
								936

* 資本開支包括添置物業、廠房及設備及其他無形資產。

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

地區資料

(a) 來自外界客戶之收入

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
中國	PRC	317,354	173,904
秘魯	Peru	20,139	10,762
香港	Hong Kong	346	38
		337,839	184,704

上述收入資料乃按客戶所在地分類。

The revenue information above is based on the location of the customers.

4. SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

(b) 非流動資產

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
中國	PRC	136,726	157,013
秘魯	Peru	68,027	78,280
澳洲	Australia	–	508
香港	Hong Kong	70	213
厄瓜多爾	Ecuador	194	376
哥倫比亞	Colombia	–	13
		205,017	236,403

上述非流動資產資料乃按資產所在地分類。

The non-current assets information above is based on the location of assets.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

4. 分部資料(續)

有關主要客戶之資料

於相關期間來自客戶之營業額超過本集團總營業額10%之資料如下：

4. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers of corresponding periods contributing over 10% of total revenue of the Group is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
客戶A(應佔精礦貿易分部)	Customer A (attributable to trading of mineral concentrates segment)	80,335	–
客戶B(應佔精礦貿易分部)	Customer B (attributable to trading of mineral concentrates segment)	54,975	93,535
客戶C(應佔精礦貿易分部)	Customer C (attributable to trading of mineral concentrates segment)	47,027	–
客戶D(應佔精礦貿易分部)	Customer D (attributable to trading of mineral concentrates segment)	N/A ¹	23,314
客戶E(應佔精礦貿易分部)	Customer E (attributable to trading of mineral concentrates segment)	–	39,574

¹ 其相應收入不超過本集團總收入10%。

¹ The corresponding revenue did not contribute over 10% of the Group's total revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

5. 收入及其他收入及收益

本集團之收入分析如下：

5. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
收入	Revenue		
客戶合約收入	Revenue from contracts with customers		
銷售精礦	Sale of mineral concentrates	318,148	169,873
銷售採礦設備零部件	Sale of parts of mining equipment	7,684	6,222
銷售物業	Sale of properties	5,022	3,883
銷售煤炭	Sale of coal	2,128	657
		332,982	180,635
來自其他來源的收入	Revenue from other sources		
租金收入總額	Gross rental income	4,511	4,031
公平值收益，淨額：	Fair value gains, net:		
以公平值計量且其變動計入損益 之股本投資	Equity investments at fair value through profit or loss	346	38
		4,857	4,069
		337,839	184,704

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

5. 收入及其他收入及收益(續)

5. REVENUE AND OTHER INCOME AND GAINS (continued)

客戶合約收入的分解

Disaggregation of revenue from contracts with customers

截至二零一九年十二月三十一日止年度

Year ended 31 December 2019

分部	Segment	物業投資 及發展 Property investment and development 千港元 HK\$'000	精礦貿易 Trading of mineral concentrates 千港元 HK\$'000	煤炭開採 Coal mining 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
貨品及服務種類	Types of goods and services					
銷售精礦	Sale of mineral concentrates	-	318,148	-	-	318,148
銷售採礦設備零部件	Sale of parts of mining equipment	-	-	-	7,684	7,684
銷售物業	Sale of properties	5,022	-	-	-	5,022
銷售煤炭	Sale of coal	-	-	2,128	-	2,128
客戶合約收入總額	Total revenue from contracts with customers	5,022	318,148	2,128	7,684	332,982
地區市場	Geographical markets					
中國	PRC	-	312,127	-	716	312,843
秘魯	Peru	5,022	6,021	2,128	6,968	20,139
客戶合約收入總額	Total revenue from contracts with customers	5,022	318,148	2,128	7,684	332,982
收入確認時間	Timing of revenue recognition					
在某一時點	At a point in time	5,022	318,148	2,128	7,684	332,982
在一段時間內	Over time	-	-	-	-	-
客戶合約收入總額	Total revenue from contracts with customers	5,022	318,148	2,128	7,684	332,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

5. 收入及其他收入及收益(續)

客戶合約收入的分解(續)

截至二零一八年十二月三十一日止年度

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Disaggregation of revenue from contracts with customers (continued)

Year ended 31 December 2018

分部	Segment	物業投資 及發展 Property investment and development 千港元 HK\$'000	精礦貿易 Trading of mineral concentrates 千港元 HK\$'000	煤炭開採 Coal mining 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
貨品及服務種類	Types of goods and services					
銷售精礦	Sale of mineral concentrates	-	169,873	-	-	169,873
銷售採礦設備零部件	Sale of parts of mining equipment	-	-	-	6,222	6,222
銷售物業	Sale of properties	3,883	-	-	-	3,883
銷售煤炭	Sale of coal	-	-	657	-	657
客戶合約收入總額	Total revenue from contracts with customers	3,883	169,873	657	6,222	180,635
地區市場	Geographical markets					
中國	PRC	-	169,873	-	-	169,873
秘魯	Peru	3,883	-	657	6,222	10,762
客戶合約收入總額	Total revenue from contracts with customers	3,883	169,873	657	6,222	180,635
收入確認時間	Timing of revenue recognition					
在某一時點	At a point in time	3,883	169,873	657	6,222	180,635
在一段時間內	Over time	-	-	-	-	-
客戶合約收入總額	Total revenue from contracts with customers	3,883	169,873	657	6,222	180,635

下表列示於報告期初包括在合約負債並於本報告期內確認的收入金額：

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
銷售貨品	Sale of goods	1,853	6,644

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

5. 收入及其他收入及收益（續）

客戶合約收入的分解（續）

分配至餘下履約義務的交易價格金額預期將會於一年內確認為收入。

本集團之其他收入及收益分析如下：

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Disaggregation of revenue from contracts with customers (continued)

The amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

An analysis of the Group's other income and gains is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
其他收入及收益	Other income and gains		
銀行利息收入	Bank interest income	1,178	439
已收取賠償（附註39(a)）	Compensation received (note 39(a))	33,510	–
出售物業、廠房及設備項目收益	Gain on disposal of items of property, plant and equipment	1,011	1,499
其他利息收入	Other interest income	988	2,412
管理費收入	Management fee income	2,469	554
出售附屬公司的收益	Gain on disposal of subsidiaries	3,320	–
匯兌收益淨額	Net foreign exchange gains	800	–
往年其他稅項及徵費撥備過多	Over-provision of other tax and levies in prior years	2,794	–
其他	Others	72	318
		46,142	5,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

6. 經營虧損

本集團之經營虧損已經扣除/(計入)：

6. OPERATING LOSS

The Group's operating loss is arrived at after charging/(crediting):

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
		附註 Note		
僱員福利開支 (不包括董事酬金) 薪金、工資及其他實物福利	Employee benefits expense (excluding directors' remuneration) Salaries, wages and other benefits in kind	(i)	22,383	24,056
退休福利計劃供款	Contributions to retirement benefits schemes		2,339	2,270
			24,722	26,326
核數師酬金	Auditors' remuneration		900	950
其他無形資產攤銷 — 供應商合約	Amortisation of other intangible assets — supplier contract	(ii)	—	6,272
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments		—	455
使用權資產之折舊	Depreciation of right-of-use assets		437	—
採礦權攤銷 (計入銷售及服務成本內)	Amortisation of mining rights (included in cost of sales and services)		9	61
存貨成本確認為開支	Cost of inventories recognised as an expense	(iv)	329,145	176,078
撇銷物業、廠房及設備項目	Write-off of items of property, plant and equipment	(ii)	—	324
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	(iii)	8,336	18,072
匯兌虧損淨額	Exchange losses, net		—	9,811
應收賬款減值虧損撥備淨額	Provision of impairment loss on accounts receivable, net	(ii)	413	13
預付款項、按金及其他 應收款項減值虧損 (轉回)/撥備淨額	(Reversal)/provision of impairment loss on prepayments, deposits and other receivables, net	(ii)	(442)	23,953
物業、廠房及設備減值虧損	Impairment loss on property, plant and equipment	(ii)	13,224	4,251
經營租賃項下有關土地及樓宇 之最低租賃款項	Minimum lease payments under operating leases in respect of land and buildings		—	168
有關土地及樓宇短期租賃的 租賃付款額	Lease payments relating to short-term leases in respect of land and buildings		324	—
期貨合約公平值虧損	Fair value loss on future contracts	(v)	75,763	—
投資物業租金收入總額	Gross rental income from investment properties		(4,511)	(4,031)
減：	Less:			
年內帶來租金收入之投資物業 產生之直接經營開支	Direct operating expenses incurred for investment properties that generated rental income during the year		69	139
			(4,442)	(3,892)

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

6. 經營虧損(續)

附註:

- (i) 僱員福利開支約561,000港元(二零一八年: 4,322,000港元)及24,161,000港元(二零一八年: 22,004,000港元)已分別計入銷售及服務成本以及行政費用。
- (ii) 有關款項計入綜合損益表之「其他經營支出淨額」內。
- (iii) 折舊約54,000港元(二零一八年: 671,000港元)、4,111,000港元(二零一八年: 5,694,000港元)及4,171,000港元(二零一八年: 11,707,000港元)已分別計入存貨成本、行政費用以及其他經營支出內。
- (iv) 有關款項包括存貨撇減約1,994,000港元(二零一八年: 3,894,000港元)。
- (v) 本集團由二零一九年三月起開始透過中國經紀投資於鎳期貨合約,其於上海期貨交易所買賣。有鑑於鎳價格大幅波動,於本年度內,本集團就鎳期貨合約發生公平值虧損為數約75,763,000港元(二零一八年: 無)。於二零一九年十二月三十一日,本集團並無持有任何鎳期貨合約。

7. 財務成本

財務成本分析如下:

6. OPERATING LOSS (continued)

Notes:

- (i) Employee benefits expense of HK\$561,000 (2018: HK\$4,322,000) and HK\$24,161,000 (2018: HK\$22,004,000) were charged to cost of sales and services and administrative expenses respectively.
- (ii) Amounts are included in "Other operating expenses, net" in the consolidated statement of profit or loss.
- (iii) Depreciation of approximately HK\$54,000 (2018: HK\$671,000), HK\$4,111,000 (2018: HK\$5,694,000) and HK\$4,171,000 (2018: HK\$11,707,000) were charged to cost of inventories, administrative expenses and other operating expenses respectively.
- (iv) The amount included write-down on inventories of approximately HK\$1,994,000 (2018: HK\$3,894,000).
- (v) The Group commenced to invest in nickel future contracts which are traded in The Shanghai Futures Exchange from March 2019 through a broker in the PRC. In view of the wide volatility of the price of nickel, the Group incurred fair value loss on nickel future contracts in an amount of approximately HK\$75,763,000 (2018: Nil) during the year. As at 31 December 2019, the Group has no nickel future contracts on hand.

7. FINANCE COSTS

An analysis of finance costs is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
須於五年內悉數償還之銀行及 其他借貸利息	Interest on bank and other borrowings wholly repayable within five years	3,668	3,234
其他貸款安排費用	Loan arrangement fee for other loan	625	1,500
可換股債券的實際利息	Effective interest on convertible bonds	-	5,354
		4,293	10,088

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

8. 董事及主要行政人員酬金

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部披露之年內董事及主要行政人員酬金如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's 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:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
袍金	Fees	540	660
其他酬金：	Other emoluments:		
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	1,752	2,615
退休計劃供款	Pension scheme contributions	56	31
		1,808	2,646
		2,348	3,306

(a) 獨立非執行董事

年內已付予獨立非執行董事之袍金如下：

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
袍金：	Fees:		
林聞深先生	Mr. Lam Man Sum, Albert	180	180
曹貺予先生	Mr. Cao Kuangyu	180	180
張嘉偉先生	Mr. Cheung Ka Wai	180	180
		540	540

除上述者外，年內概無其他應付獨立非執行董事之酬金(二零一八年：無)。

Apart from the above, there were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

8. 董事及主要行政人員酬金(續)

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) 執行董事、非執行董事及主要行政人員

(b) Executive directors, a non-executive director and the chief executive

		袍金 Fees 千港元 HK\$'000	薪金、津貼及 實物利益 Salaries, allowances and benefits in kind 千港元 HK\$'000	退休計劃供款 Pension scheme contributions 千港元 HK\$'000	酬金總計 Total remuneration 千港元 HK\$'000
二零一九年	2019				
執行董事：	Executive directors:				
傅軍先生	Mr. Fu Kwan	—	120	—	120
張建先生	Mr. Zhang Jian	—	120	—	120
張必書先生	Mr. Zhang Bishu	—	120	—	120
劉靜女士	Ms. Liu Jing	—	1,092	47	1,139
陳躍先生	Mr. Chan Yeuk	—	120	—	120
周建人先生	Mr. Zhou Jianren	—	180	9	189
		—	1,752	56	1,808
二零一八年	2018				
執行董事：	Executive directors:				
傅軍先生	Mr. Fu Kwan	—	50	—	50
張建先生	Mr. Zhang Jian	—	650	—	650
張必書先生	Mr. Zhang Bishu	—	50	—	50
劉靜女士	Ms. Liu Jing	—	375	16	391
陳躍先生	Mr. Chan Yeuk	—	50	—	50
周建人先生	Mr. Zhou Jianren	—	180	9	189
周建和先生	Mr. Zhou Chu Jian He	—	120	6	126
張民先生	Mr. Zhang Min	—	900	—	900
向獻紅先生	Mr. Xiang Xianhong	—	120	—	120
雷曙光先生	Mr. Lei Shuguang	—	120	—	120
		—	2,615	31	2,646
非執行董事：	Non-executive director:				
Jorge Edgar Jose Muñiz Ziches先生	Mr. Jorge Edgar Jose Muñiz Ziches	120	—	—	120
		120	2,615	31	2,766

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

8. 董事及主要行政人員酬金(續)

(b) 執行董事、非執行董事及主要行政人員(續)

傅軍先生、張建先生、張必書先生、劉靜女士及陳躍先生於二零一八年八月一日獲委任為執行董事。

周建和先生、張民先生、向獻紅先生及雷曙光先生於二零一八年八月二十二日辭任執行董事。Jorge Edgar Jose Muñoz Ziches先生於二零一八年八月二十二日辭任非執行董事。張民先生於二零一八年八月二十二日辭任本公司行政總裁。

上文所示支付予或給予執行董事之薪金、津貼及其他利益一般為就該等人士管理本公司及其附屬公司事務而提供的其他服務的薪酬。

本公司並無訂立任何安排，致使董事或主要行政人員於年內放棄或同意放棄任何酬金(二零一八年：無)。

9. 五位最高薪僱員

本年度，五位最高薪僱員包括一位董事(二零一八年：一位)，彼之酬金詳情載於上文附註8。餘下四位(二零一八年：四位)最高薪僱員(非本公司董事或主要行政人員)於本年度之酬金詳情載於下文：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, a non-executive director and the chief executive (continued)

Mr. Fu Kwan, Mr. Zhang Jian, Mr. Zhang Bishu, Ms. Liu Jing and Mr. Chan Yeuk were appointed as executive directors on 1 August 2018.

Mr. Zhou Chu Jian He, Mr. Zhang Min, Mr. Xiang Xianhong and Mr. Lei Shuguang resigned as executive directors on 22 August 2018. Mr. Jorge Edgar Jose Muñoz Ziches resigned as a non-executive director on 22 August 2018. Mr. Zhang Min resigned as the chief executive of the Company on 22 August 2018.

Salaries, allowances and other benefits paid to or for the executive directors shown above are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2018: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year include one (2018: one) director, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2018: four) highest paid employees who are neither a director nor a chief executive of the Company are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	4,292	3,427
退休計劃供款	Pension scheme contributions	149	93
		4,441	3,520

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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9. 五位最高薪僱員（續）

屬於下列酬金範圍的非董事及非主要行政人員最高薪僱員數目如下：

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		僱員人數 Number of employees	
		二零一九年 2019	二零一八年 2018
0 – 1,000,000港元	Nil – HK\$1,000,000	2	3
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	2	1
		4	4

10. 所得稅抵免

香港利得稅乃根據年度於香港產生之估計應課稅溢利按16.5%（二零一八年：16.5%）之稅率計提撥備。其他地區應課稅溢利之稅項乃按本集團經營業務所在司法管轄區之現行稅率計算。

10. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
即期 – 香港 年度費用	Current – Hong Kong Charge for the year	–	148
過往年度撥備過多	Over-provision in prior years	(6,531)	–
即期 – 其他地區 年度費用	Current – elsewhere Charge for the year	1,100	333
過往年度（撥備過多）／撥備不足	(Over)/under-provision in prior years	(65)	20
遞延稅項費用／（抵免）	Deferred tax expense/(credit)	220	(8,387)
預扣稅費用 – 中國	Withholding tax charge: – PRC	1,752	121
年度稅項總抵免	Total tax credit for the year	(3,524)	(7,765)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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10. 所得稅抵免(續)

本集團除稅前虧損之稅項抵免與採用香港利得稅稅率按16.5%(二零一八年:16.5%)而計算之理論稅額之差額如下:

10. INCOME TAX CREDIT (continued)

The tax credit on the Group's loss before tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate of 16.5% (2018: 16.5%) as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
除稅前虧損	Loss before tax	(102,143)	(139,665)
按法定稅率16.5% (二零一八年:16.5%)計算之稅項	Tax at the statutory tax rate of 16.5% (2018: 16.5%)	(16,854)	(23,045)
毋須納稅之收入	Income not subject to tax	(4,627)	(1,149)
不可扣稅之開支	Expenses not deductible for tax	14,617	18,172
過往年度(撥備過多)/撥備不足	(Over)/under-provision in prior years	(6,596)	20
未確認稅項虧損	Tax losses not recognised	14,023	6,871
過往年度已動用之稅項虧損	Tax losses utilised from prior years	(223)	(84)
附屬公司在其他司法管轄區經營 而稅率不同之影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(5,324)	(8,108)
可換股債券的遞延稅項之影響	Effect of deferred tax on convertible bonds	-	(563)
中國仲裁所得其他收入的 預扣稅之影響	Effect of withholding tax on other income from arbitration in the PRC	1,752	121
稅項寬減	Tax concessions	(292)	-
按實際稅率計算之稅項抵免	Tax credit at effective rate	(3,524)	(7,765)

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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11. 本公司擁有人應佔每股虧損

每股基本及攤薄虧損乃根據本公司擁有人應佔年度虧損及年內已發行普通股之加權平均數1,206,249,251股(二零一八年: 1,053,332,260股)計算。

按以下計算每股基本及攤薄虧損:

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 1,206,249,251 (2018: 1,053,332,260) in issue during the year.

The calculations of basic and diluted loss per share are based on:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
虧損	Loss		
用於計算每股基本及攤薄虧損之 本公司擁有人應佔虧損	Loss attributable to owners of the Company used in the basic and diluted loss per share calculations	(88,810)	(111,784)
股份數目	Number of shares		
用於計算每股基本及攤薄虧損之 年內已發行普通股之加權平均數	Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations	1,206,249,251	1,053,332,260

計算截至二零一八年十二月三十一日止年度之每股攤薄虧損並無假設行使根據本公司之購股權計劃所授出之購股權有關的本公司潛在普通股，原因為其假設行使將具有反攤薄影響。本集團已經於截至二零一八年十二月三十一日止年度內註銷所有尚未行使購股權。

計算截至二零一八年十二月三十一日止年度之每股攤薄虧損並無假設本公司於二零一八年七月二十六日發行的可換股債券獲轉換(其已經於二零一八年十二月十四日獲全面轉換)，原因為其假設轉換將具有反攤薄影響。

於二零一九年及二零一八年十二月三十一日，本集團並無任何潛在普通股。

The computation of diluted loss per share for the year ended 31 December 2018 did not assume the exercise of the Company's potential ordinary shares relating to share options granted under the Company's share option scheme since their assumed exercise would have an anti-dilutive effect. The Group cancelled all outstanding share options during the year ended 31 December 2018.

The computation of diluted loss per share for the year ended 31 December 2018 did not assume the conversion of the Company's convertible bonds issued on 26 July 2018 and fully converted on 14 December 2018, since their assumed conversion would have an anti-dilutive effect.

The Group had no potential ordinary shares in issue as at 31 December 2019 and 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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12. 股息

於本年度內並無支付或宣佈派發任何股息(二零一八年:無)。本公司董事不建議就截至二零一九年十二月三十一日止年度派付任何股息(二零一八年:無)。

12. DIVIDENDS

No dividend has been paid or declared during the year (2018: Nil). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2019 (2018: Nil).

13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		永久業權土地*	樓宇	租賃物業裝修	廠房及機器#	辦公室設備	汽車	總計
		Freehold	Buildings	Leasehold improvements	Plant and machinery#	Office equipment	Motor vehicles	Total
		Land*	Buildings	improvements	machinery#	equipment	vehicles	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一九年十二月三十一日	31 December 2019							
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019							
成本	Cost	3,354	135,998	12,906	159,030	4,272	10,852	326,412
累計折舊及減值	Accumulated depreciation and impairment	-	(38,595)	(2,918)	(149,435)	(3,580)	(9,839)	(204,367)
賬面淨值	Net carrying amount	3,354	97,403	9,988	9,595	692	1,013	122,045
於二零一九年一月一日， 扣除累計折舊及減值	At 1 January 2019, net of accumulated depreciation and impairment	3,354	97,403	9,988	9,595	692	1,013	122,045
添置	Additions	-	-	-	-	67	-	67
出售	Disposals	-	-	-	-	(3)	(57)	(60)
出售附屬公司(附註44)	Disposal of subsidiaries (note 44)	-	-	-	-	-	(89)	(89)
本年度折舊撥備	Depreciation provided for the year	-	(4,801)	(1,200)	(1,604)	(413)	(318)	(8,336)
減值虧損(附註iii)	Impairment losses (note iii)	-	(13,064)	-	(160)	-	-	(13,224)
匯兌調整	Exchange realignment	(11)	(1,131)	(22)	(129)	-	(6)	(1,299)
於二零一九年十二月三十一日， 扣除累計折舊及減值	At 31 December 2019, net of accumulated depreciation and impairment	3,343	78,407	8,766	7,702	343	543	99,104
於二零一九年十二月三十一日	At 31 December 2019							
成本	Cost	3,343	134,167	12,862	154,737	4,310	9,782	319,201
累計折舊及減值	Accumulated depreciation and impairment	-	(55,760)	(4,096)	(147,035)	(3,967)	(9,239)	(220,097)
賬面淨值	Net carrying amount	3,343	78,407	8,766	7,702	343	543	99,104

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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13. 物業、廠房及設備(續)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

		永久業權土地*	樓宇	租賃物業裝修	廠房及機器*	辦公室設備	汽車	總計
		Freehold	Buildings	Leasehold	Plant and	Office	Motor	Total
		Land*	Buildings	improvements	machinery*	equipment	vehicles	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一八年十二月三十一日	31 December 2018							
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018							
成本	Cost	3,437	141,997	13,225	170,155	4,630	11,034	344,478
累計折舊	Accumulated depreciation	-	(34,387)	(1,769)	(146,297)	(3,435)	(9,190)	(195,078)
賬面淨值	Net carrying amount	3,437	107,610	11,456	23,858	1,195	1,844	149,400
於二零一八年一月一日，扣除累計折舊	At 1 January 2018, net of accumulated depreciation	3,437	107,610	11,456	23,858	1,195	1,844	149,400
添置	Additions	-	-	-	754	58	-	812
出售	Disposals	-	-	-	(160)	-	-	(160)
撇銷	Write-off	-	-	-	(324)	-	-	(324)
本年度折舊撥備	Depreciation provided for the year	-	(5,079)	(1,216)	(10,425)	(546)	(806)	(18,072)
減值虧損(附註iii)	Impairment losses (note iii)	-	(943)	-	(3,308)	-	-	(4,251)
匯兌調整	Exchange realignment	(83)	(4,185)	(252)	(800)	(15)	(25)	(5,360)
於二零一八年十二月三十一日， 扣除累計折舊及減值	At 31 December 2018, net of accumulated depreciation and impairment	3,354	97,403	9,988	9,595	692	1,013	122,045
於二零一八年十二月三十一日	At 31 December 2018							
成本	Cost	3,354	135,998	12,906	159,030	4,272	10,852	326,412
累計折舊及減值	Accumulated depreciation and impairment	-	(38,595)	(2,918)	(149,435)	(3,580)	(9,839)	(204,367)
賬面淨值	Net carrying amount	3,354	97,403	9,988	9,595	692	1,013	122,045

* 位於香港以外之地區。

* Located outside Hong Kong.

該賬面淨值包括與本集團於二零一九年十二月三十一日之勘探及評估活動有關之物業、廠房及設備約1,551,000港元。

The net carrying amount includes property, plant and equipment of approximately HK\$1,551,000 relating to exploration and evaluation activities of the Group as at 31 December 2019.

附註：

Notes:

- (i) 截至二零一九年十二月三十一日止年度，折舊撥備約8,336,000港元(二零一八年：18,072,000港元)中，54,000港元(二零一八年：671,000港元)、4,111,000港元(二零一八年：5,694,000港元)及4,171,000港元(二零一八年：11,707,000港元)分別資本化於勘探及評估資產、計入存貨成本、行政費用及其他經營支出。
- (ii) 於二零一九年十二月三十一日，本集團賬面值約42,370,000港元(二零一八年：44,178,000港元)之若干物業、廠房及設備已抵押作本集團獲授銀行及一般融資之擔保，詳情載於綜合財務報表附註29。
- (iii) 於二零一九年十二月三十一日，由於湖南泰基長期停止生產(附註16(i))，參考獨立專業合資格估值師對其位於中國湖南省之物業、廠房及設備所進行的估值，本集團根據公平值減出售成本進行了減值評估。土地及樓宇已採用直接比較法，根據對大小、特徵及位置相若的類似物業的價格資料進行分析而進行估值。就廠房及機器而言，主要採用市場法，當中考慮類似資產的價格，並按被評估資產的狀況及用途予以調整。上述公平值計量分類於公平值等級的第三級。根據評估，已分別就樓宇以及廠房及機器確認減值虧損約13,064,000港元(二零一八年：943,000港元)及160,000港元(二零一八年：3,308,000港元)。

- (i) Amongst the depreciation provided for the year ended 31 December 2019 of approximately HK\$8,336,000 (2018: HK\$18,072,000), HK\$54,000 (2018: HK\$671,000), 4,111,000 (2018: HK\$5,694,000) and HK\$4,171,000 (2018: HK\$11,707,000) were charged to cost of inventories, administrative expenses and other operating expenses respectively.
- (ii) At 31 December 2019, the Group had certain property, plant and equipment with carrying amount of approximately HK\$42,370,000 (2018: HK\$44,178,000) pledged to secure banking and general facilities granted to the Group, details of which are included in note 29 to the consolidated financial statements.
- (iii) As at 31 December 2019, the Group performed an impairment assessment based on fair value less costs of disposal with reference to valuations performed by an independent professional qualified valuer on its property, plant and equipment located in Hunan, the PRC, due to prolonged suspension of production in Hunan Taiji (note 16(i)). In assessing the land and buildings, direct comparison method is adopted based on price information where comparable properties of similar size, character and location are analysed. For plant and machinery, market approach is principally adopted. Prices for similar assets are considered, with adjustment to reflect condition and utility of the appraised assets. The above fair value measurements are categorised into Level 3 of the fair value hierarchy. Based on the assessments, impairment losses of approximately HK\$13,064,000 (2018: HK\$943,000) and HK\$160,000 (2018: HK\$3,308,000) were recognised for buildings and plant and machinery, respectively.

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截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

14. 投資物業

14. INVESTMENT PROPERTIES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於一月一日之賬面值	Carrying amount at 1 January	74,367	75,105
公平值調整產生的收益淨額	Net gain from fair value adjustment	63	885
匯兌調整	Exchange realignment	(580)	(1,623)
於十二月三十一日之賬面值	Carrying amount at 31 December	73,850	74,367

上文所示投資物業之賬面值包括：

The carrying amount of investment properties shown above comprises:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於中國以中期租賃持有	Held under medium-term lease in the PRC	73,850	74,367

於二零一九年十二月三十一日，本集團的投資物業經參考獨立專業合資格估值師永利行評值顧問有限公司作出之估值，按公開市場價值基準以直接比較法進行估值，主要輸入數據為每單位樓面面積市場價格。若干投資物業乃根據經營租賃租予第三方，有關進一步概要詳情載於綜合財務報表附註38(a)內。

The Group's investment properties were revalued on 31 December 2019 with reference to a valuation performed by RHL Appraisal Limited, an independent professional qualified valuer, on an open market value basis by direct comparison method with the major input being the market price per unit of floor area. Certain investment properties are leased to third parties under operating leases, further summary details of which are included in note 38(a) to the consolidated financial statements.

於二零一九年十二月三十一日，本集團賬面值約39,141,000港元(二零一八年：39,065,000港元)之若干投資物業已抵押作本集團獲授信貸融資之擔保，詳情載於綜合財務報表附註29。

At 31 December 2019, certain of the Group's investment properties with carrying amount of approximately HK\$39,141,000 (2018: HK\$39,065,000) were pledged to secure credit facilities granted to the Group, details of which are included in note 29 to the consolidated financial statements.

於二零一九年十二月三十一日，本集團賬面值約30,502,000港元(二零一八年：無)之若干投資物業已抵押作關連公司獲授貸款融資之擔保，詳情載於綜合財務報表附註30及40。

At 31 December 2019, certain of the Group's investment properties with carrying amount of approximately HK\$30,502,000 (2018: Nil) were pledged to secure loan facilities granted to a related company, details of which are included in notes 30 and 40 to the consolidated financial statements.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

14. 投資物業（續）

公平值分級

下表說明本集團之投資物業之公平值計量架構。

14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties.

		活躍 市場報價 (第一級) Quoted prices in active markets (Level 1) 千港元 HK\$'000	重大可 觀察輸入值 (第二級) Significant observable inputs (Level 2) 千港元 HK\$'000	重大不可 觀察輸入值 (第三級) Significant unobservable inputs (Level 3) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一九年十二月 三十一日	As at 31 December 2019				
經常性公平值計量： 商用物業	Recurring fair value measurement for: Commercial properties	-	-	73,850	73,850
於二零一八年十二月 三十一日	As at 31 December 2018				
經常性公平值計量： 商用物業	Recurring fair value measurement for: Commercial properties	-	-	74,367	74,367

於本年度，並無第一級與第二級間之公平值計量轉撥，亦無轉入或轉出第三級（二零一八年：無）。

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 (2018: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

14. 投資物業(續)

分類於公平值等級內第三級的公平值計量的對賬：

14. INVESTMENT PROPERTIES (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

		商業物業 Commercial properties 千港元 HK\$'000
於二零一八年一月一日的賬面金額	Carrying amount at 1 January 2018	75,105
公平值調整產生的收益淨額，在損益內確認	Net gain from a fair value adjustment recognised in profit or loss	885
匯兌調整	Exchange realignment	(1,623)
於二零一八年十二月三十一日及二零一九年一月一日的賬面金額	Carrying amount at 31 December 2018 and 1 January 2019	74,367
公平值調整產生的收益淨額，在損益內確認	Net gain from a fair value adjustment recognised in profit or loss	63
匯兌調整	Exchange realignment	(580)
於二零一九年十二月三十一日的賬面金額	Carrying amount at 31 December 2019	73,850

於二零一九年及二零一八年十二月三十一日		At 31 December 2019 and 2018	
	公平值分級 Fair value hierarchy	估值技術 Valuation techniques	重大不可觀察輸入值 Significant unobservable input
於中國北京之商用物業 Commercial properties in Beijing, PRC	第三級 Level 3	直接比較法 Direct comparison method	每平方米單位市場價格 Market unit price per square meter

本集團採用直接比較法，該方法以替代性原則為基礎，其根據類似物業實際出售而已變現的價格及／或索價進行比較。本集團會對類似大小、規模、性質、特點及位置的類似物業進行分析，並權衡各物業的相關因素，以對市場價值作出公平比較。

Direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realised on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and weighed against the respective factors of each property in order to arrive at a fair comparison of market value.

主要輸入值為每平方米單位市場價格。單位市場價格大幅上升／(下降)會導致投資物業公平值大幅上升／(下降)。

The key input was the market unit price. A significant increase/(decrease) in the market unit price (per square meter) would result in a significant increase/(decrease) in the fair value of the investment properties.

於二零一九年及二零一八年十二月三十一日，所有本集團於中國之投資物業均為本集團所持有的商業物業，其乃為資本增值或賺取租金而持有。

As at 31 December 2019 and 2018, all of the Group's investment properties in the PRC are commercial properties held by the Group either for capital appreciation or for earning rentals.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

15. 預付土地租賃款項／使用權資產 15. PREPAID LAND LEASE PAYMENTS /RIGHT-OF-USE ASSETS

預付土地租賃款項（於二零一九年一月一日前）		Prepaid land lease payments (before 1 January 2019)	千港元 HK\$'000
於二零一八年一月一日之賬面值	Carrying amount at 1 January 2018		19,399
於年內確認的攤銷	Amortisation recognised during the year		(455)
匯兌調整	Exchange realignment		(981)
於二零一八年十二月三十一日之賬面值	Carrying amount at 31 December 2018		17,963

於二零一九年一月一日首次應用香港財務報告準則第16號後，為數約17,963,000港元的預付土地租賃款項已重新分類為使用權資產。有關詳情，敬請參閱附註2.2。

Upon initial application of HKFRS 16 on 1 January 2019, the prepaid land lease payments amounting to approximately HK\$17,963,000 was reclassified to right-of-use assets. Details please refer to note 2.2.

於本年度內，本集團使用權資產的賬面值及變動如下：

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

		千港元 HK\$'000
於二零一九年一月一日之賬面值	Carrying amount at 1 January 2019	17,963
於年內確認的折舊	Depreciation recognised during the year	(437)
匯兌調整	Exchange realignment	(330)
於二零一九年十二月三十一日之賬面值	Carrying amount at 31 December 2019	17,196

租賃土地位於中國，並以中期租賃持有。

The leasehold land is held under medium term leases and is situated in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

16. 其他無形資產

16. OTHER INTANGIBLE ASSETS

		供應商合同 Supplier contract 千港元 HK\$'000 (附註(i)) (Note (i))	勘探及 評估資產 Exploration and evaluation assets 千港元 HK\$'000 (附註(ii)) (Note (ii))	採礦權 Mining rights 千港元 HK\$'000 (附註(iii)) (Note (iii))	合計 Total 千港元 HK\$'000
二零一九年十二月三十一日 31 December 2019					
於二零一九年一月一日之成本， 扣除累計攤銷及減值	Cost at 1 January 2019, net of accumulated amortisation and impairment	-	8,907	12,264	21,171
已確認減值虧損	Impairment loss recognised	-	(1,764)	(4,806)	(6,570)
年內攤銷	Amortisation provided during the year	-	-	(9)	(9)
匯兌調整	Exchange realignment	-	(30)	(42)	(72)
於二零一九年十二月三十一日	At 31 December 2019	-	7,113	7,407	14,520
於二零一九年十二月三十一日					
成本	Cost	163,707	17,627	16,472	197,806
累計攤銷及減值	Accumulated amortisation and impairment	(163,707)	(10,514)	(9,065)	(183,286)
賬面淨值	Net carrying amount	-	7,113	7,407	14,520
二零一八年十二月三十一日 31 December 2018					
於二零一八年一月一日之成本， 扣除累計攤銷及減值	Cost at 1 January 2018, net of accumulated amortisation and impairment	36,156	23,524	7,099	66,779
添置	Additions	-	124	-	124
已確認減值虧損	Impairment loss recognised	(28,245)	(8,865)	-	(37,110)
轉撥	Transfer	-	(5,501)	5,501	-
年內攤銷	Amortisation provided during the year	(6,272)	-	(61)	(6,333)
匯兌調整	Exchange realignment	(1,639)	(375)	(275)	(2,289)
於二零一八年十二月三十一日	At 31 December 2018	-	8,907	12,264	21,171
於二零一八年十二月三十一日					
成本	Cost	166,824	17,688	16,529	201,041
累計攤銷及減值	Accumulated amortisation and impairment	(166,824)	(8,781)	(4,265)	(179,870)
賬面淨值	Net carrying amount	-	8,907	12,264	21,171

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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16. 其他無形資產(續)

附註：

- (i) 供應商合同指在本集團於二零零九年五月二十二日收購莊勝(建材)(本公司間接持有之附屬公司)及其附屬公司湖南泰基後，包含於由合營夥伴莊勝(建材)與漣源鋼鐵集團有限公司(「漣源鋼鐵」)就成立湖南泰基而訂立之日期為二零零六年六月三十日之合資合同之材料供應協議。湖南華菱漣源鋼鐵有限公司(「華菱漣源鋼鐵」)是一家在中國成立之鋼製品製造商，由漣源鋼鐵之控股公司實際持有30%以上權益。根據上述合資合同，漣源鋼鐵負責保證供應湖南泰基所需之原材料水渣，並促使華菱漣源鋼鐵於自湖南泰基開始營運日期起計十五年期間以既定單價向湖南泰基供應水渣。無形資產根據合資合同之條款採用直線法按照估計可使用約十四年之年期攤銷。

由於水渣供應短缺，本集團已於二零一三年十月及二零一五年十二月就(其中包括)未能促使規定水渣供應數量對湖南泰基之少數股東漣源鋼鐵提出仲裁申請，進一步詳情載於綜合財務報表附註39(a)。由二零一六年八月起，湖南泰基由於暫停供應原材料水渣而暫停生產。

於二零一九年二月二十二日，莊勝(建材)獲湖南泰基告知獲發中國湖南省婁底市中級人民法院發出日期為二零一九年二月十二日之應訴通知書，據此，漣源鋼鐵(作為原告人)於二零一八年九月要求法院裁決，由於股東之長期糾紛，於湖南泰基合營協議終止前解散湖南泰基(有關進一步更新資料，敬請參閱附註39(c))。根據中國法律顧問之法律意見，本公司董事認為，該宗訴訟的裁決結果存在不明朗因素及不能合理肯定地估計。因此，本集團認為對湖南泰基恢復生產產生不利影響。該等不明朗因素亦對收回供應商合約無形資產賬面值的可能性產生不利影響，有鑑於該等不明朗因素，本集團認為，於截至二零一八年十二月三十一日止年度在綜合損益表內就供應商合約無形資產確認全數減值約28,245,000港元屬審慎之舉。

- (ii) 勘探及評估資產主要指有關多個位於秘魯煤礦及礦物礦場之特許權、許可證以及勘探及評估工作成本，其賬面值約為7,113,000港元(二零一八年：8,907,000港元)，於二零一九年十二月三十一日仍處於勘探及評估階段。該等資產於可供使用前毋須進行攤銷。

16. OTHER INTANGIBLE ASSETS (continued)

Notes:

- (i) The supplier contract represents the materials supply agreement embedded in the joint venture agreement dated 30 June 2006 regarding the establishment of Hunan Taiji entered into between the joint venturers, namely Junefield Building Material, an indirectly held subsidiary of the Company, and 漣源鋼鐵集團有限公司(“Lianyuan Steel”), upon the acquisition of Junefield Building Material and its subsidiary, Hunan Taiji, by the Group on 22 May 2009. 湖南華菱漣源鋼鐵有限公司(“Hualing Steel”), a company established in the PRC, is a steel products manufacturer and is effectively owned as to more than 30% by the holding company of Lianyuan Steel. Pursuant to the joint venture agreement mentioned above, Lianyuan Steel is responsible to guarantee the supply of raw materials of granulated steel slag required by Hunan Taiji and to procure Hualing Steel to supply granulated steel slag to Hunan Taiji at the prescribed unit price for a period of 15 years from the date of commencement of operation of Hunan Taiji. The intangible asset was amortised on a straight-line basis over its estimated useful life of approximately 14 years in accordance with the terms of the joint venture agreement.

Due to shortage of supply of granulated steel slag, the Group has filed applications in October 2013 and December 2015 for arbitration proceedings against Lianyuan Steel, which is also the minority shareholder of Hunan Taiji, for, inter alia, failing to procure the requested amount of steel slag supply, further details of which are included in note 39(a) to the consolidated financial statements. Since August 2016, Hunan Taiji was in suspension of production due to suspension in the supply of raw materials of granulated steel slag.

On 22 February 2019, Junefield Building Material was informed by Hunan Taiji that a notice of response to action (應訴通知書) dated 12 February 2019 from the Intermediate People's Court of Loudi City, Hunan Province, the PRC, was received, pursuant to which Lianyuan Steel, as plaintiff, had in September 2018 requested a court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement due to the prolonged shareholders' disputes (further updates please refer to note 39(c)). Based on the legal opinion of the legal advisors in the PRC, the directors of the Company are of the opinion that the outcome of the ruling of this litigation proceeding is uncertain and cannot be estimated with reasonable certainty. As a result, the Group determined the production resumption of Hunan Taiji has been adversely affected. In view of these uncertainties, which also adversely affected the likelihood of recovering the carrying value of the supplier contract intangible asset, the Group has determined it prudent to recognise full impairment of approximately HK\$28,245,000 in relation to the supplier contract intangible asset in the consolidated statement of profit or loss for the year ended 31 December 2018.

- (ii) The exploration and evaluation assets mainly represent the cost of concessions, permits and exploration and evaluation works related to various coal and mineral mines in Peru, which are under the exploration and evaluation stage as at 31 December 2019 with a carrying value of approximately HK\$7,113,000 (2018: HK\$8,907,000). These assets are not subject to amortisation until they are placed in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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16. 其他無形資產(續)

附註:(續)

(iii) (續)

本公司董事參考獨立專業合資格估值師瑞豐環球評估諮詢有限公司(「瑞豐」)對其勘探及評估資產於二零一九年十二月三十一日的估值進行減值評估,而其則以使用折現現金流量預測進行的使用價值的計算為基礎。為進行評估,兩項勘探及評估資產已經分配予勘探及評估活動現金產生單位,其可收回金額乃經考慮估計礦山壽命、產量、售價及經營成本,以及管理層批准的最近財務預算而釐定。有關兩項勘探及評估資產的評估分別涵蓋8年時間(所用的稅前折現率為18.9%)以及10年時間(所用的稅前折現率為16.1%)。於兩項勘探及評估資產的評估期內,分別未來五年及未來六年的最新財務預算乃以本集團的假設開採計劃為基礎,該分別五年期間及六年期間以後的現金流量根據年增長率2.7%預測。根據評估,本集團認為該等勘探及評估資產的估計可收回金額低於其賬面金額,並就兩項勘探及評估資產確認減值虧損分別約338,000港元及1,426,000港元。

於截至二零一八年十二月三十一日止年度內,秘魯其中一個煤礦於二零一八年八月正式投產,有關勘探及評估資產已經轉撥至採礦權。本公司董事參考獨立專業合資格估值師對勘探及評估資產於轉撥後的可收回金額所進行的估值進行減值評估,而可收回金額則以使用折現現金流量預測進行的使用價值的計算為基礎。為進行評估,所轉撥的勘探及評估資產已經分配予現金產生單位,其可收回金額乃經考慮估計礦山壽命、產量、售價及經營成本,以及管理層批准的最近財務預算而釐定。有關評估涵蓋9年時間,所用的稅前折現率為17.1%。於9年的評估期內,未來六年的最新財務預算乃以本集團的假設開採計劃為基礎,該六年期間以後的現金流量根據年增長率2.9%預測。根據評估,本集團認為有關勘探及評估資產的估計可收回金額低於其賬面金額,並於轉撥時在綜合損益表內確認減值虧損約3,347,000港元。

本公司董事參考獨立專業合資格估值師對其勘探及評估資產於二零一八年十二月三十一日的估值進行減值評估,而其則以使用折現現金流量預測進行的使用價值的計算為基礎。為進行評估,勘探及評估資產已經分配予勘探及評估活動現金產生單位,其可收回金額乃經考慮估計礦山壽命、產量、售價及經營成本,以及管理層批准的最近財務預算而釐定。有關評估涵蓋9年時間,所用的稅前折現率為17.0%。於9年的評估期內,未來六年的最新財務預算乃以本集團的假設開採計劃為基礎,該六年期間以後的現金流量根據年增長率2.9%預測。根據評估,本集團認為若干勘探及評估資產的估計可收回金額低於其賬面金額,並就勘探及評估資產確認減值虧損約3,196,000港元。

16. OTHER INTANGIBLE ASSETS (continued)

Notes: (continued)

(ii) (continued)

The directors of the Company performed impairment assessments with reference to valuations performed by Ravia Global Appraisal Advisory Limited ("Ravia"), an independent professional qualified valuer, on its exploration and evaluation assets as at 31 December 2019, based on value-in-use calculations using discounted cash flow projections. For the purpose of assessment, the two exploration and evaluation assets have been allocated to exploration and evaluation activities' CGUs, of which the recoverable amounts are determined by taking into account the estimated mine life, production volume, selling price and operating costs, and the latest financial budgets approved by the management. The assessments cover an 8-year period using pre-tax discount rate of 18.9% and a 10-year period using pre-tax discount rate of 16.1% for the two exploration and evaluation assets, respectively. During the assessment periods for the two exploration and evaluation assets, the latest financial budgets for the next 5 years and for the next 6 years respectively were based on the assumed mining plans of the Group and cash flows beyond this 5-year period and 6-year period respectively were projected using a growth rate of 2.7% per annum. Based on the assessments, the Group determined that the estimated recoverable amounts of these exploration and evaluation assets were lower than their carrying amounts and recognised impairment losses of approximately HK\$338,000 and HK\$1,426,000 on its two exploration and evaluation assets, respectively.

During the year ended 31 December 2018, one of the coal mines in Peru has commenced formal production in August 2018 and the respective exploration and evaluation assets were to be transferred to mining rights. The directors of the Company performed an impairment assessment with reference to valuation performed by an independent professional qualified valuer on the recoverable amount of the exploration and evaluation assets upon the transfer, based on value-in-use calculations using discounted cash flow projections. For the purpose of assessment, the exploration and evaluation assets being transferred have been allocated to a CGU, of which the recoverable amount is determined by taking into account the estimated mine life, production volume, selling price and operating costs, and the latest financial budgets approved by the management. The assessment covers a 9-year period using pre-tax discount rate of 17.1%. During the assessment period of 9 years, the latest financial budgets for the next 6 years were based on the assumed mining plans of the Group and cash flows beyond this 6-year period were projected using a growth rate of 2.9% per annum. Based on the assessment, the Group determined that the estimated recoverable amount of the respective exploration and evaluation assets was lower than its carrying amount and recognised impairment loss of approximately HK\$3,347,000 in the consolidated statement of profit or loss upon the transfer.

The directors of the Company performed impairment assessments with reference to valuations performed by an independent professional qualified valuer on its exploration and evaluation assets as at 31 December 2018, based on value-in-use calculations using discounted cash flow projections. For the purpose of assessment, the exploration and evaluation assets have been allocated to exploration and evaluation activities' CGUs, of which the recoverable amount is determined by taking into account the estimated mine life, production volume, selling price and operating costs, and the latest financial budgets approved by the management. The assessment covers a 9-year period using pre-tax discount rate of 17.0%. During the assessment period of 9 years, the latest financial budgets for the next 6 years were based on the assumed mining plans of the Group and cash flows beyond this 6-year period were projected using a growth rate of 2.9% per annum. Based on the assessment, the Group determined that the estimated recoverable amount of certain exploration and evaluation assets were lower than its carrying amount and recognised impairment loss of approximately HK\$3,196,000 on its exploration and evaluation assets.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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16. 其他無形資產(續)

附註：(續)

(ii) (續)

本集團已經對其於二零一八年十二月三十一日的勘探及評估資產進行減值評估，並且認為，有鑑於未來前景不利，其若干位於秘魯的礦物礦場須予減值。因此，已於截至二零一八年十二月三十一日止年度在綜合損益表內就勘探及評估資產確認減值虧損約2,322,000港元。

(iii) 採礦權指就屬於秘魯的煤礦進行開採活動之權利。該等採礦權乃就礦場之估計經濟儲量按生產單位予以攤銷。截至二零一九年十二月三十一日止年度之有效攤銷比率約為0.16% (二零一八年：1.12%)。

截至二零一九年十二月三十一日止年度，參考瑞豐所進行的估值，本公司董事對採礦權進行減值評估。為進行評估，兩項採礦權資產已經分配予採礦權活動現金產生單位，其可收回金額乃經考慮估計礦山壽命、產量、售價及經營成本，以及管理層批准的最近財務預算而釐定。有關兩項採礦權資產的評估分別涵蓋8年時間(所用的稅前折現率為19.0%)以及10年時間(所用的稅前折現率為14.5%)。於兩項採礦權資產的評估期內，分別未來三年及未來五年的最新財務預算乃以本集團的假設開採計劃為基礎，該分別三年期間及五年期間以後的現金流量根據年增長率2.7%預測。根據評估，本集團認為該等採礦權資產的估計可收回金額低於其賬面金額，並就兩項採礦權資產確認減值虧損分別約1,145,000港元(二零一八年：無)及3,661,000港元(二零一八年：無)。

16. OTHER INTANGIBLE ASSETS (continued)

Notes: (continued)

(ii) (continued)

The Group has made impairment assessments on its exploration and evaluation assets as at 31 December 2018 and determined that certain of its mineral mines in Peru shall be impaired in view of their unfavourable future prospects. As a result, impairment loss of approximately HK\$2,322,000 in relation to the exploration and evaluation assets was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018.

(iii) The mining rights represent the rights to conduct mining activities pertaining to coal mines in Peru. The mining rights are amortised on a unit of production basis over the estimated economic reserve of the mine. Effective amortisation rate for the year ended 31 December 2019 approximate to 0.16% (2018: 1.12%) per annum.

During the year ended 31 December 2019, the directors of the Company performed impairment assessments of the mining rights with reference to valuations performed by Ravia. For the purpose of assessment, the two mining rights assets have been allocated to mining rights activities' CGUs, of which the recoverable amounts are determined by taking into account the estimated mine life, production volume, selling price and operating costs, and the latest financial budgets approved by the management. The assessments cover an 8-year period using pre-tax discount rate of 19.0% and a 10-year period using pre-tax discount rate of 14.5% for the two mining rights assets, respectively. During the assessment periods for the two mining rights assets, the latest financial budgets for the next 3 years and for the next 5 years respectively were based on the assumed mining plans of the Group and cash flows beyond these 3-year period and 5-year period respectively were projected using a growth rate of 2.7% per annum. Based on the assessments, the Group determined that the estimated recoverable amounts of these mining rights assets were lower than their carrying amounts and recognised impairment losses of approximately HK\$1,145,000 (2018: Nil) and HK\$3,661,000 (2018: Nil) on its two mining rights assets, respectively.

17. 以公平值計量且其變動計入其他全面收益的股本投資

17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
上市股本投資，按公平值－其他地區 Listed equity investments, at fair value － elsewhere	—	508

於二零一八年十二月三十一日，本集團持有 Latin Resources Limited (「LRS」，一間於澳洲證券交易所有限公司(「澳洲證券交易所」)上市之公司)約30,699,000股繳足普通股，相當於其已發行股本約1%。

As at 31 December 2018, the Group held approximately 30,699,000 fully paid ordinary shares of Latin Resources Limited (「LRS」), a company listed on the Australian Securities Exchange Limited (「ASX Limited」), representing approximately 1% of its issued share capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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18. 物業存貨

18. STOCK OF PROPERTIES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
已完工物業	Completed properties for sale	-	3,411

19. 存貨

19. INVENTORIES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
原材料及消耗品	Raw materials and consumables	3,623	5,771
製成品	Finished goods	27,218	10,023
		30,841	15,794

20. 應收賬款

20. ACCOUNTS RECEIVABLE

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
應收賬款	Accounts receivable	4,790	2,524
減值	Impairment	(1,619)	(1,224)
		3,171	1,300

應收賬款一般於發票當日即時到期。一般而言需預先作出付款，惟信貸期一般為一個月，而來自本集團煤炭開採業務及銷售採礦設備零部件業務之若干客戶最多可延長至兩個月。本集團盡力維持對尚未收取之應收賬款及過期結餘嚴謹監控，並由高級管理層定期對其作出檢討，以減低信貸風險。應收賬款為不計息及主要以人民幣(「人民幣」)及索爾計值。

Accounts receivable are usually due immediately from the date of billing. Payment in advance is normally required except the credit period is generally 1 month extending up to 2 months for certain customers from coal mining business and sale of parts of mining equipment business of the Group. The Group seeks to maintain strict control over its outstanding receivables and overdue balances which are reviewed regularly by senior management to minimise credit risk. Accounts receivable are non-interest-bearing and mainly denominated in Renminbi ("RMB") and Soles.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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20. 應收賬款（續）

於報告期末，按發票日期計算並扣除撥備之本集團應收賬款之賬齡分析如下：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
一個月以內	Within 1 month	2,802	541
一至三個月	1 to 3 months	369	759
		3,171	1,300

應收賬款減值撥備之變動如下：

The movements in provision for impairment of accounts receivable are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於年初	At the beginning of year	1,224	1,267
確認的減值虧損	Impairment loss recognised	602	275
轉回已確認的減值虧損	Reversal of impairment loss recognised	(189)	(262)
匯兌調整	Exchange realignment	(18)	(56)
於年末	At the end of year	1,619	1,224

本集團應用香港財務報告準則第9號的簡化方法去計量預期信貸虧損，其就所有應收賬款確認由初始確認起整個存續期的預期虧損撥備。為計量預期信貸虧損，應收賬款已根據共同信貸風險特徵及逾期天數分組。有關計算反映概率加權結果、貨幣的時間價值，以及於報告日期可得有關過去事件、當前狀況及未來經濟狀況預測的合理及可支持的信息。一般而言，應收賬款如逾期超過90天就會計提全數減值。

The Group applies HKFRS 9 simplified approach to measure expected credit losses by recognising a lifetime expected loss allowance for all accounts receivable from initial recognition. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are fully impaired if past due for more than 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

20. 應收賬款(續)

以下載列本集團應收賬款所面臨信貸風險的資料：

20. ACCOUNTS RECEIVABLE (continued)

Set out below is the information about the credit risk exposure on the Group's accounts receivable:

		逾期 Past due			合計 Total
		少於一個月 Less than 1 month	一至三個月 1 to 3 months	超過三個月 Over 3 months	
於二零一九年 十二月三十一日	As at 31 December 2019				
賬面總值(千港元)	Gross carrying amount (HK\$'000)	2,752	822	1,216	4,790
預期信貸虧損率	Expected credit loss rate	4.07%	35.40%	100%	33.80%
虧損撥備(千港元)	Loss allowance (HK\$'000)	(112)	(291)	(1,216)	(1,619)
於二零一八年 十二月三十一日	As at 31 December 2018				
賬面總值(千港元)	Gross carrying amount (HK\$'000)	545	944	1,035	2,524
預期信貸虧損率	Expected credit loss rate	0.73%	19.60%	100%	48.49%
虧損撥備(千港元)	Loss allowance (HK\$'000)	(4)	(185)	(1,035)	(1,224)

21. 預付款項、按金及其他應收款項

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
預付款項	Prepayments	900	2,275
按金	Deposits	4,304	29,228
其他應收款項	Other receivables	21,108	21,953
其他應收貸款	Other loan receivable	3,357	3,421
減值	Impairment	29,669 (7,422)	56,877 (33,948)
		22,247	22,929

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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21. 預付款項、按金及其他應收款項 (續)

預付款項、按金及其他應收款項之減值撥備變動如下：

The movements in provision for impairment of prepayments, deposits and other receivables are as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
於年初	At the beginning of year	33,948	10,370
已確認減值虧損	Impairment loss recognised	496	24,166
已確認減值虧損轉回	Reversal of impairment loss recognised	(938)	(213)
因無法收回而撇銷	Write-off as uncollectible	-	(161)
出售附屬公司	Disposal of subsidiaries	(25,999)	-
匯兌調整	Exchange realignment	(85)	(214)
於年末	At the end of year	7,422	33,948

上述預付款項、按金及其他應收款項之減值撥備包括就個別已減值預付款項、按金及其他應收款項作出之撥備。於二零一八年十二月三十一日的個別已減值預付款項、按金及其他應收款項主要與支付予賣方及服務供應商的逾期一年以上的按金有關。管理層評估該已減值按金預期將不可收回或用於採購。本集團並無就該等結餘持有任何抵押品或其他增信措施。

The above provision for impairment of prepayments, deposits and other receivables includes provision for individually impaired prepayments, deposits and other receivables. The individually impaired prepayments, deposits and other receivables as at 31 December 2018 mainly relate to deposits paid to vendors and service providers that were past due over 1 year. The management assessed that the impaired deposits are neither expected to be recovered nor utilised as purchases. The Group did not hold any collateral or other credit enhancements over these balances.

當收回款項存疑時，其他應收貸款之減值虧損乃根據對尚未償還金額之定期審閱作出。壞賬乃於識別時撇銷。本集團並無對有關結餘持有任何抵押品或其他增信措施。於二零一九年及二零一八年十二月三十一日之其他應收貸款乃以人民幣計值，按每月1%計息，由個人擔保作抵押及須於二零一三年十二月償還。上述其他應收貸款已於二零一九年及二零一八年十二月三十一日獲悉數減值，原因為該筆貸款已於二零一三年十二月逾期及收回該等款項存疑。

An impairment loss was made on other loan receivable based on a review of the outstanding amount on regular basis when collection of the amount is in doubt. Bad debts are written off when identified. The Group does not hold any collateral or other credit enhancements over this balance. The other loan receivable as at 31 December 2019 and 2018 was denominated in RMB, bore interest at 1% per month, was secured by personal guarantee and was repayable in December 2013. The above other loan receivable as at 31 December 2019 and 2018 was fully impaired as the loan was past due in December 2013 and the collection of the amount was in doubt.

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21. 預付款項、按金及其他應收款項
(續)

有關包括在其他應收款項的金融資產及其他應收貸款的預期信貸虧損撥備的變動如下：

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The movements in the ECL allowance related to financial assets included in other receivables and other loan receivables are as follows:

		包括在其他應收款項的金融資產			其他應收貸款			
		Financial assets included in other receivables			Other loan receivable			
		整個存續期 預期信貸 虧損－未信 用減值	整個存續期 預期信貸 虧損－信用 減值	12個月預期 信貸虧損	整個存續期 預期信貸 虧損－未信 用減值	整個存續期 預期信貸 虧損－信用 減值	12個月預期 信貸虧損	總計
		Lifetime ECL not 12-month ECL	Lifetime ECL credit- impaired	千港元 HK\$'000	Lifetime ECL not 12-month ECL	Lifetime ECL credit- impaired	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
於二零一八年一月一日	At 1 January 2018	-	-	374	-	-	3,606	3,980
於結算後轉回	Reversal upon settlement	-	-	(213)	-	-	-	(213)
因無法收回而撇銷	Write-off as uncollectible	-	-	(161)	-	-	-	(161)
匯兌調整	Exchange realignment	-	-	-	-	-	(185)	(185)
於二零一八年十二月 三十一日及二零一九年 一月一日	At 31 December 2018 and 1 January 2019	-	-	-	-	-	3,421	3,421
匯兌調整	Exchange realignment	-	-	-	-	-	(64)	(64)
於二零一九年十二月 三十一日	At 31 December 2019	-	-	-	-	-	3,357	3,357

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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22. 應收關連公司款項

22. AMOUNTS DUE FROM RELATED COMPANIES

公司名稱	Name of company	附註 Note	本年度內最高 未償還結餘 Maximum outstanding during the year 千港元 HK\$'000	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
Junefield Group S.A.	Junefield Group S.A.	(i)	15	15	11
莊勝（集團）有限公司	Junefield (Holdings) Limited	(i)	6	-	6
Ecuamining Mineral S.A.	Ecuamining Mineral S.A.	(i)	132	-	132
Total Genius Iron Mining S.A.C.	Total Genius Iron Mining S.A.C.	(i)	185	182	185
華菱漣源鋼鐵	Hualing Steel	(ii)	12,322	12,092	12,322
盛兆投資有限公司	Mega Choice Investment Limited	(i)	81	81	-
北京莊勝房地產開發有限公司	Beijing Junefield Real Estate Development Company Limited	(i)	50	50	-
				12,420	12,656

該應收款項為無抵押、免息及無固定還款期。

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

附註：

Notes:

- (i) 本公司執行董事周建人先生的家人周建和先生（「周先生」），於Junefield Group S.A.、莊勝（集團）有限公司、Ecuamining Mineral S.A.（「Ecuamining Mineral」）、Total Genius Iron Mining S.A.C.（「Total Genius」）、盛兆投資有限公司及北京莊勝房地產開發有限公司擁有實益權益。周先生亦為本公司前主席兼前執行董事（於二零一八年八月二十二日辭任）。
- (ii) 湖南泰基之非控股權益漣源鋼鐵，於華菱漣源鋼鐵擁有實益權益。有關款項主要包括預付款項及已付訂金。

- (i) Mr. Zhou Chu Jian He ("Mr. Zhou"), a close family member of Mr. Zhou Jianren (an executive director of the Company), has beneficial interests in Junefield Group S.A., Junefield (Holdings) Limited, Ecuamining Mineral S.A. ("Ecuamining Mineral"), Total Genius Iron Mining S.A.C. ("Total Genius"), Mega Choice Investment Limited and Beijing Junefield Real Estate Development Company Limited. Mr. Zhou is also the former chairman and former executive director of the Company (resigned on 22 August 2018).
- (ii) Lianyuan Steel, being the non-controlling interest of Hunan Taiji, has beneficial interests in Hualing Steel. The amount mainly comprises of prepayments and deposits paid.

23. 應付關連公司款項

該應付款項為無抵押、免息及無固定還款期。

23. AMOUNTS DUE TO RELATED COMPANIES

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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24. 以公平值計量且其變動計入損益的
金融工具

24. FINANCIAL INSTRUMENTS AT FAIR VALUE
THROUGH PROFIT OR LOSS

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
上市股本投資，按市值：	Listed equity investments, at market value:		
– 香港	– Hong Kong	19,781	–

由於上述股本投資乃持作買賣，因此，其分類為以公平值計量且其變動計入損益的金融工具。

The above equity investments were classified as financial instruments at fair value through profit or loss as they were held for trading.

25. 現金及銀行結餘

25. CASH AND BANK BALANCES

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
現金及銀行結餘	Cash and bank balances	35,784	100,901

於報告期間結束時，本集團以人民幣計值之現金及銀行結餘約為5,641,000港元(二零一八年：16,520,000港元)及存放於中國之銀行。儘管人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管理條例及結匯、售匯及付匯管理規定，本集團通過獲授權進行外匯業務的銀行將人民幣兌換作其他貨幣。

At the end of the reporting period, cash and bank balances of the Group denominated in RMB amounted to approximately HK\$5,641,000 (2018: HK\$16,520,000) and placed with banks in the PRC. The 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.

於二零一九年十二月三十一日，現金及銀行結餘包括存放於秘魯銀行之結餘約27,000索爾(相等於約63,000港元)(作為發出信用卡的保證金)(二零一八年：存放於秘魯銀行之結餘約33,000索爾(相等於約79,000港元)(僅限於用作重續秘魯航空營運許可證之保證金))。

As at 31 December 2019, included in the cash and bank balances, there was a balance of approximately Soles 27,000 (equivalent to approximately HK\$63,000) placed in bank in Peru as guarantee fund for issuing of credit card (2018: Soles 33,000 (equivalent to approximately HK\$79,000) placed in bank in Peru which is restricted for use as guarantee fund over renewal of Air Operator Certificate in Peru).

銀行現金根據每日銀行存款利率按浮動利率計息。銀行結餘存於信譽良好且並無近期違約記錄之銀行內。

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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26. 應付賬款

於報告期末，按發票日期計算之本集團應付賬款之賬齡分析如下：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
一個月以內	Within 1 month	103	1,340
一至三個月	1 to 3 months	1,911	679
超過三個月	Over 3 months	2,501	5,009
		4,515	7,028

應付賬款為不計息及主要以人民幣、美元及索爾計值。

26. ACCOUNTS PAYABLE

An aged analysis of the Group's accounts payable as at the end of the reporting period, based on invoice date, is as follows:

Accounts payable are non-interest-bearing and are mainly denominated in RMB, USD and Soles.

27. 其他應付款項及應計負債

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
應計負債	Accruals	17,008	19,176
應付商業稅	Business tax payable	2,030	2,030
已收按金	Deposits received	1,361	1,239
合約負債	Contract liabilities	233	2,090
其他應付款項	Other payables	31,907	21,434
		52,539	45,969

應計負債主要包括應計利息、法律及專業費用以及薪金。其他應付款項為不計利息及主要以人民幣及索爾計值。

27. OTHER PAYABLES AND ACCRUALS

The accruals mainly comprise of accrued interest, legal and professional fees and salaries. Other payables are non-interest-bearing and are mainly denominated in RMB and Soles.

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28. 可換股債券

於二零一八年七月二十六日，本公司發行本金額為100,000,000港元之可換股債券(「可換股債券」)予本公司的直接控股公司新華聯集團(作為認購人)。發行可換股債券被視為上市規則第14A章定義的關連交易。根據債券認購協議，可換股債券按5厘的年利率計算利息，每半年一次於期末支付，並於發行日期起滿兩年之日到期。債券持有人有權於到期日前任何營業日隨時將可換股債券之全部或部分未償還本金轉換為本公司已發行股本中每股面值0.10港元之普通股，惟須受其他條件所規限。任何轉換應以不少於3,000,000港元之完整倍數之金額作出，除非未償還可換股債券的本金少於3,000,000港元，在此情況下則轉換該可換股債券的全部(而非部分)未償還本金。根據初步轉換價0.6217港元計算，於本金合共為100,000,000港元之可換股債券獲悉數轉換後，將會發行160,849,284股轉換股份，惟須受其他條件所規限。本公司將於到期日按未償還可換股債券的本金額及利息贖回全部未償還可換股債券。根據認購協議，本公司並無提前贖回權。本公司須支付於轉換日期前累計的利息。

於發行日期，可換股債券負債部分的公平值乃參考獨立專業合資格估值師所進行的估值，以採用適用借貸年利率17.41厘將預期未來現金流量折現的方式估計，有關利率乃參照於發行日期信用評級及到期日相似的類似債券的到期收益率釐定。負債部分以攤銷成本基準計量，直至於轉換或贖回時終絕為止。其餘所得款項(代表可換股債券於發行日期的公平值)已分配至可換股債券的權益部分。交易成本乃根據於發行日期所得款項分配至負債及權益部分的比例攤分至可換股債券的負債及權益部分。

28. CONVERTIBLE BONDS

On 26 July 2018, the Company issued convertible bonds in principal amount of HK\$100,000,000 (the “Convertible Bonds”) to Macrolink Group (as subscriber), the immediate holding company of the Company. The issue of the Convertible Bonds is deemed to be a connected transaction as defined in Chapter 14A of the Listing Rules. Pursuant to the bond subscription agreement, the Convertible Bonds bear interest at a rate of 5% per annum payable half yearly in arrears with maturity on two years from the date of issue. The bond holder has the right, at any time on any business day before the maturity date, to convert the whole or part of the outstanding principal amount of the Convertible Bonds into ordinary shares in the issued share capital of the Company of HK\$0.10 par value each, subject to other conditions. Any conversion shall be made in amounts of not less than a whole multiple of HK\$3,000,000 on each conversion unless the principal amount of the outstanding convertible bond is less than HK\$3,000,000 in which case the whole (but not part only) of such outstanding principal amount of the Convertible Bonds shall be converted. 160,849,284 conversion shares will be issued upon full conversion of the Convertible Bonds in an aggregate principal amount of HK\$100,000,000 based on the initial conversion price of HK\$0.6217, subject to other conditions. The Company will redeem all the outstanding Convertible Bonds at an amount of the principal amount of such outstanding Convertible Bonds with interest on the maturity date. The Company has no early redemption right under the subscription agreement. Interest accrued prior to the conversion date shall be paid by the Company.

On the issuance date, the fair value of the liability component of the Convertible Bonds is estimated by discounting the expected future cash flows using the applicable borrowing rate of 17.41% per annum, which was determined with reference to the yield to maturity of comparable bonds with similar credit ratings and maturities as at the issuance date with reference to a valuation performed by an independent professional qualified valuer. The liability component is measured on amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds, which represented the fair value of the Convertible Bonds at issuance date, are allocated to the equity component of the Convertible Bonds. Transaction cost are apportioned between liability and equity components of the Convertible Bonds based on the allocation of proceeds to the liability and equity components on the issuance date.

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28. 可換股債券(續)

於截至二零一八年十二月三十一日止年度內發行的可換股債券的負債部分的變動如下：

28. CONVERTIBLE BONDS (continued)

The movement of the liability component of the Convertible Bonds issued during the year ended 31 December 2018 is as follows:

		可換股債券 的負債部分 Liability component of convertible bonds 千港元 HK\$'000
於二零一八年七月二十六日發行	Issuance on 26 July 2018	80,734
交易成本	Transaction cost	(1,009)
實際利息開支	Effective interest expense	5,354
已付利息	Interest paid	(1,945)
於二零一八年十二月十四日獲轉換	Conversion on 14 December 2018	(83,134)
於二零一八年十二月三十一日	At 31 December 2018	—

於二零一八年十二月十一日，本公司收到新華聯集團有關根據可換股債券的條款行使轉換權利以全數轉換可換股債券的轉換通知。於二零一八年十二月十四日，可換股債券按初步轉換價0.6217港元獲悉數轉換後，本公司已配發及發行160,849,284股普通股予新華聯集團。

On 11 December 2018, the Company received a conversion notice from Macrolink Group in relation to the exercise of the conversion rights to wholly convert the Convertible Bonds pursuant to the terms of the Convertible Bonds. On 14 December 2018, 160,849,284 ordinary shares were allotted and issued by the Company to Macrolink Group upon full conversion of the Convertible Bonds based on the initial conversion price of HK\$0.6217.

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29. 計息銀行及其他借貸

29. INTEREST-BEARING BANK AND OTHER BORROWINGS

		附註 Note	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
即期	Current			
銀行貸款—有抵押	Bank loan – secured	(i)	2,465	3,768
其他貸款—有抵押	Other loan – secured	(ii)	25,000	25,000
其他貸款—無抵押	Other loan – unsecured	(iii)	5,595	5,701
			33,060	34,469
非即期	Non-current			
銀行貸款—有抵押	Bank loan – secured	(i)	–	2,512
合計	Total		33,060	36,981
分析為：	Analysed into:			
須償還之銀行及其他借貸：	Bank and other borrowings repayable:			
– 一年內或按要求償還	– Within one year or on demand		33,060	34,469
– 第二年	– In the second year		–	2,512
			33,060	36,981

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29. 計息銀行及其他借貸(續)

29. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

附註：

Notes:

- (i) 於二零一九年十二月三十一日，本集團自秘魯當地銀行取得銀行貸款約319,000美元或相等於約2,465,000港元(二零一八年：798,000美元或相等於約6,280,000港元)以為秘魯探礦項目撥資。該貸款以美元計值，按一年期倫敦銀行同業拆息(「倫敦銀行同業拆息」)加每年6.4厘(二零一八年：一年期倫敦銀行同業拆息加每年6.4厘)之年利率計息且將於二零二零年八月屆滿。

銀行貸款以本集團位於秘魯之若干物業、廠房及設備作抵押，其於二零一九年十二月三十一日之賬面總值約為42,370,000港元(二零一八年：44,178,000港元)。

- (ii) 本集團與香港一名放貸人就本金為25,000,000港元的一年期貸款訂立協議，以滿足本集團之一般營運資金需求。本集團於二零一七年一月悉數提取有關貸款。有抵押其他貸款以港元計值，按年利率8厘計息並已於二零一八年一月償還。於二零一七年十二月，本集團與該放貸人訂立補充協議，償還日期已進一步延期至二零一九年一月三日。

該貸款乃以本集團於二零一八年十二月三十一日賬面總值約為39,065,000港元之投資物業以及本公司提供之公司擔保作抵押。

於二零一九年一月，本集團與該放貸人就25,000,000港元的一年期貸款訂立新協議，有關年利率為8%，還款日期為二零二零年一月三日。根據新協議，該貸款乃以本集團於二零一九年十二月三十一日賬面總值約為39,141,000港元之投資物業作抵押。有關貸款亦以由周先生給予的個人擔保以及由莊勝(集團)有限公司給予的公司擔保作為抵押。於報告期末後，於二零二零年一月，根據補充契據的條件部分償還貸款為數2,000,000港元以及支付安排費為數575,000港元予放貸人後，還款日期已進一步延遲至二零二一年一月三日。

- (iii) 其他無抵押貸款乃以人民幣計值並按每年9.5厘計息及按要求還款。

- (i) As at 31 December 2019, the Group had a bank loan of approximately USD319,000 or equivalent to approximately HK\$2,465,000 (2018: USD798,000 or equivalent to approximately HK\$6,280,000) from a local bank in Peru for financing its mining projects in Peru. The loan is denominated in USD, interest-bearing at annual rate of London Interbank Offered Rate ("LIBOR") plus 6.4% per annum (2018: LIBOR plus 6.4% per annum) and will be expired in August 2020.

The bank loan is secured by certain of the Group's property, plant and equipment situated in Peru with aggregate carrying value of approximately HK\$42,370,000 (2018: HK\$44,178,000) as at 31 December 2019.

- (ii) The Group entered into an agreement with a money lender in Hong Kong for one year term loan with principal amount of HK\$25,000,000 for facilitating the general working capital needs of the Group. The Group withdrew the loan in full in January 2017. The secured other loan is denominated in HK\$, interest-bearing at 8% per annum and was repayable in January 2018. In December 2017, the Group entered into a supplementary agreement with the money lender and the repayment date was further extended to 3 January 2019.

The loan was secured by certain of the Group's investment properties with aggregate carrying value of approximately HK\$39,065,000 as at 31 December 2018 and corporate guarantee given by the Company.

In January 2019, the Group entered into a new agreement with the money lender for one-year term loan of HK\$25,000,000 with interest at 8% per annum and repayment date on 3 January 2020. Under the new agreement, the loan is secured by certain of the Group's investment properties with aggregate carrying value of approximately HK\$39,141,000 as at 31 December 2019. The loan is also secured by personal guarantee given by Mr. Zhou and corporate guarantee given by Junefield (Holdings) Limited. Subsequent to the end of the reporting period in January 2020, the repayment date was further extended to 3 January 2021, based upon conditions of partial repayment of the loan in the amount of HK\$2,000,000 and payment of arrangement fee in the amount of HK\$575,000 to the money lender pursuant to a supplemental deed.

- (iii) The unsecured other loan is denominated in RMB, bears interest at a rate of 9.5% per annum and repayable on demand.

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30. 財務擔保合約

30. FINANCIAL GUARANTEE CONTRACT

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
就授予關連公司的融資 給予銀行的擔保	Guarantees given to a bank in connection with facilities granted to a related company	134	-

根據莊勝房地產經紀與一家銀行(作為錦州榮信商貿有限公司(「錦州榮信」)的貸款人)所訂立日期為二零一九年十一月八日的抵押合同(經補充協議補充及修訂)(「抵押合同」)，莊勝房地產經紀(本公司之間接全資附屬公司)向銀行抵押其若干投資物業(其在綜合財務狀況表內所載的賬面值合共為約30,502,000港元)(附註14)，以作為錦州榮信(由周先生最終全資擁有的本集團關連公司)就有關本金為人民幣35,000,000元之貸款的部份貸款本金人民幣8,000,000元(相等於約8,907,000港元)及相關利息所承擔還款責任之擔保，有關年期為二零一九年十一月八日起計兩年。莊勝房地產經紀與錦州榮信亦訂立彌償協議，據此，錦州榮信同意向莊勝房地產經紀支付一次性手續費人民幣120,000元，以及就莊勝房地產經紀於抵押合同項下之責任提供全數彌償保證。錦州榮信的母公司已向莊勝房地產經紀提供擔保，倘若錦州榮信違約，其將會承擔莊勝房地產經紀就提供財務擔保所招致的所有費用及損失。

Junefield Property Agency, an indirect wholly-owned subsidiary of the Company, pledged certain of its investment properties, whose carrying values included in the consolidated statement of financial position amounted to approximately HK\$30,502,000 in aggregate (note 14), in favour of a bank as security for the repayment obligations of 錦州榮信商貿有限公司(“Jinzhou Rongxin”), a related company of the Group which is ultimately wholly-owned by Mr. Zhou, for partial loan principal amount of RMB8,000,000 (equivalent to approximately HK\$8,907,000) plus related interests in respect of a loan of principal amount RMB35,000,000 and tenure is for a period of two years from 8 November 2019, pursuant to mortgage agreements (as supplemented and amended by a supplement agreement) dated 8 November 2019 entered between Junefield Property Agency and a bank (as lender to Jinzhou Rongxin) (the “Mortgage Agreements”). Junefield Property Agency and Jinzhou Rongxin also entered into an indemnity agreement, whereby Jinzhou Rongxin agreed to pay Junefield Property Agency a one-time handling charge of RMB120,000 and to fully indemnify Junefield Property Agency’s obligations under the Mortgage Agreements. Jinzhou Rongxin’s parent company has also provided guarantees to Junefield Property Agency that it will assume all fees and losses incurred to Junefield Property Agency in respect of the provision of financial guarantee, in case of default by Jinzhou Rongxin.

因訂立抵押合同而出現的財務擔保合約按預期信貸虧損撥備和其初始確認的公平值金額減已確認收入的累計金額孰高進行計量。於報告期末，本公司董事已經評估擔保相關債項目前的狀況、債務人的財務狀況以及債務人營運行業的經濟前景，結論為，財務擔保合約的信貸風險自初始確認後並未顯著增加。於二零一九年十二月三十一日，根據香港財務報告準則第9號，估計虧損撥備的金額約為134,000港元，並因此在損益中確認預期信貸虧損撥備約10,000港元。

The financial guarantee contract that arose from the entering into the Mortgage Agreements is measured at the higher of the ECL allowance and the amount of its fair value initially recognised less the cumulative amount of income recognised. At the end of the reporting period, the directors of the Company have assessed the current status of the debts under guarantee, the financial position of the debtor as well as economic outlook of the industries in which the debtor operate, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contract. An amount of approximately HK\$134,000 has been estimated as a loss allowance as at 31 December 2019 in accordance with HKFRS 9, and as a result provision of expected credit loss of approximately HK\$10,000 was recognised in profit or loss.

於二零一九年十二月三十一日，本集團因財務擔保合約而面臨的最高風險敞口金額為人民幣8,020,000元(相等於約8,974,000港元)。

As at 31 December 2019, the maximum exposure amount of the Group under the financial guarantee contract was RMB8,020,000 (equivalent to approximately HK\$8,974,000).

財務擔保合約的信貸風險敞口分類為第一階段。於本年度內，各階段之間並無任何轉移(二零一八年：無)。有關財務擔保合約的信貸風險敞口的進一步資料，敬請參閱附註43(d)。

The credit exposure of the financial guarantee contract is classified as stage 1. During the year, there were no transfers between stages (2018: Nil). Please refer to note 43(d) for further information about credit risk exposure of the financial guarantee contract.

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31. 遞延稅項

本集團遞延稅項資產及負債於年內之變動如下：

遞延稅項資產

31. DEFERRED TAX

The movements in the Group's deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

		可供抵銷未來應課稅溢利之虧損 Losses available for offsetting against future taxable profits 千港元 HK\$'000
於二零一八年一月一日	As at 1 January 2018	357
匯兌差額	Exchange differences	(8)
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	349
匯兌差額	Exchange differences	(2)
於二零一九年十二月三十一日	At 31 December 2019	347

遞延稅項負債

Deferred tax liabilities

		無形資產 Intangible asset 千港元 HK\$'000	重估物業 Revaluation of properties 千港元 HK\$'000	可換股債券 Convertible bonds 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一八年一月一日	At 1 January 2018	9,038	32,629	-	41,667
於損益（計入）／扣除之 遞延稅項	Deferred tax (credited)/charged to profit or loss	(8,886)	1,062	-	(7,824)
發行可換股債券時的 初步遞延稅項	Initial deferred tax on issuance of convertible bonds	-	-	3,179	3,179
於支付利息時計入損益的 遞延稅項	Deferred tax credited to profit or loss on payment of interest	-	-	(563)	(563)
於可換股債券獲全數 轉換時轉回	Reversal on full conversion of convertible bonds	-	-	(2,616)	(2,616)
匯兌差額	Exchange differences	(152)	(484)	-	(636)
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	-	33,207	-	33,207
於損益扣除之遞延稅項	Deferred tax charged to profit or loss	-	220	-	220
匯兌差額	Exchange differences	-	(171)	-	(171)
於二零一九年十二月三十一日	At 31 December 2019	-	33,256	-	33,256

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截至二零一九年十二月三十一日止年度(以港元列值)

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31. 遞延稅項(續)

本集團有來自香港之稅項虧損約1,062,000港元(二零一八年:1,062,000港元)可無限期用於抵銷出現虧損之公司之未來應課稅溢利。本集團亦於中國產生稅項虧損約139,925,000港元(二零一八年:73,671,000港元)並將於一至五年內屆滿,可供抵銷未來應課稅溢利。本集團有自厄瓜多爾產生之稅項虧損約1,784,000港元(二零一八年:1,527,000港元),可於五年內結轉,惟僅可由各課稅年度賺取之溢利之25%予以抵銷。

本集團亦有來自秘魯之稅項虧損約86,973,000港元(二零一八年:72,623,000港元),而本集團可選擇結轉四年之所有經營虧損淨額或可無限期結轉虧損,惟最多僅可為納稅人於各其後年度之應課稅收入之50%,亦不得抵銷先前之虧損。於二零一九年十二月三十一日,已就有關稅項虧損約1,241,000港元(二零一八年:1,245,000港元)確認遞延稅項資產。由於剩餘稅項虧損源自虧損已有一段時間之附屬公司,不大可能有可動用稅項虧損作抵銷之應課稅溢利,故並無就剩餘稅項虧損確認遞延稅項資產。

根據中國企業所得稅法的規定,於中國成立之外資企業向境外投資者宣派之股息須徵收10%預扣稅。是項規定自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以後產生之盈利。倘中國與有關境外投資者所屬司法管轄區之間訂有稅務協定,則或可按較低預扣稅稅率繳稅。就本集團而言,適用稅率為5%或10%。因此,本集團須就於中國成立之附屬公司自二零零八年一月一日起產生之盈利所分派之股息繳納預扣稅。於二零一九年及二零一八年十二月三十一日,中國附屬公司並無未匯出盈利。

31. DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of approximately HK\$1,062,000 (2018: HK\$1,062,000) and that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group has tax losses arising in the PRC of approximately HK\$139,925,000 (2018: HK\$73,671,000) that will expire in one to five years for offsetting against future taxable profits. The Group has tax losses arising in Ecuador of approximately HK\$1,784,000 (2018: HK\$1,527,000) that may be carried forward for five years, but may only be offset against 25% of the profits earned in each tax year.

The Group also has tax losses arising in Peru of approximately HK\$86,973,000 (2018: HK\$72,623,000) which the Group has the option to carry forward all net operating losses for four years or carry the losses forward indefinitely, but only up to 50% of the taxpayer's taxable income of each subsequent year. Loss carryback is not permitted. Deferred tax assets have been recognised in respect of approximately HK\$1,241,000 (2018: HK\$1,245,000) of such tax losses at 31 December 2019. Deferred tax assets have not been recognised in respect of the remaining tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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 the 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 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated since 1 January 2008. There was no unremitted earnings for the PRC subsidiaries as at 31 December 2019 and 2018.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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32. 股本

32. SHARE CAPITAL

		Number of shares 股份數目		Share capital 股本	
		二零一九年 2019	二零一八年 2018	二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
法定：	Authorised:				
每股面值0.10港元之普通股	Ordinary shares of HK\$0.10 each	25,000,000,000	25,000,000,000	2,500,000	2,500,000
已發行及繳足：	Issued and fully paid:				
於一月一日	At 1 January	1,206,249,251	1,045,399,967	120,625	104,540
可換股債券獲轉換	Conversion of Convertible Bonds	-	160,849,284	-	16,085
於十二月三十一日	At 31 December	1,206,249,251	1,206,249,251	120,625	120,625

於二零一八年十二月十四日，可換股債券按初步轉換價0.6217港元獲悉數轉換後，本公司已配發及發行160,849,284股普通股予債券持有人。有關可換股債券的詳情，載於綜合財務報表附註28內。

本公司已經於截至二零一八年十二月三十一日止年度內註銷其購股權。本公司購股權計劃及根據該計劃已發行購股權之詳情載於綜合財務報表附註33。

33. 購股權計劃

一項購股權計劃已根據本公司股東於二零零九年六月二十九日通過之書面決議案而採納(「購股權計劃」)。購股權計劃於二零零九年六月二十九日起生效，並於該日起持續有效十年(除非另行註銷或修訂)。

購股權計劃旨在為本集團招攬、保留及推動具才幹之參與者為本集團未來發展及拓展而盡心竭力。購股權計劃將會鼓勵參與者盡最大努力實現本集團之目標，以及讓彼等分享本公司透過參與者之努力及貢獻所取得之成果。

On 14 December 2018, 160,849,284 ordinary shares were allotted and issued to the bond holder upon full conversion of the Convertible Bonds based on the initial conversion price of HK\$0.6217. Details of the Convertible Bonds are included in note 28 to the consolidated financial statements.

The Company's share options were cancelled during the year ended 31 December 2018. Details of the Company's share option scheme and the share options issued under the scheme are included in note 33 to the consolidated financial statements.

33. SHARE OPTION SCHEME

A share option scheme was adopted pursuant to the written resolutions passed by the shareholders of the Company on 29 June 2009 (the "Share Option Scheme"). The Share Option Scheme became effective on 29 June 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The purpose of the Share Option Scheme is for the Group to attract, retain and motivate talented participants to strive for future development and expansion of the Group. The Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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33. 購股權計劃(續)

購股權計劃之合資格參與者包括(i)本集團之任何全職僱員及董事(包括執行董事、非執行董事及獨立非執行董事)；(ii)本集團之任何顧問或諮詢人、貨品及/或服務供應商及本公司董事會全權釐定對本集團有所貢獻之任何其他人士；及(iii)受益人或對象包括上述僱員或業務夥伴之任何信託受託人。

根據購股權計劃，可授出購股權獲行使後發行之最高股份數目，相當於購股權計劃獲批准當日本公司已發行股份之10%。於任何12個月期間根據購股權可發行予購股權計劃項下每名合資格參與者之最高股份數目，不得超過本公司任何時間已發行股份之1%。任何進一步授出超逾此限額之購股權須在股東大會上徵得股東批准，方可作實。

向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權須徵得獨立非執行董事批准。此外，於任何12個月期間，倘若向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權涉及之股份總數，超過本公司任何時間已發行股份之0.1%及按本公司股份於授出日期收市價計算之總價值超過5,000,000港元，則須在股東大會上徵得股東批准，方可作實。

提呈授予購股權可於提呈日期起計28日內，在承授人支付合計1港元之象徵式代價後接納。所授予購股權之行使期由董事釐定，並於歸屬期後開始及於購股權提呈日期起計最遲十年屆滿當日結束。

購股權之行使價由董事釐定，惟不得低於以下三者之較高者：(i)本公司股份於購股權授出日期於聯交所每日報價表所列之收市價；(ii)本公司股份於緊接授出日期前五個交易日於聯交所每日報價表所列之平均收市價；及(iii)本公司股份之面值。

33. SHARE OPTION SCHEME (continued)

Eligible participants of the Share Option Scheme include (i) any full-time employees and directors (including executive directors, non-executive directors and independent non-executive directors) of the Group; (ii) any advisor or consultant to the Group, providers of goods and/or services to the Group, and any other person who, at the sole determination of the board of directors of the Company, has contributed to the Group; and (iii) the trustee of any trust whose beneficiaries or objects include any aforesaid employee or business associate.

The maximum number of share options permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the Share Option Scheme. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is 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.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval 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 closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in a general meeting.

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. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period and ends on a date which is not later than ten years from the date of offer of the share options.

The exercise price of share options is determinable by the directors, but shall not be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the share options; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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33. 購股權計劃(續)

購股權並無賦予持有人獲派股息或於股東大會表決之權利。

截至二零一八年十二月三十一日止年度，購股權計劃項下尚未行使之購股權如下：

33. SHARE OPTION SCHEME (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year ended 31 December 2018:

		每股加權 平均行使價 Weighted average exercise price per share 港元 HK\$	購股權數目 Number of options 千份 '000
於二零一八年一月一日	At 1 January 2018	0.229	13,280
年內註銷	Cancelled during the year	0.229	(13,280)
於二零一八年十二月三十一日	At 31 December 2018	N/A	—

截至二零一九年及二零一八年十二月三十一日止年度，概無購股權計劃項下之購股權已授出、行使或失效。由於在二零一八年八月二十二日接納本公司直接控股公司新華聯集團就註銷由購股權持有人持有的未行使購股權作出之強制性現金要約，因此，本公司已經註銷其所有尚未行使購股權。

購股權計劃已於截至二零一九年十二月三十一日止年度內屆滿。

No share option under the Share Option Scheme was granted, exercised or expired during the years ended 31 December 2019 and 2018. All outstanding share options were cancelled as a result of the acceptance on 22 August 2018 of the mandatory cash offer made by Macrolink Group, the immediate holding company of the Company, for cancellation of the outstanding share options held by the option holders.

The Share Option Scheme has expired during the year ended 31 December 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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34. 儲備

本集團本年度及上一年度之儲備金額及其變動於本年報第81頁至第82頁綜合權益變動表呈列。

- (i) 根據本公司中國附屬公司之公司細則，該附屬公司需將其除稅後溢利之10%劃撥至法定盈餘儲備，直至儲備結餘達到其註冊資本之50%為止。儲備須在向本集團擁有人派發股息前轉撥。法定盈餘儲備可用於彌補虧損，並可按現有擁有人權益百分比之比例轉變為股本，惟有關發行後之結餘不得少於其註冊資本之25%。
- (ii) 其他儲備為由本公司執行董事、主席及最終控制方傅軍先生所控制的關連公司所作的出資。

35. 有重大非控股權益之部份擁有附屬公司

下表列示本集團之擁有重大非控股權益之非全資附屬公司之詳情：

附屬公司名稱 Name of subsidiary	成立地點及 主要營業地點 Place of establishment and principal place of business	非控股權益持有之 所有權權益比例 Proportion of ownership interests held by the non-controlling interests		分配至 非控股權益之虧損 Loss allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
		二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018	二零一九年 2019	二零一八年 2018
		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
湖南泰基 Hunan Taiji	中國 PRC	40%	40%	(9,809)	(20,116)	19,866	30,183

本集團擁有重大非控股權益之附屬公司之財務資料摘要載列如下。以下財務資料摘要為集團內對銷前的金額。

34. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on pages 81 to 82 of this annual report.

- (i) According to the Articles of Association of the PRC subsidiary of the Company which require the appropriation of 10% of its profit after tax to the statutory surplus reserve until the balance of the reserve reaches 50% of its registered capital. The transfer of the reserve must be made before distributions of dividends to owners of the Group. Statutory surplus reserve can be used for making up losses and may be converted into capital in proportion to existing owners' equity percentage, provided that the balance after such issuance is not less than 25% of its registered capital.
- (ii) Other reserve represents the capital contribution from a related company controlled by Mr. Fu Kwan, an executive director, the chairman and the ultimate controlling party of the Company.

35. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of a non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

綜合財務報表附註（續）

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35. 有重大非控股權益之部份擁有附屬公司（續）

湖南泰基

Hunan Taiji

		於十二月三十一日	
		At 31 December	
		二零一九年	二零一八年
		2019	2018
		千港元	千港元
		HK\$'000	HK\$'000
流動資產	Current assets	15,164	14,968
非流動資產	Non-current assets	62,641	82,231
流動負債	Current liabilities	(26,125)	(19,727)
非流動負債	Non-current liabilities	-	-
		截至十二月三十一日止年度	
		Year ended 31 December	
		二零一九年	二零一八年
		2019	2018
		千港元	千港元
		HK\$'000	HK\$'000
收入	Revenue	-	-
其他收入及收益	Other income and gains	1,137	4
開支	Expense	(25,659)	(50,293)
年度虧損	Loss for the year	(24,522)	(50,289)
年度其他全面開支	Other comprehensive expense for the year	(1,271)	(6,283)
年度全面開支總額	Total comprehensive expense for the year	(25,793)	(56,572)
已付非控股權益股息	Dividends paid to the non-controlling interests	-	-
經營業務現金流量	Net cash inflow/(outflow) from operating activities	455	(2,670)
流入／（流出）淨額			
現金及現金等價物	Net increase/(decrease) in cash and cash	455	(2,670)
增加／（減少）淨額	equivalents		

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36. 融資活動產生之負債對賬

下表詳述本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債為現金流量已或未來現金流量將於本集團綜合現金流量表分類為融資活動現金流量。

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		計息銀行借貸	計息其他借貸	應付最終 控股公司款項 Amount due to the ultimate holding company	可換股債券	總計
		Interest- bearing bank borrowings	Interest- bearing other borrowings	Convertible bonds	Convertible bonds	Total
		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
於二零一八年一月一日	At 1 January 2018	9,914	31,010	29	-	40,953
融資現金流量產生的變動：	Changes from financing cash flows:					
償還銀行貸款	Repayment of bank loan	(3,724)	-	-	-	(3,724)
償還予最終控股公司	Repayment to the ultimate holding company	-	-	(29)	-	(29)
來自可換股債券的所得款項， 扣除發行費用	Proceeds from convertible bonds, net of issuance cost	-	-	-	98,750	98,750
已付利息	Interest paid	-	-	-	(1,945)	(1,945)
其他變動：	Other changes:					
可換股債券的權益部分	Equity component of convertible bonds	-	-	-	(19,025)	(19,025)
可換股債券的實際利息	Effective interest on convertible bonds	-	-	-	5,354	5,354
可換股債券獲轉換	Conversion of convertible bonds	-	-	-	(83,134)	(83,134)
匯兌調整	Exchange realignment	90	(309)	-	-	(219)
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	6,280	30,701	-	-	36,981
融資現金流量產生的變動：	Changes from financing cash flows:					
償還銀行貸款	Repayment of bank loan	(3,724)	-	-	-	(3,724)
其他變動：	Other changes:					
匯兌調整	Exchange realignment	(91)	(106)	-	-	(197)
於二零一九年十二月三十一日	At 31 December 2019	2,465	30,595	-	-	33,060

綜合財務報表附註(續)

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37. 資產抵押

以本集團若干已質押資產為抵押之本集團銀行及其他借貸之詳情分別載於綜合財務報表附註13、14、29及30。

38. 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租其若干投資物業，磋商之租期介乎一至三年(二零一八年：一至三年)。

於二零一九年十二月三十一日，本集團根據與租戶訂立之不可撤銷經營租約於未來期間應收的未折現租賃付款額如下：

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
一年內	Within one year	3,473	4,118
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	2,500	4,650
		5,973	8,768

(b) 作為承租人

本集團根據經營租約安排租用辦公室物業。物業租賃之磋商租期為一年(二零一八年：一年)。

就租賃包括在現金流量表內經營活動的總現金流出約為324,000港元。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約於以下年期到期應付之未來最低租金總額如下：

		二零一八年 2018 千港元 HK\$'000
一年內	Within one year	156

37. CHARGE OF ASSETS

Details of the Group's bank and other borrowings, which are secured by certain pledged assets of the Group, are included in notes 13, 14, 29 and 30 respectively, to the consolidated financial statements.

38. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases certain of its investment properties under operating lease arrangements, which leases negotiated for terms ranging from one to three years (2018: one to three years).

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

(b) As lessee

The Group leases office properties under operating lease arrangements. Leases for the properties are negotiated for a term of one year (2018: one year).

The total cash outflow for leases included in the statement of cash flows within operating activities is approximately HK\$324,000.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

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39. 未決訴訟

- (a) 莊勝(建材)分別於二零一三年十月及二零一五年十二月向中國國際經濟貿易仲裁委員會(「仲裁委員會」)提交兩次仲裁申請,就湖南泰基之少數股東漣源鋼鐵(其中包括)未有於二零一一年一月一日至二零一三年八月三十一日期間及於二零一三年九月一日至二零一五年九月三十日期間根據湖南泰基之合營協議項下促使供應用於生產之水渣(「水渣供應」)索取賠償,提出仲裁程序(分別為「第一次泰基仲裁申請」及「第二次泰基仲裁申請」)。

於二零一五年一月,莊勝(建材)接獲仲裁委員會作出有關第一次泰基仲裁申請之裁決。莊勝(建材)最終於二零一七年八月二日獲得漣源鋼鐵賠償為數約人民幣13,850,000元。

於二零一七年五月,莊勝(建材)就第二次泰基仲裁申請作出進一步提交申請,將索賠期間由止於二零一五年九月三十日延長至止於二零一六年八月三十一日,索取新訂賠償金額約人民幣71,485,000元,並成功獲仲裁委員會受理。截至綜合財務報表批准日期,裁決尚未作出。

於二零一九年五月,莊勝(建材)收到第二次泰基仲裁申請之裁決書(「裁決書」),據此,(其中包括)漣源鋼鐵應向莊勝(建材)支付由二零一四年一月一日至二零一六年八月三十一日期間因供應不足之賠償約人民幣30,097,000元。然而,漣源鋼鐵未能於二零一九年六月九日前支付該賠償。莊勝(建材)向中國湖南省婁底市中級人民法院(「婁底市中級法院」)提交強制執行申請,該申請已於二零一九年七月二十九日獲法院接受。其後,漣源鋼鐵於二零一九年八月五日向中國北京市第四中級人民法院(「北京市中級法院」)提出要求撤回裁決書之申請。根據法院於二零一九年十月二十九日的裁定,北京市中級法院已駁回有關申請。莊勝(建材)最終於二零一九年十一月二十九日獲得賠償(附註5)及有關利息。

本集團現正就自二零一六年九月一日起因供應不足所引起之可能賠償對漣源鋼鐵採取進一步行動尋求法律意見。

39. OUTSTANDING LITIGATIONS

- (a) Junefield Building Material filed two applications for arbitration proceedings at the China International Economics and Trade Arbitration Commission (“Arbitration Commission”) against the minority shareholder of Hunan Taiji, Lianyuan Steel, in October 2013 and December 2015 respectively for compensations on, inter alia, failing to procure the requested amount of supply of the granulated steel slag for production (“Steel Slag Supply”) for the periods from 1 January 2011 to 31 August 2013 and from 1 September 2013 to 30 September 2015 under Hunan Taiji’s joint venture agreement (the “First Taiji Arbitration Application” and the “Second Taiji Arbitration Application” respectively).

In January 2015, Junefield Building Material was awarded the First Taiji Arbitration Application by the Arbitration Commission. Junefield Building Material ultimately received the compensation in the amount of approximately RMB13,850,000 from Lianyuan Steel on 2 August 2017.

In May 2017, Junefield Building Material further filed an application to extend the claiming period ended from 30 September 2015 to 31 August 2016 with a revised claim amount of approximately RMB71,485,000 in respect of the Second Taiji Arbitration Application and it was successfully accepted by the Arbitration Commission.

In May 2019, Junefield Building Material received the arbitral award for the Second Taiji Arbitration Application (the “Arbitral Award”), pursuant to which, among others, Lianyuan Steel is liable to pay Junefield Building Material the compensation for the supply shortfall for the period from 1 January 2014 to 31 August 2016 amounting to approximately RMB30,097,000. However, Lianyuan Steel failed to pay the compensation before 9 June 2019. Junefield Building Material filed an application for mandatory execution with the Intermediate People’s Court of Loudi City, Hunan Province, the PRC (“Loudi Intermediate Court”) which was accepted on 29 July 2019. Subsequently, Lianyuan Steel lodged an application for requesting withdrawal of the Arbitral Award with the Fourth Intermediate People’s Court of Beijing, the PRC (“Beijing Intermediate Court”) on 5 August 2019, which was rejected by Beijing Intermediate Court pursuant to court’s ruling dated 29 October 2019. Junefield Building Material ultimately received the compensation (note 5) plus related interest on 29 November 2019.

The Group is in the course of seeking legal advice on further action for possible compensation on the supply shortfall commenced from 1 September 2016 onward against Lianyuan Steel.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39. 未決訴訟（續）

- (b) 於二零一八年八月二十七日，本公司接獲北京市中級法院發出之應訴通知書，據此，原告（為擁有北京城建德信裝飾工程有限公司（「北京城建德信」）49%股權之股東）（其中包括）就於二零一五年中國強制解散北京城建德信（「強制解散」）的過程中償還若干債權人產生之經濟損失約人民幣4,400,000元及相關費用提出索賠。北京城建德信早前為本公司間接擁有51%股權之附屬公司，其業務為在中國提供裝修服務及進行機電工程。本公司於二零零九年出售於華廈建築系統有限公司（「華廈建築系統」）之全部股權連同其於北京城建德信之51%股權。

在此情況下，原告對(i)華廈建築系統（作為第一被告）；(ii)劉忠生先生（作為第二被告，為北京城建德信之法人代表及本公司前董事，其已於二零一五年三月辭任）；及(iii)本公司（作為第三被告）索賠，彼等應共同及各別承擔責任。

於二零一九年十月八日，北京市中級法院判決，針對本公司所作之索賠（彼等應共同及各別承擔責任）已被駁回。截至綜合財務報表批准日期為止，原告並無就法院判決提出上訴。

39. OUTSTANDING LITIGATIONS (continued)

- (b) On 27 August 2018, the Company received a notice of response to action (應訴通知書) issued by the Beijing Intermediate Court, pursuant to which the plaintiff, being a 49%-equity owned shareholder of 北京城建德信裝飾工程有限公司 (Beijing Urban Construction Hudson Decoration Engineering Company Limited, "BJUC"), inter alia, claimed an economic loss of approximately RMB4,400,000 and the related costs arising from repayments to certain creditors during the process of mandatory dissolution of BJUC in the PRC in 2015 ("Mandatory Dissolution"). BJUC is a former indirectly 51%-owned subsidiary of the Company which engaged in the provision of decoration services, electrical and mechanical work in the PRC. The Company disposed the entire equity interests in Huaxia Construction Limited ("HCL") together with its 51% equity interest in BJUC in year 2009.

In this case, the plaintiff claimed against (i) HCL as the first defendant; (ii) Mr. Liu Zhongsheng as the second defendant, being the legal representative of BJUC and a former director of the Company who resigned in March 2015; and (iii) the Company as the third defendant with joint and several liabilities.

On 8 October 2019, the Beijing Intermediate Court ruled that the claim against the Company with joint and several liabilities was rebutted. Up to the date of approval of these consolidated financial statements, the plaintiff did not lodge an appeal pursuant to the court ruling.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39. 未決訴訟(續)

- (c) 於二零一九年二月二十二日，莊勝(建材)獲湖南泰基告知接獲婁底市中級法院發出日期為二零一九年二月十二日之應訴通知書，據此，漣源鋼鐵(作為原告人)於二零一八年九月要求法院裁決，由於股東之長期糾紛，於湖南泰基合營協議終止前解散湖南泰基。

本案件已於二零一九年九月二十五日開庭聆訊。判決已於二零二零年一月十九日作出，據此，有關法院裁決由於股東之長期糾紛，於湖南泰基合營協議終止前解散湖南泰基婁底市中級法院判決的要求已被駁回。漣源鋼鐵已經向湖南省高級人民法院提交日期為二零二零年一月二十三日的上訴，要求立即解散湖南泰基。

根據中國法律顧問之法律意見，本公司董事認為，該宗訴訟的裁決結果存在不明朗因素及不能合理肯定地估計。

- (d) 於截至二零一九年十二月三十一日止年度內，有兩項就於本集團在秘魯營運的礦場發生的致命意外針對本集團提出的進行中申索(各涉及500,000索爾)。有關意外屬保險單範圍以內。由於律師正在處理有關申索，因此，根據有關法律意見，董事認為本集團無須承擔額外賠償，故無須就有關申索的或有負債計提撥備。

39. OUTSTANDING LITIGATIONS (continued)

- (c) On 22 February 2019, Junefield Building Material was informed by Hunan Taiji that a notice of response to action (應訴通知書) dated 12 February 2019 from Loudi Intermediate Court, was received, pursuant to which Lianyuan Steel, as plaintiff, had in September 2018 requested a court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement due to the prolonged shareholders' disputes.

The court hearing of this case has been held on 25 September 2019 and the ruling was given on 19 January 2020, pursuant to which the request for a court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement due to the prolonged shareholders' disputes was rebutted. Lianyuan Steel has filed an appeal dated 23 January 2020 to Higher People's Court of Hunan Province (湖南省高級人民法院) to request immediate dissolution of Hunan Taiji.

Based on the legal opinion of the legal advisors in the PRC, the directors of the Company are of the opinion that the outcome of the ruling of this litigation is uncertain and cannot be estimated with reasonable certainty.

- (d) During the year ended 31 December 2019, there were two ongoing claims against the Group amounted to Soles 500,000 each regarding the fatal accidents occurred in a mining site operated by the Group in Peru. The accidents were covered by insurance policy. As the claims are being handled by the lawyer, the directors have taken the view that no additional compensation should be borne by the Group based on legal opinion and no provision for contingent liabilities in respect of the claims is necessary.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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40. 關連方交易

除此等綜合財務報表附註28、30及39詳載之交易外，本集團於年內與關連方進行以下重大交易：

(a) 關連方之重大交易

40. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in notes 28, 30 and 39 to the consolidated financial statements, the Group had the following material transactions with related parties during the year:

(a) Significant transactions with related parties

			二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
	附註 Note			
Ecuaming Mineral 已收取佣金	Commission charged by Ecuaming Mineral	(i)	–	159
莊勝(集團)有限公司收取的管理費	Management fees charged by Junefield (Holdings) Limited	(ii)	1,080	1,080
新絲路文旅有限公司收取的管理費	Management fees charged by New Silkroad Culturaltainment Limited	(iii)	1,418	593
向新華聯國際投資有限公司收取的管理費收入	Management fees income from Macrolink International Investment Co. Ltd.	(iii)	2,469	554
新華聯南方控股有限公司收取的短期租賃開支	Short-term lease expense charged by 新華聯南方控股有限公司	(iii)	136	–
湖南新華聯房地產開發有限公司收取的利息開支	Interest expense charged by 湖南新華聯房地產開發有限公司	(iii)	745	–
新華聯集團收取的可換股債券利息	Convertible bonds interest charged by Macrolink Group	(iv)	–	1,945
向Junefield Mining S.A.C. 購買精礦	Purchase of mineral concentrates from Junefield Mining S.A.C.	(v)	1,707	–
為錦州榮信提供財務擔保的一次性手續費收入	One-time handling fee income for provision of financial guarantee to Jinzhou Rongxin	(vi)	136	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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40. 關連方交易(續)

(a) 關連方之重大交易(續)

附註:

- (i) 龍拓有限公司(「龍拓」)(本公司之間接全資附屬公司至二零一九年十一月十八日為止)與Ecuamining Mineral訂立採購代理協議。據此,龍拓同意委任而Ecuamining Mineral同意擔任龍拓於厄瓜多爾促使精礦或其相關產品供應之採購代理商,為期兩年。Ecuamining Mineral為一間於厄瓜多爾註冊成立之公司,其由周先生最終全資擁有。
- (ii) 於二零一八年七月二十六日前,莊勝(集團)有限公司為本公司的最終控股公司,就二零一八年一月一日至二零一八年七月二十五日期間所支付的管理費為數約613,000港元。由二零一八年七月二十六日起,莊勝(集團)有限公司成為本集團的關連公司,就二零一八年七月二十六日至二零一九年十二月三十一日期間所支付的管理費為數約1,547,000港元。每月管理費乃由訂約方共同協定。
- (iii) 本公司主席及執行董事傅軍先生於該等關連公司中擁有實益權益。管理費乃由訂約方共同協定。
- (iv) 新華聯集團由二零一八年七月二十六日起為本公司的直接控股公司。可換股債券利息乃就二零一八年七月二十六日至二零一八年十二月十四日期間支付。
- (v) Junefield Mining S.A.C.為一家於秘魯註冊成立的公司,其由周先生最終全資擁有。
- (vi) 於本年度內,本集團向一間銀行抵押其若干投資物業,以作為錦州榮信為數人民幣8,000,000元(相等於約8,952,000港元)及相關利息所承擔還款責任之擔保。本集團就提供財務擔保收取錦州榮信一次性手續費人民幣120,000元(相等於約136,000港元)。有關進一步詳情,敬請參閱綜合財務報表附註30。

40. RELATED PARTY TRANSACTIONS (continued)

(a) Significant transactions with related parties (continued)

Notes:

- (i) Like Top Corporation Limited ("Like Top"), an indirect wholly-owned subsidiary of the Company up to 18 November 2019, entered into the sourcing agent agreement with Ecuamining Mineral, pursuant to which Like Top agreed to appoint and Ecuamining Mineral agreed to act as sourcing agent of Like Top to procure the supply of mineral concentrates or its related products in Ecuador for a term of two years. Ecuamining Mineral is a company incorporated in Ecuador and is ultimately wholly-owned by Mr. Zhou.
- (ii) Prior to 26 July 2018, Junefield (Holdings) Limited was the ultimate holding company of the Company and management fees paid for the period from 1 January 2018 to 25 July 2018 amounted to approximately HK\$613,000. Since 26 July 2018, Junefield (Holdings) Limited became a related company to the Group and management fees paid for the period from 26 July 2018 to 31 December 2019 amounted to approximately HK\$1,547,000. The monthly management fees were mutually agreed between the contracting parties.
- (iii) Mr. Fu Kwan, the chairman and an executive director of the Company, has beneficial interests in these related companies. The fees and prices were mutually agreed between the contracting parties.
- (iv) Macrolink Group has been the immediate holding company of the Company since 26 July 2018. Convertible bonds interest was paid for the period from 26 July 2018 to 14 December 2018.
- (v) Junefield Mining S.A.C. is a company incorporated in Peru and is ultimately wholly-owned by Mr. Zhou.
- (vi) During the year, the Group pledged certain of its investment properties in favour of a bank as security for the repayment obligations of Jinzhou Rongxin amounting to RMB8,000,000 (equivalent to approximately HK\$8,952,000) and related interest. The Group received from Jinzhou Rongxin one-time handling fee of RMB120,000 (equivalent to approximately HK\$136,000) for provision of financial guarantee. Further details please refer to note 30 to the consolidated financial statements.

綜合財務報表附註（續）

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40. 關連方交易（續）

(b) 給予本集團之主要管理人員之補償

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
短期僱員福利	Short term employee benefits	2,292	3,275
離職福利	Post-employment benefits	56	31
已付主要管理人員之補償總額	Total compensation paid to key management personnel	2,348	3,306

上述與主要管理人員進行的關連方交易並無構成上市規則第14A章定義之關連交易或持續關連交易。

The above related party transactions with key management personnel do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

41. 按類別劃分之金融工具

於報告期間結束時，各類別金融工具之賬面值如下：

金融資產

		以公平值計量且其變動計入損益的金融資產 Financial assets at FVTPL 千港元 HK\$'000	以攤銷成本計量的金融資產 Financial assets at amortised cost 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一九年	2019			
應收賬款	Accounts receivable	–	3,171	3,171
包括在預付款項、按金及其他應收款項之金融資產	Financial assets included in prepayments, deposits and other receivables	–	1,927	1,927
應收關連公司款項	Amounts due from related companies	–	328	328
以公平值計量且其變動計入損益的金融工具	Financial instruments at fair value through profit or loss			
– 上市股本投資（香港）	– Listed equity investments (Hong Kong)	19,781	–	19,781
現金及銀行結餘	Cash and bank balances	–	35,784	35,784
		19,781	41,210	60,991

41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

41. 按類別劃分之金融工具(續)

41. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

金融資產(續)

Financial assets (continued)

		以攤銷成本計量的金融資產 Financial assets at amortised cost 千港元 HK\$'000	以公平值計量且其變動計入其他全面收益的金融資產 Financial assets at FVTOCI 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一八年	2018			
以公平值計量且其變動計入其他全面收益之股本投資	Equity investments at FVTOCI	-	508	508
應收賬款	Accounts receivable	1,300	-	1,300
包括在預付款項、按金及其他應收款項之金融資產	Financial assets included in prepayments, deposits and other receivables	1,124	-	1,124
應收關連公司款項	Amounts due from related companies	334	-	334
現金及銀行結餘	Cash and bank balances	100,901	-	100,901
		103,659	508	104,167

金融負債

Financial liabilities

		以攤銷成本計量的金融負債 Financial liabilities at amortised cost	
		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
應付賬款	Accounts payable	4,515	7,028
包括在其他應付款項及應計負債之金融負債	Financial liabilities included in other payables and accruals	44,926	33,161
計息銀行及其他借貸	Interest-bearing bank and other borrowings	33,060	36,981
應付最終控股公司款項	Amounts due to related companies	26,740	3,780
財務擔保合約	Financial guarantee contract	134	-
		109,375	80,950

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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42. 金融工具之公平值及公平值分級

管理層評估，現金及現金等價物、應收賬款、包括在預付款項、按金及其他應收款項的金融資產、應收關連公司款項、應付賬款、包括在其他應付款項及應計負債之金融負債、計息銀行及其他借貸、應付關連公司款項以及就授予關連公司的融資給予銀行的擔保之公平值與其賬面值相若，主要由於該等工具之到期日較短。

金融資產及負債之公平值按當前交易中雙方自願進行交換有關工具之金額入賬，強制或清盤出售除外。用於估計公平值之方法及假設如下：

上市股本投資之公平值乃以市場報價為基礎。本公司之董事認為估值方法所得之估計公平值(記入綜合財務狀況表)及相關公平值變動(就以公平值計量且其變動計入損益以及以公平值計量且其變動計入其他全面收益的股本投資而言，分別計入綜合損益表及綜合全面收益表)屬合理，並認為有關價值為報告期末最合適之價值。

公平值分級

下表列示本集團金融工具之公平值計量分級。

按公平值計量之資產

於二零一九年
十二月三十一日：
As at 31 December 2019:

以公平值計量且其變動計入
損益的金融工具
— 上市股本投資
Financial instruments at FVTPL
— Listed equity investments

第一級 Level 1 千港元 HK\$'000	第二級 Level 2 千港元 HK\$'000	第三級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
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19,781	—	—	19,781
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於二零一八年
十二月三十一日：
As at 31 December 2018:

以公平值計量且其變動計入
其他全面收益之股本投資
— 上市股本投資
Equity investments at FVTOCI
— Listed equity investments

508	—	—	508
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於本年度，並無第一級與第二級間之公平值計量轉撥，亦無轉入或轉出第三級(二零一八年：無)。

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, financial assets included in prepayments, deposits and other receivables, amounts due from related companies, accounts payable, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, amounts due to related companies and guarantees given to a bank in connection with facilities granted to a related company approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in the consolidated statement of profit or loss and the consolidated statement of comprehensive income for equity investments at FVTPL and at FVTOCI respectively, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets measured at fair value

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 (2018: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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43. 財務風險管理目的及政策

本集團經營活動面對各種財務風險：市場風險(包括利率風險、外幣風險及股本價格風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於金融市場不可預測之特性，務求降低對本集團財務表現帶來之潛在負面影響。

(a) 利率風險

於二零一九年十二月三十一日，本集團之市場利率變動風險主要涉及浮動利率銀行借貸，該等借貸之進一步詳情載於綜合財務報表附註29。本集團目前並無對沖其利率風險。然而，管理層密切監察利率風險，並在有需要時考慮對沖重大之利率風險。

敏感度分析

以下敏感度分析乃根據計息銀行借貸於報告期末所承受的利率風險釐定。本集團採用升跌100個基點，其代表管理層對利率合理可能變動的評估。

倘計息銀行借貸利率上升100個基點，而所有其他可變因素維持不變，則本集團截至二零一九年十二月三十一日止年度的除稅前虧損將增加約25,000港元(二零一八年：62,000港元)，乃由於本集團承受浮動利率銀行借貸的利率風險。倘計息銀行借貸利率下降100個基點，而所有其他可變因素維持不變，則將對除稅前虧損產生相等及相反之影響。

本公司董事認為，由於年末風險不反映年內風險，故敏感度分析並不代表固有利率風險。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Interest rate risk

At 31 December 2019, the Group's exposure to the risk of changes in market interest rates relates primarily to bank borrowings with floating interest rates, further details of these borrowings are set out in note 29 to the consolidated financial statements. The Group currently does not hedge its exposure to interest rate risks. However, the management monitors the interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for interest-bearing bank borrowings at the end of the reporting period. A 100 basis points increase and decrease are used and represents management's assessment of the reasonably possible change in interest rates.

If the interest rate on interest-bearing bank borrowings had been 100 basis points higher and all other variables were held constant, the Group's loss before tax for the year ended 31 December 2019 would increase by approximately HK\$25,000 (2018: HK\$62,000) as a result of the Group's exposure to interest rates on its variable-rate bank borrowings. If the interest rate on interest-bearing bank borrowings had been 100 basis points lower and all other variables were held constant, there would be an equal and opposite impact on the loss before tax.

In the opinion of directors of the Company, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year ended exposure does not reflect the exposure during the year.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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43. 財務風險管理目的及政策（續）

(b) 外幣風險

本集團面對交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外貨幣進行之銷售或採購。本集團之主要營運及業務均位於中國及秘魯，而該等業務之絕大部分交易均以人民幣、索爾及美元進行。該等業務之所有資產及負債均以人民幣、索爾及美元列值。於二零一八年十二月三十一日，本集團以公平值計量且其變動計入其他全面收益的股本投資以澳元（「澳元」）計值。

本集團目前並無外幣對沖政策。然而，管理層密切監察外幣風險，並在有需要時考慮對沖重大之外幣風險。

由於港元與美元掛鈎，故有關外幣風險微乎其微，絕大部分於秘魯之收益及銷售成本以索爾（營運單位之功能貨幣）列值。因此，其波動乃自敏感度分析中剔除。下表顯示在所有其他變數維持不變之情況下，本集團除稅前虧損（因貨幣資產及負債公平值變動所致）及本集團之權益對於報告期間結束時人民幣匯率（二零一八年：人民幣及澳元匯率）之合理可能變動之敏感度。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group's major operations and businesses are located in the PRC and Peru and substantially all transactions are conducted in RMB, Soles and USD. All the assets and liabilities of these businesses are denominated in RMB, Soles and USD. As at 31 December 2018, equity investments at FVTOCI of the Group were denominated in Australian dollars ("AUD").

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Since HK\$ is pegged to USD, relevant foreign currency risk is minimal, and substantially all of the revenue and cost of sales in Peru are denominated in Soles which is the functional currency of the operating units. Accordingly, their fluctuation are excluded from the sensitivity analysis. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rates (2018: RMB and AUD exchange rates), with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

		匯率增加／ (減少)	除稅前虧損 減少／(增加)	權益增加／ (減少)*
		Increase/ (decrease) in rate %	Decrease/ (increase) in loss before tax 千港元 HK\$'000	Increase/ (decrease) in equity* 千港元 HK\$'000
二零一九年	2019			
倘港元兌人民幣貶值	If HK\$ weakens against RMB	5	(569)	-
倘港元兌人民幣升值	If HK\$ strengthens against RMB	(5)	569	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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43. 財務風險管理目的及政策(續)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) 外幣風險(續)

(b) Foreign currency risk (continued)

		匯率增加/ (減少)	除稅前虧損 減少/(增加)	權益增加/ (減少)*
		Increase/ (decrease) in rate %	Decrease/ (increase) in loss before tax 千港元 HK\$'000	Increase/ (decrease) in equity* 千港元 HK\$'000
二零一八年	2018			
倘港元兌人民幣貶值	If HK\$ weakens against RMB	5	(265)	-
倘港元兌人民幣升值	If HK\$ strengthens against RMB	(5)	265	-
倘港元兌澳元貶值	If HK\$ weakens against AUD	5	-	25
倘港元兌澳元升值	If HK\$ strengthens against AUD	(5)	-	(25)

* 不包括累計虧損

* Excluding accumulated losses

管理層認為，由於年末的風險並不反映年內的風險，故敏感性分析並不代表固有的外匯風險。

In management's opinion, the sensitivity analysis is unrepresentative of the inherent exchange risk as the year end exposure does not reflect the exposure during the year.

(c) 股權價格風險

(c) Equity price risk

股權價格風險指股本證券之公平值因股票指數水平及個別證券價值出現變動而減少之風險。於二零一九年十二月三十一日，本集團面對之股權價格風險來自列為以公平值計量且其變動計入損益的金融工具之個別股本投資(二零一八年：列為以公平值計量且其變動計入其他全面收益的股本投資之個別股本投資)。本集團於聯交所上市(二零一八年：於澳洲證券交易所上市)之上市投資乃按報告期間結束時所報市價估值。

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as financial instruments at FVTPL as at 31 December 2019 (2018: equity investments classified as equity investments at FVTOCI). The Group's listed investments are listed on the Stock Exchange (2018: listed on the ASX Limited) and are valued at quoted market prices at the end of the reporting period.

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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43. 財務風險管理目的及政策(續)

(c) 股權價格風險(續)

於本年度最接近報告期末之交易日營業時間結束時，聯交所(二零一八年：聯交所及澳洲證券交易所)之市場股票指數及其各自之年內最高點及最低點如下：

		二零一九年 十二月三十一日 31 December 2019	高/低 High/low 二零一九年 2019	二零一八年 十二月三十一日 31 December 2018	高/低 High/low 二零一八年 2018
聯交所 — 恆生指數	Stock Exchange — Hang Seng Index	28,190	30,157/25,064	25,846	33,154/24,586
澳洲證券交易所 — 標準普爾/澳洲證券交易所200指數	ASX Limited — S&P/ASX 200 Index	N/A ¹	N/A ¹	5,646	6,352/5,468

¹ 相應指數並無列報

下表顯示在所有其他變數維持不變且未計稅項影響之情況下，股本投資之公平值每變動5%之敏感度，乃根據有關投資於報告期間結束時之賬面值計算。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Equity price risk (continued)

The market equity indices for the Stock Exchange (2018: the Stock Exchange and the ASX Limited), at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

¹ The corresponding indices are not presented.

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

		賬面值 Carrying amounts 千港元 HK\$'000	除稅前虧損 減少/(增加) Decrease/ (increase) in loss before tax 千港元 HK\$'000	權益增加/ (減少)* Increase/ (decrease) in equity* 千港元 HK\$'000
二零一九年	2019			
投資上市於： 香港—以公平值計量且其變動計入損益的金融工具	Investments listed in: Hong Kong – financial instruments at FVTPL	19,781	989/(989)	–
二零一八年	2018			
投資上市於： 其他地區—以公平值計量且其變動計入其他全面收益的股本投資	Investments listed in: Elsewhere – equity investments at FVTOCI	508	–	25/(25)

* 不包括累計虧損

* Excluding accumulated losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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43. 財務風險管理目的及政策(續)

(d) 信貸風險

本集團定期檢討其金融資產之可收回金額，以確保及早對交易對方的潛在信貸風險作出管理，並對潛在欠款作充足撥備。此外，本集團定期對各個別應收賬款的可收回金額作出覆核，以確保就不可收回款項作出足夠減值虧損。

本集團其他金融資產(包括現金及現金等價物、包括在預付款項、按金及其他應收款項的金融資產及應收關連公司款項)的信貸風險因交易方違約而產生，風險上限相等於該等工具的賬面值。

由於本集團只與認可及具信譽之第三方進行買賣，故無需抵押品。於二零一九年十二月三十一日，本集團最大客戶或本集團五大客戶並無產生任何信貸風險高度集中的情況。於二零一八年十二月三十一日，本集團並無應收賬款乃應收本集團最大客戶，而本集團五大客戶則佔本集團應收賬款的30%。

誠如附註20內所披露，本集團就應收賬款應用簡化方法去計量預期信貸虧損。

至於應收賬款以外的金融資產以及財務擔保合約，本集團在資產或財務擔保初始確認時考慮違約的可能性，並於每個報告期持續考慮信貸風險是否已經顯著增加。為評估信貸風險是否已經顯著增加，本集團將報告日資產或相關貸款發生違約的風險與初始確認時的違約風險進行比較。本集團會考慮合理及可支持的前瞻性信息。本集團就應收賬款以外的金融資產以及財務擔保合約採用四個分類以反映其信貸風險及如何就各個分類確定虧損撥備。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Credit risk

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, the Group reviews regularly the recoverable amount of each individual accounts receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, financial assets included in prepayments, deposits and other receivables and amounts due from related companies, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. At 31 December 2019, there were no significant concentrations of credit risk arising from the Group's accounts receivable that were due from the Group's largest customer or the Group's five largest customers. At 31 December 2018, none of the Group's accounts receivable was due from the Group's largest customer while 30% of the Group's accounts receivable were due from the Group's five largest customers.

The Group applies simplified approach to measure expected credit losses for accounts receivable as disclosed in note 20.

For financial assets other than accounts receivable and for financial guarantee contract, the Group considers the probability of default upon initial recognition of the asset or financial guarantee and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset or underlying loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The Group uses four categories for financial assets other than accounts receivable and for financial guarantee contract which reflect their credit risk and how the loss provision is determined for each of those categories.

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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43. 財務風險管理目的及政策（續）

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) 信貸風險（續）

(d) Credit risk (continued)

分類 Category	本集團有關分類的定義 Group definition of category	確認預期信貸虧損的基礎 Basis for recognition of ECL
履約中 Performing	交易對方的違約風險不大，且並無任何逾期款項 The counterparty has a low risk of default and does not have any past due amounts	12個月預期信貸虧損 12-month ECL
存疑 Doubtful	自初始確認起信貸風險已經顯著增加 There has been a significant increase in credit risk since initial recognition	整個存續期預期信貸虧損－未信用減值 Lifetime ECL – not credit impaired
違約 Default	有證據顯示資產已信用減值 There is evidence indicating the asset is credit impaired	整個存續期預期信貸虧損－信用減值 Lifetime ECL – credit impaired
撇銷 Write-off	有證據顯示債務人發生嚴重的財務困難，而本集團收回款項的希望渺茫 There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	將金額撇銷 Amount is written off

最高風險以及於年結時的階段分類

Maximum exposure and year-end staging

下表顯示於二零一九年及二零一八年十二月三十一日根據本集團的信貸政策確定的信用質量及最高信貸風險，其主要以逾期資料為基礎，除非其他資料無須付出不當成本或努力即可獲得，則作別論。所列報的金額為金融資產的賬面總值以及財務擔保合約的最高信貸風險敞口。

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, as at 31 December 2019 and 2018. The amounts presented are gross carrying amounts for financial assets and the maximum exposure to credit risk for the financial guarantee contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

43. 財務風險管理目的及政策(續)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) 信貸風險(續)

(d) Credit risk (continued)

最高風險以及於年結時的階段分類(續)

Maximum exposure and year-end staging (continued)

		12個月預期 信貸虧損 12 month ECL		整個存續期預期信貸虧損 Lifetime ECL		總計 Total
		第一階段 Stage 1 千港元 HK\$'000	第二階段 Stage 2 千港元 HK\$'000	第三階段 Stage 3 千港元 HK\$'000	簡化方法 Simplified approach 千港元 HK\$'000	
於二零一九年十二月三十一日 As at 31 December 2019						
應收賬款*	Accounts receivable*	-	-	-	3,171	3,171
包括在預付款項、按金及其他 應收款項之金融資產	Financial assets included in prepayments, deposits and other receivables					
- 正常**	- Normal**	1,927	-	-	-	1,927
應收關連公司款項	Amounts due from related companies					
- 正常**	- Normal**	328	-	-	-	328
現金及銀行結餘	Cash and bank balances					
- 未逾期	- Net yet past due	35,784	-	-	-	35,784
就授予關連公司的融資給予 銀行的擔保	Guarantees given to a bank in connection with facilities granted to a related company					
- 關連公司提取的融資的 有擔保部分	- Guaranteed portion of facilities drawn by a related company					
- 未逾期	- Not yet past due	8,974	-	-	-	8,974
		47,013	-	-	3,171	50,184

於二零一八年十二月三十一日 As at 31 December 2018

應收賬款*	Accounts receivable*	-	-	-	1,300	1,300
包括在預付款項、按金及 其他應收款項之金融資產	Financial assets included in prepayments, deposits and other receivables					
- 正常**	- Normal**	1,124	-	-	-	1,124
應收關連公司款項	Amounts due from related companies					
- 正常**	- Normal**	334	-	-	-	334
現金及銀行結餘	Cash and bank balances					
- 未逾期	- Net yet past due	100,901	-	-	-	100,901
		102,359	-	-	1,300	103,659

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

43. 財務風險管理目的及政策（續）

(d) 信貸風險（續）

最高風險以及於年結時的階段分類（續）

* 有關本集團應用減值簡化方法的應收賬款，有關預期信貸虧損計算的資料在綜合財務報表附註20內披露。

** 包括在預付款項、按金及其他應收款項之金融資產以及應收關連公司款項在尚未逾期且並無資料表明金融資產的信貸風險自初始確認後已經顯著上升，其信用質量會被視為「正常」。否則，金融資產的信用質量會被視為「存疑」。

(e) 流動資金風險

本集團之政策乃定期監察其流動資金需求，確保其維持充足現金儲備以應付短期、中期及長期之流動資金需求。銀行及一般信貸乃適時作預備用途。

於管理流動資金風險時，本集團監察及維持某一水平之現金及現金等價物，而該水平乃管理層視為足夠提供本集團營運之資金需要及減少現金流量波動之影響。

下表顯示本集團之金融負債於報告期間結束時根據合約未折現付款之到期日。下表就財務擔保合約所載的金額為在擔保交易對方申索有關金額時本集團根據有關安排可能須就全數擔保金額支付的最高金額。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Credit risk (continued)

Maximum exposure and year-end staging (continued)

* For accounts receivable to which the Group applies the simplified approach for impairment, information on the ECL calculation is disclosed in note 20 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables and amounts due from related companies is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(e) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short, medium and longer term. Banking and general facilities have been put in place for contingency purposes.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below shows the maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments. The amount included below for financial guarantee contract is the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

For the year ended 31 December 2019 (Expressed in Hong Kong dollars)

43. 財務風險管理目的及政策(續)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) 流動資金風險(續)

(e) Liquidity risk (continued)

		按要求或 三個月以內 On demand or less than 3 months 千港元 HK\$'000	三至 十二個月以內 3 to less than 12 months 千港元 HK\$'000	一至五年 1 to 5 years 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一九年	2019				
應付賬款	Accounts payable	4,515	-	-	4,515
包括在其他應付款項及 應計負債之金融負債	Financial liabilities included in other payables and accruals	44,926	-	-	44,926
計息銀行及其他借貸	Interest-bearing bank and other borrowings	31,256	1,881	-	33,137
應付關連公司款項	Amounts due to related companies	26,740	-	-	26,740
就授予關連公司的融資 給予銀行的擔保	Guarantees given to a bank in connection with facilities granted to a related company	8,974	-	-	8,974
		116,411	1,881	-	118,292
二零一八年	2018				
應付賬款	Accounts payable	7,028	-	-	7,028
包括在其他應付款項及 應計負債之金融負債	Financial liabilities included in other payables and accruals	33,161	-	-	33,161
計息銀行及其他借貸	Interest-bearing bank and other borrowings	31,763	3,076	2,589	37,428
應付關連公司款項	Amounts due to related companies	3,780	-	-	3,780
		75,732	3,076	2,589	81,397

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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43. 財務風險管理目的及政策(續)

(f) 資本管理

本集團資本管理之主要目標是保障本集團按持續經營基準繼續營運之能力及維持穩健之資本比率，以支持其業務及盡量提高股東價值。

為維持或調整資本結構，本集團或會調整向股東派付股息之金額或發行新股份。截至二零一九年及二零一八年十二月三十一日止年度，並無就管理資本之目標、政策或過程作出變動。

本集團以債務對總權益比率(即債務淨額除以總權益)監察其資本。債務淨額按總借貸(包括應付關連公司款項及計息銀行及其他借貸)減現金及現金等價物計算。

於二零一九年及二零一八年十二月三十一日之債務對總權益比率如下：

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment 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 2018.

The Group monitors capital using the debt-to-total equity ratio, which is net debt divided by total equity. Net debt is calculated as total borrowings (including amounts due to related companies and interest-bearing bank and other borrowings) less cash and cash equivalents.

The debt-to-total equity ratios at 31 December 2019 and 2018 were as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
總借貸	Total borrowings	59,800	40,761
減：現金及現金等價物	Less: Cash and cash equivalents	(35,721)	(100,822)
債務淨額	Net debt	24,079	(60,061)
總權益	Total equity	178,967	259,867
債務對總權益比率	Debt-to-total equity ratio	13%	N/A

44. 出售附屬公司

Topshine Reward Limited(「Topshine」)(本公司之直接全資附屬公司)與獨立第三方訂立日期為二零一九年十一月八日的買賣協議，以出售Lukewarm Gold Limited(「Lukewarm」)及其附屬公司龍拓的全部股本權益以及Lukewarm欠Topshine的股東貸款(「股東貸款」)，有關總代價為2,200,000港元(「出售事項」)。有關出售事項，藉與Topshine訂立解除及消除契據，龍拓解除及豁免本集團欠龍拓合共約15,303,000港元的免息貸款，其為本集團的非現金交易。

出售事項已於二零一九年十一月十八日妥為完成。經扣除出售相關開支約303,000港元後，出售事項的收益為數約3,320,000港元。於出售事項完成後，本集團於Lukewarm及龍拓中不再持有任何權益。

44. DISPOSAL OF SUBSIDIARIES

Topshine Reward Limited ("Topshine"), a direct wholly-owned subsidiary of the Company, entered into the sale and purchase agreement dated 8 November 2019 with an independent third party, to dispose the entire equity interests in Lukewarm Gold Limited ("Lukewarm") and its subsidiary, Like Top, together with the shareholder's loan ("Shareholder's Loan") owing by Lukewarm to Topshine at an aggregate consideration of HK\$2,200,000 ("the Disposal"). In connection with the Disposal, Like Top released and waived an aggregate of approximately HK\$15,303,000 interest-free loan owed by the Group to Like Top, by entering into a deed of release and discharge with Topshine, which is a non-cash transaction for the Group.

The Disposal was duly completed on 18 November 2019. The gain on the Disposal amounted to approximately HK\$3,320,000, after disposal related expenses of approximately HK\$303,000. Following the completion of the Disposal, the Group ceased to hold any interest in Lukewarm and Like Top.

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截至二零一九年十二月三十一日止年度(以港元列值)

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44. 出售附屬公司(續)

44. DISPOSAL OF SUBSIDIARIES (continued)

		於出售日期 At date of Disposal 千港元 HK\$'000
資產及負債	Assets and liabilities	
物業、廠房及設備(附註13)	Property, plant and equipment (note 13)	89
應收賬款	Accounts receivable	48
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	697
應收本集團款項	Amount due from the Group	15,303
現金及銀行結餘	Cash and bank balance	194
應付賬款	Accounts payable	(2,449)
其他應付款項及應計負債	Other payables and accruals	(2)
股東貸款	Shareholder's Loan	(36)
		13,844
出售相關開支	Disposal related expenses	303
出售收益(附註5)	Gain on disposal (note 5)	3,320
		17,467
支付方式：	Satisfied by:	
現金代價	Cash consideration	2,200
解除應收本集團款項	Discharge of amount due from the Group	15,303
轉讓股東貸款	Assignment of Shareholder's Loan	(36)
		17,467

有關出售附屬公司的現金及現金等價物的流入淨額分析如下：

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		二零一九年 2019 千港元 HK\$'000
現金代價	Cash consideration	2,200
出售相關開支	Disposal related expenses	(303)
出售的現金及銀行結餘	Cash and bank balances disposed of	(194)
有關出售附屬公司的現金及現金等價物的流入淨額	Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	1,703

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度（以港元列值）

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45. 本公司之財務狀況表

有關本公司於報告期間結束時之財務狀況表之資料如下：

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	14	19
於附屬公司之投資	Investments in subsidiaries	2,405	41,654
非流動資產總值	Total non-current assets	2,419	41,673
流動資產	Current assets		
存貨	Inventories	22,561	–
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	1,577	329
應收附屬公司款項	Amounts due from subsidiaries	96,982	119,912
以公平值計量且其變動計入損益的 金融工具	Financial instruments at fair value through profit or loss	19,781	–
現金及銀行結餘	Cash and bank balances	10,154	79,325
流動資產總值	Total current assets	151,055	199,566
流動負債	Current liabilities		
其他應付款項及應計負債	Other payables and accruals	13,128	14,782
計息其他借貸	Interest-bearing other borrowing	5,595	5,701
應付附屬公司款項	Amount due to a subsidiary	7,764	–
流動負債總值	Total current liabilities	26,487	20,483
流動資產淨值	Net current assets	124,568	179,083
資產總值減流動負債	Total assets less current liabilities	126,987	220,756
資產淨值	Net assets	126,987	220,756
權益	Equity		
本公司擁有人應佔權益	Equity attributable to owners of the Company		
股本	Share capital	120,625	120,625
儲備	Reserves	6,362	100,131
總權益	Total equity	126,987	220,756

傅軍
Fu Kwan
董事
Director

張建
Zhang Jian
董事
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

截至二零一九年十二月三十一日止年度(以港元列值)

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45. 本公司之財務狀況表(續)

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

附註：

Note:

本公司儲備概要如下：

A summary of the Company's reserves is as follows:

		股份溢價賬	可換股債券儲備	購股權儲備	保留溢利／ (累計虧損)	總計
		Share premium account	Convertible bonds reserve	Share option reserve	Retained profits/ losses (accumulated)	Total
		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
於二零一八年一月一日	At 1 January 2018	78,399	-	1,673	101,713	181,785
年度全面開支總額	Total comprehensive expense for the year	-	-	-	(167,165)	(167,165)
註銷購股權	Cancellation of share options	-	-	(1,673)	1,673	-
發行可換股債券	Issuance of convertible bonds	-	19,266	-	-	19,266
可換股債券發行費用	Convertible bonds issuance expenses	-	(241)	-	-	(241)
可換股債券獲轉換	Conversion of convertible bonds	85,511	(18,462)	-	-	67,049
可換股債券的遞延稅項	Deferred tax on convertible bonds	-	(563)	-	-	(563)
於二零一八年十二月三十一日 及二零一九年一月一日	At 31 December 2018 and 1 January 2019	163,910	-	-	(63,779)	100,131
年度全面開支總額	Total comprehensive expense for the year	-	-	-	(93,769)	(93,769)
於二零一九年十二月三十一日	At 31 December 2019	163,910	-	-	(157,548)	6,362

綜合財務報表附註（續）

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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46. 報告期後事項

自二零二零年一月初以來，COVID-19爆發已經在中國大陸及其他國家蔓延，導致商業及經濟活動受到干擾。本集團正密切留意COVID-19爆發的發展以及其所引致的商業及經濟活動干擾，並繼續評估其對本集團財務狀況及經營業績的影響。

47. 批准綜合財務報表

綜合財務報表於二零二零年四月二十九日獲董事會批准並授權刊發。

46. EVENTS AFTER THE REPORTING PERIOD

Since early January 2020, the COVID-19 outbreak has spread across mainland China and other countries, causing disruption to business and economic activities. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by the COVID-19 outbreak and continue to evaluate its impact on the financial position and operating results of the Group.

47. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 April 2020.

投資物業之詳情

PARTICULARS OF INVESTMENT PROPERTIES

本集團於二零一九年十二月三十一日之投資物業詳情如下：

Details of the Group's investment properties as at 31 December 2019 are as follows:

地點		概約建築面積 (平方米)	租期類別	用途
Location		Approximate gross floor area (square meter)	Category of the lease term	Use
Office units 708, 728, 731, 732, 734, 735, 1132, 1510 and 1516 of Tower 1 Junefield Plaza No. 6 Xuan Wu Men Wai Dajie Xi Cheng District, Beijing the PRC	中國北京市西城區 宣武門外大街六號 莊勝廣場第一座 708、728、731、 732、734、735、 1132、1510及 1516室辦公單位	851	土地使用權 年期於二零四四年 三月二十一日屆滿 Land use rights for a term expired on 21 March 2044	商業 Commercial
Office units 725-729 on Level 7 and 917 on Level 9 of Tower 2 Junefield Plaza No. 10 Xuan Wu Men Wai Dajie Xi Cheng District, Beijing the PRC	中國北京市西城區 宣武門外大街十號 莊勝廣場第二座 七樓725至729室及 九樓917室辦公單位	744	土地使用權 年期於二零四四年 三月二十一日屆滿 Land use rights for a term expired on 21 March 2044	商業 Commercial

五年財務概要

FIVE YEAR FINANCIAL SUMMARY

業績

RESULTS

截至十二月三十一日止年度

For the year ended 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
持續經營業務 收入	Continuing Operations Revenue	337,839	184,704	36,275	154,401	298,688
持續經營業務之 除稅前虧損	Loss before tax from continuing operations	(102,143)	(139,665)	(63,891)	(51,881)	(73,764)
所得稅抵免／(開支)	Income tax credit/(expense)	3,524	7,765	1,029	2,195	(201)
持續經營業務之 年度虧損	Loss for the year from continuing operations	(98,619)	(131,900)	(62,862)	(49,686)	(73,965)
已終止經營業務之 年度虧損	Loss for the year from discontinued operations	-	-	-	(1,953)	(1,897)
年度虧損	Loss for the year	(98,619)	(131,900)	(62,862)	(51,639)	(75,862)
應佔：	Attributable to:					
本公司擁有人	Owners of the Company	(88,810)	(111,784)	(44,895)	(36,495)	(69,434)
非控股權益	Non-controlling interests	(9,809)	(20,116)	(17,967)	(15,144)	(6,428)
		(98,619)	(131,900)	(62,862)	(51,639)	(75,862)

資產及負債

ASSETS AND LIABILITIES

於十二月三十一日

At 31 December

		二零一九年 2019 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
資產總值	Total assets	329,261	393,394	440,295	483,730	798,749
負債總額	Total liabilities	(150,294)	(133,527)	(145,647)	(139,012)	(206,670)
		178,967	259,867	294,648	344,718	592,079
應佔權益：	Equity attributable to:					
本公司擁有人	Owners of the Company	159,101	229,684	241,836	278,838	509,358
非控股權益	Non-controlling interests	19,866	30,183	52,812	65,880	82,721
		178,967	259,867	294,648	344,718	592,079



Macrolink Capital Holdings Limited
新華聯資本有限公司