



融信資源
R R H L

ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 578)

2019

年報 ANNUAL REPORT

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Corporate Information

公司資料

DIRECTORS

Mr. Bao Hongkai (*Chairman*)
Mr. Dong Cunling
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi
Mr. Li Chunyan[#]
Mr. Kwan Wing Hung^{*}
Mr. Ma Geng^{*}

[#] Non-Executive Director

^{*} Independent Non-Executive Directors

AUDIT COMMITTEE

Mr. Ma Geng
Mr. Kwan Wing Hung

NOMINATION COMMITTEE

Mr. Ma Geng
Mr. Kwan Wing Hung

REMUNERATION COMMITTEE

Mr. Ma Geng (*Chairman of the Committee*)
Mr. Kwan Wing Hung

COMPANY SECRETARY

Mr. Li Chun On

AUTHORISED REPRESENTATIVES

Mr. Li Chun On
Mr. Sun Shusheng

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3204B, 32/F
Tower 1, Admiralty Centre
No. 18 Harcourt Road
Admiralty
Hong Kong

董事

包洪凱先生 (主席)
董存嶺先生
李翔飛先生
孫書生先生
張毅先生
李春彥先生[#]
關永洪先生^{*}
馬耕先生^{*}

[#] 非執行董事

^{*} 獨立非執行董事

審核委員會

馬耕先生
關永洪先生

提名委員會

馬耕先生
關永洪先生

薪酬委員會

馬耕先生 (委員會主席)
關永洪先生

公司秘書

李俊安先生

授權代表

李俊安先生
孫書生先生

總辦事處及主要營業地點

香港
金鐘
夏慤道18號
海富中心第1座
32樓3204B室

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

AUDITOR

Moore Stephens CPA Limited
*Public Interest Entity Auditor registered
in accordance with Financial Reporting
Council Ordinance*
801-806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL REGISTRAR

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

REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

STOCK CODE

578

WEBSITE

<http://www.irasia.com/listco/hk/rrhl/>

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

核數師

大華馬施雲會計師事務所有限公司
於《財務匯報局條例》下的註冊
公眾利益
實體核數師
香港
九龍
尖沙咀
廣東道30號
新港中心1座801至806室

股份過戶登記總處

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

香港股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

中國銀行(香港)有限公司

股份代號

578

網址

<http://www.irasia.com/listco/hk/rrhl/>

Five Years Financial Summary

五年財務摘要

A summary of the published results and assets, liabilities and total equity/(capital deficiency) of the Group for the last five financial years, as extracted from the Group's audited financial statements, is set out below:

以下為本集團過去五個財政年度之已公佈業績、資產、負債及股本權益／（資本虧絀）總值摘要，乃摘錄自本集團之經審核財務報表：

(A) RESULTS 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Revenue	收益	504,536	961,440	529,884	718,879	721,810
Loss before income tax	除所得稅前虧損	(110,521)	(154,893)	(196,614)	(264,330)	(385,109)
Income tax credit	所得稅抵免	3,072	2,261	-	3,304	14,777
Loss for the year	年內虧損	(107,449)	(152,632)	(196,614)	(261,026)	(370,332)
Loss attributable to non-controlling interests	非控股權益應佔虧損	7,527	9,885	17,756	24,831	35,015
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(99,922)	(142,747)	(178,858)	(236,195)	(335,317)

Five Years Financial Summary

五年財務摘要

(B) ASSETS, LIABILITIES AND TOTAL EQUITY/ (CAPITAL DEFICIENCY)

資產、負債及股本權益／（資本虧絀）

		As at 31 December				
		於十二月三十一日				
		2019	2018	2017	2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	391,044	863,625	674,564	680,166	902,177
Current assets	流動資產	156,356	1,207,277	1,411,855	1,243,954	1,466,044
Total assets	總資產	547,400	2,070,902	2,086,419	1,924,120	2,368,221
Current liabilities	流動負債	569,077	2,095,718	2,030,037	1,731,112	1,887,862
Non-current liabilities	非流動負債	61,893	138,651	132,970	92,593	102,531
Total liabilities	總負債	630,970	2,234,369	2,163,007	1,823,705	1,990,393
(Capital deficiency)/Total equity	（資本虧絀）／股本權益	(83,570)	(163,467)	(76,588)	100,415	377,828
- attributable to the owners of the Company	- 本公司擁有人應佔	(85,975)	(105,654)	(8,666)	152,044	403,125
- Non-controlling interests	- 非控股權益	2,405	(57,813)	(67,922)	(51,629)	(25,297)

Chairman's Statement

主席報告

I am pleased to present on behalf of the board (the “**Board**”) of directors (the “**Directors**”) to the shareholders the report on the results on Rosan Resources Holdings Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 December 2019 (the “**Year**”).

Year 2019 is a critical and challenging year to the Group. On the one hand, the Group has successfully undergone group restructuring (i.e. the disposal of Clear Interest Limited and its subsidiaries (“**CIL Group**”)) in the last quarter of the Year. On the other hand, the Group has been facing the general economic downturn resulting from the trade dispute between China and United States (“**US**”). The unexpected significant influence from the outbreak of COVID-19 happened since early 2020 would also bring uncertainties to the Group's operation and result in the coming year.

Upon the completion of the said group restructuring, the Group has significantly reduced the reliance on coal business which was the major component causing the Group to incur loss and high liability level continuously. Currently, the two major business lines, i.e. Coal Business and Building Materials Business, are running in a more balancing proportion to the Group's revenue. Therefore, the group restructuring has enhanced the business diversification of the Group.

During the Year, the economic growth of the People's Republic of China (the “**PRC**”) has already been facing great pressure due to the trade tension between China and US. The slowdown of economic growth has been reflected in the drop of market commodity prices, including the coal price. The weakened economic condition was not favorable to the different industries including the coal market. Therefore, the revenue obtained from Coal Business during the Year has been dropped.

Since the outbreak of COVID-19 in early 2020, most of the production and commercial activities in the PRC have been suspended or shut down. Many enterprises' operation and production have been inevitably affected. The temporary shutting down of the Group's coal mine and building materials production plant would have significant influence to the turnover and result of the Group in the first half of year 2020. Our management team is closely monitoring the situation and will notify to all stakeholders of the Company from time to time in relation to the influence from the COVID-19 incidence.

本人謹代表董事（「**董事**」）會（「**董事會**」）欣然向股東提呈融信資源控股有限公司（「**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（「**本年度**」或「**年內**」）之業績報告。

對本集團而言，二零一九年為充滿挑戰的關鍵性一年。一方面，本集團已於年內第四季度成功進行集團重組（即出售Clear Interest Limited及其附屬公司（「**CIL集團**」））。另一方面，本集團一直面臨中國及美國（「**美國**」）之間貿易爭端導致的整體經濟下滑。自二零二零年初爆發的COVID-19所產生的不可預期重大影響亦令本集團來年的營運及業績面臨不確定性。

於集團重組完成後，本集團對煤炭業務的依賴程度大幅降低，而煤炭業務乃導致本集團持續蒙受虧損及高負債水平的主要因素。現時，煤炭業務及建材業務兩大主要業務線佔本集團收入以更為平衡的比例運行。故此，集團重組有助於實現本集團業務多元化。

於年內，由於中美貿易形勢緊張，中華人民共和國（「**中國**」）經濟發展承受巨大壓力。商品價格下降（包括煤炭價格）反映出經濟增長有所放緩。疲軟的經濟狀況不利於包括煤炭市場在內的各個行業。因此，本年度煤炭業務產生收益有所下降。

自於二零二零年初COVID-19爆發以來，中國大部分生產及商業活動已暫停或停止。眾多企業的營運及生產不可避免地受此影響。本集團煤礦及建材生產廠房停工將對本集團於二零二零年上半年的營業額及業績造成重大影響。管理團隊密切監控COVID-19事件所造成的影響形勢，並將不時告知本公司所有利益相關者。

BUSINESS REVIEW

Completion of the Disposal of CIL Group

During the year 2019, the Group has undergone the disposal of CIL Group which enhanced the Group to reduce the reliance on coal business and to achieve a balanced result between Coal Business and Building Materials Business.

In the past few years, the major proportion of the income and result was contributed by the Coal Business. However, the coal market was not favorable to most of the small to medium size coal enterprises, including the Group. The Group has incurred significant loss and liabilities resulting from the operation of the coal mines in the past few years. Upon completion of the disposal of CIL Group in December 2019, two out of the three operating coal mines were disposed of to a company wholly-owned by a connected person. The one coal mine (namely Xiangyang Coal Mine) now remaining in the Group possesses the largest coal reserve with quality coal amongst the three coal mines previously owned by the Group. The Board believes that Xiangyang Coal Mine would be able to bring favorable result to the Group in the foreseeable future.

The above disposal has facilitated the Group to reduce its liabilities significantly that would help the Group to reduce its finance cost and to improve the liquidity, hence, to increase the Group's ability to achieve favorable result in the future.

Impact of Slow Economic Growth on Coal Business

In year 2019, the trade tension between China and US has apparently caused the slowdown of mainland economic growth. In such situation, general market demand and expenditures have also been affected. Therefore, the demand for coal has been slowed down, which has caused the price of coal to drop in comparing with the beginning of the Year. In addition to the reduction in sales volume during the weak market condition, the total revenue generated from the Coal Business of the Group for the Year has been dropped in comparing with the year 2018 (“**Last Year**”).

業務回顧

完成CIL集團出售

本集團於二零一九年出售CIL集團，出售CIL集團可提升本集團實力以降低對煤炭業務的依賴程度並在煤炭業務及建築材料業務間取得平衡業績。

於過去數年間，本集團大部分收入及業績來自煤炭業務。然而，煤炭市場不利於包括本集團在內的大多數中小型煤炭企業。本集團於過去數年間已因煤礦營運招致巨額虧損及負債。於二零一九年十二月完成CIL集團出售後，三座營運煤礦中的兩座已出售予一名關連人士之全資所有公司。本集團現時保有的煤礦（即向陽煤礦）擁有的優質煤炭儲量為此前本集團所擁有的三座煤礦中之最佳者。董事會相信向陽煤礦將於可見未來為本集團帶來可觀業績。

上述出售事項有利於本集團大幅減少其負債，進而有助於本集團減少融資成本及提高流動資金，從而提高本集團於日後取得可觀業績的能力。

經濟放緩對煤炭業務的影響

於二零一九年，中美貿易的緊張形勢明顯導致大陸經濟發展放緩。於此情況下，總體市場需求及支出亦受到影響。故此，煤炭需求放緩，導致煤炭價格較年初有所下降。除疲軟市況下銷量減少外，本集團於本年度自煤炭業務產生之總收益較二零一八年（「**上一年度**」）而言亦有所減少。

Chairman's Statement

主席報告

Achievement of Building Materials Business

In respect of the building materials industry, the government has imposed different environment protection measurements which have caused many local enterprises and competitors suspended for rectification or further improvement. As the production plant of the Building Materials Business of the Group has been certified by the government as an environmentally-qualified entity, those environment protection measurements have no impact to the operation of the Group but to other non-qualified enterprises. As a result, the Group has obtained more building projects during the Year, hence, the revenue of the Building Materials Business was increased.

PROSPECT

Looking forward, the global economy is facing significant uncertainties and challenges resulting from the recent outbreak of COVID-19 across the world as well as the trade tension between China and US. It is anticipated that the China economy would be going downward in the first half of year 2020. Nevertheless, the Chinese government has imposed adequate and effective measures to control the disease from further spreading as at the date of this report. Also, the trade tension between China and US has been soothed in the past few months. The management of the Company believes that the threat from the above incidents to the economy would only be temporary in nature. The Group remain confident in long-term development growth with promising prospects in China.

APPRECIATION

I would like to take this opportunity to express my most sincere thanks and gratitude to our shareholders, and various parties for their continuing support, and our directors and staff for their dedication and hard work.

Bao Hongkai

Chairman

Hong Kong, 13 May 2020

建材業務的成就

就建材行業而言，政府已實施不同環境保護措施，導致眾多地方企業及競爭對手停業整頓及進一步整改。由於本集團建材業務生產廠房已獲政府認證為環境合格實體，故該等環境保護措施只影響不合格企業，而未影響本集團營運。故此，本集團於本年度取得更多建築項目，建材業務收入取得增長。

前景

展望未來，由於近期COVID-19於世界範圍內全面爆發及中美之間貿易形勢緊張，全球經濟面臨巨大的不確定性及挑戰。中國經濟預期將於二零二零年上半年呈下行之勢。然而，於本報告日期，中國政府已採取恰當及有效措施以阻止病毒進一步傳播。過去數月間，中美之間的貿易緊張形勢亦有所緩和。本公司管理層相信上述事件的經濟威脅乃屬暫時。本集團仍對於中國的長期發展及光明前景充滿信心。

鳴謝

本人謹藉此機會誠懇感謝本公司股東及各界人士長久以來的支持以及本公司董事及員工的貢獻及努力。

主席

包洪凱

香港，二零二零年五月十三日

FINANCIAL REVIEW

Revenue

The Group's total revenue for the Year amounted to approximately HK\$504.5 million, representing a decrease of approximately 47.5% from approximately HK\$961.4 million of the Last Year. The decrease in revenue was primarily due to reduction in sales volume and the sales price of coal. During the Year, the total sales volume of coal has decreased to approximately 741,000 tons which was lower than the sales volume of the Last Year (approximately 1,679,000 tons) by approximately 55.9%. On the contrary, as the demand for building materials increased during the Year as explained in the section of Chairman's Statement, the total revenue of Building Materials Business was increased from approximately HK\$198.0 million to approximately HK\$225.8 million.

Cost of sales and gross profit

The cost of sales and gross profit for the Year were approximately HK\$459.9 million (the Last Year: approximately HK\$901.9 million) and approximately HK\$44.6 million (the Last Year: gross profit of approximately HK\$59.5 million) respectively.

The gross profit margin was improved from approximately 6.2% for the Last Year to approximately 8.8% for the Year. During the Year, income from sales of building materials and rental income from leasing boundary wall moulds have contributed higher profit margin to the Group.

The Building Material Business is operated by a subsidiary, Henan Xingan New Construction Materials Company Limited* (河南興安新型建築材料有限公司) ("Henan Xingan") which was acquired in Last Year. Henan Xingan is located right next to a state-owned power generating plant which produces scrap materials during its operation and such scrap materials are the main raw materials for the production of building materials by Henan Xingan. Therefore, Henan Xingan can obtain such raw materials in a cost effective way. As a result, the favorable location of Henan Xingan allows the company to save costs and bring a favorable gross profit to the Group's result.

* For identification purpose only

財務回顧

收益

本集團於本年度之收益總額約為504,500,000港元，較上一年度約961,400,000港元減少約47.5%。收益減少主要是由於煤炭銷量及銷售價格下降。於本年度，煤炭之總銷量減少至約741,000噸，較上一年度之銷量（約1,679,000噸）降低約55.9%。與之相反，由於如在主席報告內一段所述本年度建築材料需求增長，故建材業務之總收益由約198,000,000港元增加至約225,800,000港元。

銷售成本及毛利

本年度之銷售成本及毛利分別約為459,900,000港元（上一年度：約901,900,000港元）及約44,600,000港元（上一年度：毛利約59,500,000港元）。

毛利率由上一年度之約6.2%改善至本年度之約8.8%。於本年度，建材銷售收入及租賃圍牆模具之租金收入為本集團貢獻較高毛利率。

建材業務由去年被收購的附屬公司河南興安新型建築材料有限公司（「河南興安」）經營。河南興安緊鄰之國有所發電站，該發電站在營運期間產生廢料且該廢料為河南興安生產建築材料的主要原材料，因此，河南興安可以以較為經濟的成本獲得該等原材料。故此，河南興安的優越地理位置使公司可節省成本並為本集團業績帶來可觀的毛利。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Slightly decrease of approximately HK\$0.2 million in selling and distribution expenses from approximately HK\$37.6 million of the Last Year to approximately HK\$37.4 million for the Year, was due to the outbound transportation cost incurred by the Building Materials Business remained almost unchange as Last Year.

Administrative expenses

During the Year, the total administrative expenses amounted to approximately HK\$92.3 million (the Last Year: approximately HK\$90.1 million) which mainly comprised of: (i) employee benefits expense of approximately HK\$31.8 million (the Last Year: approximately HK\$33.6 million); (ii) amortisation of mining right and other intangible assets amounted to approximately HK\$6.6 million (the Last Year: approximately HK\$7.9 million); (iii) depreciation of property, plant and equipment amounted to approximately HK\$11.4 million (the Last Year: approximately HK\$8.6 million); and (iv) depreciation of right-of-use assets amounted to approximately HK\$2.8 million (the Last Year: Nil).

Finance costs

The finance costs decreased by approximately 16.7% from approximately HK\$101.5 million for the Last Year to approximately HK\$84.5 million for the Year. The decrease in the finance costs was mainly due to the decrease in the average amount of bank and other loans during the Year.

Net loss attributable to the owners of the company

The net loss attributable to the owners of the Company for the Year was approximately HK\$99.9 million, representing a decrease of approximately 30.0% as compared with the Last Year of approximately HK\$142.7 million. The reasons for the decrease in net loss attributable to the owners of the Company were mainly due to the reduction in finance cost and obtaining interest income from a matured fixed deposit.

Accounts and bills receivables and contract assets

As at 31 December 2019 (the “**Current Year End**”), the accounts and bills receivables and contract assets amounted to approximately HK\$96.2 million, representing a decrease of approximately 78.8% as compared to the accounts and bills receivables and contract assets as at 31 December 2018 (the “**Last Year End**”) of approximately HK\$454.6 million. The decrease was mainly due to the decrease in the revenue obtained from Coal Business as well as the disposal of CIL Group.

銷售及分銷開支

銷售及分銷開支由上一年度的約37,600,000港元輕微減少約200,000港元至本年度的約37,400,000港元，乃由於建築材料業務產生的對外運輸成本較上一年度幾乎維持不變所致。

行政開支

於本年度，行政開支總額約為92,300,000港元（上一年度：約90,100,000港元），主要包括：(i)僱員福利開支約31,800,000港元（上一年度：約33,600,000港元）；(ii)採礦權及其他無形資產攤銷約6,600,000港元（上一年度：約7,900,000港元）；(iii)物業、廠房及設備折舊約11,400,000港元（上一年度：約8,600,000港元）；及(iv)使用權資產折舊約2,800,000港元（上一年度：無）。

財務費用

財務費用由上一年度之約101,500,000港元減少約16.7%至本年度之約84,500,000港元。財務成本減少主要是由於本年度平均銀行及其他貸款金額減少。

本公司擁有人應佔虧損淨額

於本年度，本公司擁有人應佔虧損淨額約為99,900,000港元，較上一年度之虧損淨額約142,700,000港元減少約30.0%。本公司擁有人應佔虧損淨額減少主要是由於財務費用減少及從定期存款到期而獲取利息所致。

應收賬款及票據及合約資產

於二零一九年十二月三十一日（「**本年度末**」），應收賬款及票據及合約資產約為96,200,000港元，較於二零一八年十二月三十一日（「**上年度末**」）之應收賬款及票據及合約資產約454,600,000港元減少約78.8%。減少主要是由於煤炭業務收入減少以及出售CIL集團所致。

Amongst the total amount of accounts receivable less allowance for credit losses (excluding the bills receivable and contract assets) as at the Current Year End, the largest customer of the Group was the largest debtor who has contributed approximately HK\$26.6 million (equivalent to approximately RMB23.8 million) or approximately 21.1% of the total accounts receivable amount.

Accounts and bills payables

The Group has no bills payable as at the Current Year End (the Last Year End: approximately HK\$607.8 million) and has accounts payables amounting to approximately HK\$32.5 million (the Last Year End: approximately HK\$50.3 million). Upon the disposal of CIL Group, the Group's liquidity has been improved and no longer required bills payable for settlement.

Other payables, accruals and deposit received

The total amount of other payables and accruals have been decreased by approximately 34.1% from approximately HK\$551.4 million as at the Last Year End to approximately HK\$363.6 million as at the Current Year End. As at the Current Year End, the other payables were mainly comprised of provision for PRC retirement benefit scheme contributions amounting to approximately HK\$74.7 million (the Last Year End: approximately HK\$194.7 million), contract liabilities amounting to approximately HK\$17.3 million (the Last Year End: approximately HK\$13.2 million), accrued workers' wages and benefits amounting to approximately HK\$104.7 million (the Last Year End: approximately HK\$51.5 million).

於本年度末應收賬款總額減信貸損失撥備中（不包括應收票據及合約資產），本集團最大客戶為最大債務人，其貢獻約26,600,000港元（相等於約人民幣23,800,000元），或佔應收賬款總額約21.1%。

應付賬款及票據

本年度末，本集團並無應付票據（上年度末：約607,800,000港元），而應付賬款約為32,500,000港元（上年度末：約50,300,000港元）。於出售CIL集團後，本集團的流動資金有所改善且不再需要應付票據以供結算。

其他應付款項、應計費用及已收按金

其他應付款項及應計費用總額由上年度末之約551,400,000港元減少約34.1%至本年度末之約363,600,000港元。於本年度末，其他應付款項主要包括計提中國退休福利計劃供款金額約74,700,000港元（上年度末：約194,700,000港元）、合約負債約17,300,000港元（上年度末：約13,200,000港元）、應計工人工資及福利約104,700,000港元（上年度末：約51,500,000港元）。

Management Discussion and Analysis

管理層討論及分析

ESTIMATED COAL RESOURCES OF THE COAL MINES OF THE GROUP

The following table summarized the estimated coal resources (in million tons, "mt") of the coal mines of the Group as at 31 December 2019 and 2018:

本集團的煤礦之估計煤炭資源

下表概述本集團的煤礦於二零一九年及二零一八年十二月三十一日的估計煤炭資源（以百萬噸「百萬噸」）：

		As at 31 December 2019 mt 於二零一九年 十二月 三十一日 百萬噸	As at 31 December 2018 mt 於二零一八年 十二月 三十一日 百萬噸
Coal mines operated and owned by the Group	本集團經營及擁有之煤礦		
(i) Xiaohe Coal Mine No.1 (note 2)	(i) 小河一礦(附註2)	N/A 不適用	6.4
(ii) Xiangyang Coal Mine	(ii) 向陽煤礦	13.9	14.2
(iii) Xingyun Coal Mine (note 2)	(iii) 興運煤礦(附註2)	N/A 不適用	3.2
		13.9	23.8

Notes:

- (1) Major assumptions adopted for the annual updates on the above estimated coal resources were:
- (i) Original coal resources of each coal mine were made reference to the relevant coal resources reports and/or coal mine information available to the Group at the time of acquisition of the respective coal mines;
- (ii) Annual updates on the estimated coal resources for each coal mine as at Current Year End were calculated as follow:
- (Estimated coal resources as at the Last Year End) – (Actual coal production volume for the Year);
- (iii) There was no material structural change within the coal mines that will cause the significant deviation between the actual coal resources and the above annual updates.
- (2) Xiaohe Coal Mine No.1 and Xingyun Coal Mine were disposed of to a connected party during the year.

附註：

- (1) 對上述估計煤炭資源量進行年度更新時採用之主要假設為：
- (i) 各煤礦原煤炭資源量乃參考煤炭資源量報告及／或於收購各煤礦時本集團可得到之資料；
- (ii) 本年度末各煤礦之估計煤炭資源量年度更新乃按下文計算：
- （上年度末估計煤炭資源量）－（年內實際煤炭產量）；
- (iii) 煤礦並無出現重大結構性變動會導致實際煤炭資源量大幅偏離上述年度更新資料。
- (2) 小河一礦及興運煤礦已於本年度出售予一名關連人士。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at the Current Year End, the net liabilities of the Group was approximately HK\$83.6 million (as at the Last Year End: approximately HK\$163.5 million) and the total cash and bank balance was approximately HK\$15.9 million while there was no pledged and restricted bank deposits as at the Current Year End (as at the Last Year End: approximately HK\$692.4 million including pledged and restricted bank deposits). As at the Current Year End, the Group had net current liabilities of approximately HK\$412.7 million (as at the Last Year End: approximately HK\$888.4 million) and its current ratio decreased from 0.58 times as at the Last Year End to 0.27 times as at the Current Year End. The Group's working capital was mainly financed by internal cash flow generated from its operation and the banking facilities granted by financial institutions.

As at the Current Year End, the Group's accounts and bills receivables, net of any provision for impairment amounted to approximately HK\$95.4 million (as at the Last Year End: approximately HK\$452.6 million).

As at the Current Year End, no bank deposits (as at the Last Year End: approximately HK\$655.0 million) were pledged or not available for the operation or repayment of debts of the Group. No bank deposits (as at the Last Year End: approximately HK\$1.6 million) were restricted for use in relation to administrative proceedings. Cash and cash equivalents which were not pledged amounted to approximately HK\$15.9 million (as at the Last Year End: approximately HK\$35.8 million).

As at the Current Year End, the Group has bank and other loans amounting to approximately HK\$147.0 million (as at the Last Year End: approximately HK\$762.2 million), which are due for repayment within one year from the reporting date or repayable on demand. These bank and other loans bear interest at interest rates ranging from 6.5% to 13.2% per annum (as at the Last Year End: from 1.2% to 12.8% per annum).

As at the Current Year End, the Group has neither bills payable were secured by the Group's pledged deposits nor guaranteed by other parties (as at the Last Year End: approximately HK\$485.9 million of the Group's bills payable secured by the Group's pledged deposits and HK\$152.4 million were guaranteed by a major customer or its subsidiaries).

流動資金、財務資源及資本結構

於本年度末，本集團之負債淨值約為83,600,000港元（於上年度末：約163,500,000港元），而現金及銀行結餘總額則約為15,900,000港元（於上年度末：約692,400,000港元（包括已抵押及受限制銀行存款）），而於本年度末並無已抵押及受限制銀行存款。於本年度末，本集團之流動負債淨額約為412,700,000港元（於上年度末：約888,400,000港元），流動比率則由上年度末之0.58倍減少至本年度末之0.27倍。本集團之營運資金主要來其營運所得內部現金流及金融機構授予的銀行融資。

於本年度末，本集團應收賬款及票據（扣除任何減值撥備）約為95,400,000港元（於上年度末：約452,600,000港元）。

於本年度末並無已抵押銀行存款（於上年度末：約655,000,000港元），或不可用於本集團之營運或債務償還。並無銀行存款（於上年度末：約1,600,000港元）乃因行政程序其使用受到限制。並未抵押之現金及現金等值項目約為15,900,000港元（於上年度末：約35,800,000港元）。

於本年度末，銀行及其他貸款總額約147,000,000港元（於上年度末：約762,200,000港元）於報告日期起計一年內償還或按要求償還。該等銀行及其他貸款按年利率介乎6.5%至13.2%（於上年度末：1.2%至12.8%）計息。

於本年度末，本集團無應付票據由本集團之已抵押存款作為抵押亦無本集團之其他人士作為擔保（於上年度末：約485,900,000港元）及152,400,000港元由主要客戶或其附屬公司擔保。

Management Discussion and Analysis

管理層討論及分析

The Group's gearing ratio (as a ratio calculated by (a) the sum of bank and other loans, amount due to an associate and amounts due to and loan from shareholders; divided by (b) the total assets of the Group) was 37.6% (as at the Last Year End: 44.4%).

CAPITAL COMMITMENTS

Save as disclosed in note 42(a) to the consolidated financial statements, the Group did not have any other capital commitments as at 31 December 2019.

本集團之資本負債比率（按(a)銀行及其他貸款、應付聯營公司款項及應付股東款項及股東貸款之總和；除以(b)本集團總資產為37.6%（於上年度末：44.4%）。

資本承擔

除綜合財務報表附註42(a)所披露者外，於二零一九年十二月三十一日，本集團並無任何其他資本承擔。

Profile of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Bao Hongkai, aged 50, has been appointed as the chairman and executive director of the Company since April 2020. He graduated with bachelor degree from Henan Polytechnic University, Henan Province, PRC and he also obtained a master degree of business administration from the National University of Singapore. He was the chairman and executive director of the Company during the year 2006 to year 2010. He used to be as a coal mine technical adviser and the safety supervisor. Mr. Bao has more than 20 years of experience in coal mining industry in the PRC.

Mr. Dong Cunling, aged 58, has been appointed as the executive director of the Company and chairman of the Board since December 2011 and March 2012. He holds a professional diploma in Chinese Language of Henan University, the PRC. He has extensive experience in the management of coal mines. He has put sufficient effort to lead the Board during the period from March 2012 to March 2020 when he was the chairman of the Board.

Mr. Li Xiangfei, aged 40, has been appointed as the executive director of the Company since June 2018. Mr. Li graduated in 2002 from Zhengzhou University with major in Commercial and Business Management. He has extensive working experience in mining industry and has been a key management of a mining enterprise in the PRC. In recent years, Mr. Li has focused on the development of green economy and has been engaged as a chief operation officer of a ski and resort development company in the PRC.

Mr. Sun Shusheng, aged 55, has been appointed as the executive director of the Company since June 2018. He has obtained the post graduate diploma from Henan University with major in litigation law. He has extensive management experience in sizeable insurance companies and state-owned enterprises in the PRC. He has worked as top management for the branches of certain insurance companies in China, including People Insurance Company (Group) of China Limited and China United Property Insurance Company Limited. Prior to his joining to the Company, he was the general manager of general support department of China United Property Insurance Company Limited.

Mr. Zhang Yi, aged 33, has been appointed as the executive director of the Company since February 2018. He graduated in 2008 from Yangtze University major in Human Resources Management. He has approximately 7 years of experience in the financial industry, specialize in feasibility study of projects, investment analysis and project development. He is currently a manager of a real estate company. He had also served as customer service manager of a bank in the PRC.

執行董事

包洪凱先生，50歲，自二零二零年四月起獲委任為本公司主席及執行董事。彼畢業於中國河南省之河南理工大學，持有學士學位，彼亦取得新加坡國立大學之工商管理碩士學位。彼曾於二零零六年至二零一零年擔任本公司之主席及執行董事。彼曾擔任煤礦技術顧問及安全監察員。包先生於中國煤礦開採業擁有逾20年經驗。

董存嶺先生，58歲，自二零一一年十二月及二零一二年三月起分別獲委任為本公司之執行董事及董事會主席。彼持有中國河南大學的中文專業文憑。彼於管理煤礦擁有豐富經驗。於二零一二年三月至二零二零年三月擔任董事會主席期間，彼付出全力領導領董事會。

李翔飛先生，40歲，自二零一八年六月起獲委任為本公司執行董事。李先生二零零二年畢業於鄭州大學，主修行政專業。彼擁有豐富之礦業企業管理工作經驗，曾就任於一所國內礦產資源企業之主要管理層。李先生近年來專注綠色經濟之發展，曾受聘於國內一所滑雪渡假開發公司為首席營運官。

孫書生先生，55歲，自二零一八年六月起獲委任為本公司執行董事。彼持有中國河南大學專業文憑，主修訴訟法。彼具豐富之保險公司及大型國企管理層工作經驗，曾任多個國內具規模保險公司分行之高級管理層，包括中國人民保險公司及中華聯合財產保險股份有限公司。加入本公司前，他曾擔任中華聯合財產保險股份有限公司之綜協辦總經理。

張毅先生，33歲，自二零一八年二月起獲委任為本公司執行董事。彼於二零零八年畢業於長江大學，專修人力資源管理。彼於金融行業擁有約七年經驗，專門從事項目之可行性研究、投資分析以及項目開發。彼現時為一家房地產公司之經理。彼亦曾擔任中國一間銀行之客戶服務經理。

Profile of Directors and Senior Management

董事及高級管理層履歷

NON-EXECUTIVE DIRECTOR

Mr. Li Chunyan, aged 55, has been the non-executive director of the Company since December 2011. He is currently a registered lawyer at Henan Shi Ji Tong Law Firm (河南世紀通律師事務所) in the PRC and is also a certified public accountant, certified public valuer and certified tax agent in the PRC. Mr. Li has acted as a legal adviser to the Henan Provincial People's Hospital, the Henan TV Station and certain listed companies in the PRC. Mr. Li was an independent non-executive director in six PRC listed companies during the period from 2002 to 2008. He is currently an independent non-executive director (appointed in 2014 and will be retired in 2020) of Zhengzhou Yutong Bus Co., Ltd which listed on the Shanghai Stock Exchange of the PRC. Mr. Li is also currently an independent non-executive director of Zhongyu Gas Holdings Limited since October 2010, which is listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Wing Hung, aged 53, graduated with master of business administration from The Ohio State University, United States. He has also obtained a bachelor degree in Applied Mathematics from Chongqing University and master degree in Systems Engineering from University of Shanghai for Science and Technology, China. Mr. Kwan is both a member of American Institute of Certified Public Accountant ("AICPA") and Chartered Financial Analyst ("CFA"), the United States. Mr. Kwan was the financial controller and investor relations officer of a Hong Kong listed company from the year 2009 to year 2016. He has extensive working experience in the mining industry, real estate and fund investment. He is specialized in the area of financial management, merger and acquisition and fund investment.

Mr. Ma Geng, aged 61, graduated with doctor degree of mining engineering from China University of Mining and Technology (Beijing). He is currently an executive director, dean and senior engineer of Henan Energy and Chemical Group Company Limited. He is also acting as committee member of Coal Industry Committee of Technology, China Coal Society and Mining Professional Committee. He has extensive solid experience engaging in coal mines safety production, mining research and engineering.

非執行董事

李春彥先生, 55歲, 自二零一一年十二月起為本公司之非執行董事。彼現為河南世紀通律師事務所之中國註冊律師, 亦為中國之註冊會計師、註冊資產評估師及註冊稅務師。李先生曾任河南省人民醫院、河南省電視台及其他於中國上市之上市公司之法律顧問。李先生由二零零二年至二零一八年期間, 曾擔任六家中國上市公司的獨立非執行董事。彼現任於中國上海證券交易所上市的鄭州宇通客車股份有限公司之獨立非執行董事(於二零一四年獲委任, 將於二零二零年退任)。李先生亦自二零一零年十月起擔任中裕燃氣控股有限公司(於聯交所主板上市)之獨立非執行董事。

獨立非執行董事

關永洪, 53歲, 畢業於美國俄亥俄州立大學, 獲得工商管理碩士學位。彼亦獲得中國重慶大學應用數學學士學位及上海理工大學系統工程碩士學位。關先生為美國註冊會計師協會(「AICPA」)及美國特許金融分析師協會(「CFA」)會員。關先生於二零零九年至二零一六年期間擔任一間香港上市公司之財務總監及投資者關係總監。彼於採礦業、房地產及基金投資擁有豐富的工作經驗。彼專門從事財務管理、併購及基金投資領域。

馬耕先生, 61歲, 畢業於中國礦業大學(北京), 持有採礦工程博士學位。彼目前擔任河南能源化工集團有限公司之執行董事、院長及高級工程師。彼亦為煤炭工業技術委員會、中國煤炭學會開採專業委員會之委員。彼於煤礦安全生產、採礦研究及工程方面具有廣泛扎實的經驗。

Profile of Directors and Senior Management

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. Li Chun On, aged 46, joined the Group in September 2006 and was the executive director of the Company during the period from 2009 to 2013. Mr. Li is currently the Company Secretary, the chief financial officer and the authorised representative of the Company. He graduated with bachelor degree in accounting from the Hong Kong Polytechnic University. Mr. Li has more than 20 years of experience in accounting and corporate financial management. Mr. Li is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, United Kingdom.

高級管理層

李俊安先生，46歲，於二零零六年九月加入本集團，於二零零九年至二零一三年期間為本公司執行董事，現任本公司之公司秘書、財務總監及授權代表。彼畢業於香港理工大學，獲會計學士學位。李先生於會計及公司財務管理方面擁有逾20年經驗。李先生為香港會計師公會會員及英國特許會計師公會資深會員。

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Year, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for the deviation as set out below.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive director and independent non-executive directors (“INEDs”) of the Company do not have a specific term of appointment, but are subject to rotation in accordance with bye-law 111 of the Bye-laws of the Company. As the non-executive director and INEDs of the Company are subject to rotation in accordance with the Bye-laws of the Company, the Board considers that the non-executive director and INEDs of the Company so appointed with no specific term will not impair the quality of corporate governance of the Company as required by the principle of good governance laid down in A.4 of the CG Code.

Code provision A.6.7 of the CG Code requires that INEDs and the non-executive directors should attend general meetings. All of them attended the 2019 annual general meeting of the Company held on 30 May 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code throughout the Year.

遵守企業管治守則

於年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四企業管治守則（「企管守則」）所載守則條文，惟下文所載偏離除外。

企管守則之守則條文A.4.1規定，非執行董事之委任應有指定任期，並須接受重選。本公司非執行董事及獨立非執行董事（「獨立非執行董事」）並無指定任期，惟須根據本公司之公司細則第111條輪值退任。由於本公司非執行董事及獨立非執行董事須根據本公司之公司細則輪值退任，董事會認為本公司非執行董事及獨立非執行董事並非按指定任期獲委任，概不會損害本公司按企管守則A.4條設定之良好管治原則所要求之企業管治質素。

企管守則之守則條文第A.6.7條規定，獨立非執行董事及非執行董事應出席股東週年大會。彼等已出席本公司於二零一九年五月三十日舉行之二零一九年股東週年大會。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市公司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的操守守則。經作出具體查詢，全體董事於整個本年度內一直全面遵守標準守則所載的所需標準。

BOARD OF DIRECTORS

As at the date of this report, the Board comprises eight Directors and its composition is set out as follows:

Executive Directors

Mr. Bao Hongkai (*Chairman*)
Mr. Dong Cunling
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi

Non-Executive Director

Mr. Li Chunyan

INEDs

Mr. Kwan Wing Hung
Mr. Ma Geng

The brief biographical details of the Directors and the relationship among them are set out in the section headed “Profile of Directors and Senior Management” in the 2019 annual report of the Company, of which this report forms part.

RESPONSIBILITY OF BOARD AND MANAGEMENT

The Board determines the overall strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group’s strategic objectives. Matters reserved for the Board are those affecting the Group’s overall strategic policies, finances and shareholders including financial statements, dividend policies, significant changes in accounting policy, material contracts and major investment. Day-to-day management of the Group’s businesses is delegated to the executive Directors or senior management. The Board reviews the delegation of power and functions from time to time to ensure effectiveness and appropriateness.

董事會

於本報告日期，董事會有八名董事，其成員如下：

執行董事

包洪凱先生（主席）
董存嶺先生
李翔飛先生
孫書生先生
張毅先生

非執行董事

李春彥先生

獨立非執行董事

關永洪先生
馬耕先生

董事簡歷及彼等之間的關係載於本公司二零一九年年報（本報告為其中一部份）「董事及高級管理層履歷」一節。

董事會及管理層之責任

董事會負責制訂整體策略、監控經營及財務表現以及制訂適當的風險管理政策，以達致本集團的策略目標。董事會須處理影響本集團整體策略政策、財務與股東的事宜，包括財務報表、股息政策、會計政策重大改變、重大合約及主要投資。本集團業務的日常管理由執行董事及高級管理層負責。董事會不時檢討所授權力及所委派的職責，以確保其效率及適當性。

Corporate Governance Report

企業管治報告

ATTENDANCE OF THE BOARD AND BOARD COMMITTEES

The Board meets regularly during the Year and the Directors have made active contribution to the affairs of the Group. The following table shows the attendance of all the Directors at the meetings held during the year ended 31 December 2019:

出席董事會及委員會會議次數

董事會於年內定期舉行會議及各董事亦就本集團之事務作出積極貢獻。下表顯示全體董事於截至二零一九年十二月三十一日止年度內出席會議的情況：

Directors	董事	Attendance/Number of Meetings				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
Executive Directors		執行董事				
Mr. Bao Hongkai [#]	包洪凱先生 [#]	-	-	-	-	-
Mr. Dong Cunling	董存嶺先生	4	-	-	-	1
Mr. Li Xiangfei	李翔飛先生	1	-	-	-	0
Mr. Sun Shusheng	孫書生先生	4	-	-	-	1
Mr. Zhang Yi	張毅先生	2	-	-	-	0
Mr. Zhou Guangwen [*]	周廣文先生 [*]	2	-	-	-	0
Non-Executive Director		非執行董事				
Mr. Li Chunyan	李春彥先生	4	-	-	-	1
INEDs		獨立非執行董事				
Dr. Chen Renbao [*]	陳仁寶博士 [*]	4	2	1	1	1
Mr. Ma Wai Tong [*]	馬煒堂先生 [*]	4	2	1	1	1
Mr. Ma Yueyong [*]	馬躍勇先生 [*]	4	2	1	1	1
Mr. Kwan Wing Hung [#]	關永洪先生 [#]	-	-	-	-	-
Mr. Ma Geng [#]	馬耕先生 [#]	-	-	-	-	-

* Resigned by the date of this report

Appointed after 31 December 2019

* 於本報告日期之前離任

於二零一九年十二月三十一日後獲委任

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. Bao Hongkai is responsible for corporate planning and market development. The Chief Executive Officer, being Mr. Sun Shusheng, he performs the functions of chief executive of the Group, is responsible for the day-to-day management of the Group.

主席及行政總裁

董事會主席與本公司行政總裁的職位及職責由兩名人士分別擔任及履行，以加強彼等各自的獨立性、問責性及責任性。主席包洪凱先生負責企業規劃及市場發展。行政總裁為孫書生先生，彼執行本集團行政總裁職務，負責本集團的日常管理。

INEDS

One-third of the members of the Board consist of INEDs and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive director of the Company an annual confirmation of his independence for the year ended 31 December 2019 pursuant to Rule 3.13 of the Listing Rules and the Company considers all INEDs to be independent during the Year.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. The non-executive directors are not appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings (“AGM”) of the Company. Pursuant to bye-law 111 of the Bye-laws of the Company, each director of the Company shall be subject to retirement by rotation at least once every three years. The Board considers that the non-executive directors so appointed with no specific term will not impair the quality of corporate governance of the Group required by the principle of good governance laid down in A.4 of the CG Code.

The procedures for Shareholders to propose a person for election as a director of the Company are available and accessible on the Company’s website at <http://www.irasia.com/listco/hk/rrhl>.

BOARD DIVERSITY POLICY

During the Year, the Board has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The nomination committee will give consideration to the Board Diversity Policy when identifying suitably qualified candidates, to become members of the Board.

獨立非執行董事

董事會三分之一成員為獨立非執行董事及其中最少一名擁有適合專業資格或會計或相關財務管理專業。本公司已接獲本公司每名獨立非執行董事按照上市規則第3.13條發出就於截至二零一九年十二月三十一日止年度之年度獨立性確認書，本公司認為所有獨立非執行董事均具獨立性。

委任及重選董事

根據企業管治守則條文A.4.1，非執行董事須按指定任期委任及重選。非執行董事概無指定任期，惟須於本公司股東週年大會（「股東週年大會」）上輪值退任及重選。根據本公司之公司細則第111條，每名本公司之董事均須最少每三年在股東週年大會上輪值退任一次。董事會認為非執行董事之委任並無指定任期，並不損害本集團按企業管治守則A.4部份設定之良好管治原則所要求之企業管治質素。

有關股東提名候選本公司之董事的程序載於本公司網站（<http://www.irasia.com/listco/hk/rrhl>）以供查閱。

董事會多元化政策

年內，董事會採納董事會多元化政策（「**多元化政策**」），該政策載列實現董事會多元化之方式。本公司明白，加強董事會成員之多元化將有助本公司實現策略目標及可持續發展。

本公司尋求透過考慮多種因素實現董事會多元化，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資。最終決定將基於選定候選人將為董事會帶來之好處及貢獻作出。

當物色具備合適資格可擔任董事會成員時，提名委員會將根據多元化政策作出考慮。

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs, namely Mr. Kwan Wing Hung and Mr. Ma Geng (as chairman) as at the date of this report. During the Year, the Remuneration Committee held one meeting. The attendance record of the committee is set out in the table on page 20 of this annual report.

The principal role and functions of the Remuneration Committee are to review the remuneration packages of individual executive Directors and key executives, including salaries, bonuses, benefits in kind and the terms on which they participate in any share options and other plans considering factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and key executives, employment conditions elsewhere in the Group and desirability of performance-based remuneration and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) with terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs, namely Mr. Kwan Wing Hung and Mr. Ma Geng as at the date of this report. During the Year, the Nomination Committee held one meeting. The attendance record of the committee is set out in the table on page 20 of the annual report.

The main duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and to identify individuals suitably qualified to become board members. It is also responsible for assessing the independence of INEDs and making recommendations to the Board on relevant matters relating to the appointment or reappointment of director and succession planning for Directors. The Nomination Committee reviewed the board diversity policy and the progress on achieving the objectives set for implementing the said policy. The recommendations of the nomination committee are then put forward for consideration and adoption where appropriate, by the Board.

薪酬委員會

本公司已遵照企業管治守則成立薪酬委員會（「**薪酬委員會**」），並訂定書面職權範圍。於本報告日期，薪酬委員會成員包括兩名獨立非執行董事關永洪先生及馬耕先生（主席）。薪酬委員會之職權範圍載於聯交所及本公司網站。年內，薪酬委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第20頁表內。

薪酬委員會的主要職責及職權為透過參考比較公司所付薪金、董事及主要行政人員的工作時間及職責、本集團其他成員公司的僱傭條件及按表現發放酬金的適當性，檢討個別執行董事及主要行政人員的酬金待遇，包括薪金、花紅、實物利益及彼等參與購股權及其他計劃的條款，以及不時向董事會提供建議。

提名委員會

本公司已遵照企業管治守則成立提名委員會（「**提名委員會**」），並訂定書面職權範圍。於本報告日期，提名委員會成員包括兩名獨立非執行董事關永洪先生及馬耕先生。年內，提名委員會曾舉行一次會議。委員會成員之出席紀錄載於年報第20頁表內。

提名委員會的主要職責為定期檢討董事會的架構、人數及組成（包括技能、知識及經驗）以及物色合資格成為董事會成員之人士。委員會亦負責評估獨立非執行董事之獨立性及就有關委任或重新委任董事及董事繼任安排之相關事宜向董事會提供建議。提名委員會已檢討董事會多元化政策及實施該政策之目標之進展。提名委員會的建議其後將提交董事會考慮及於適當時經董事會採納。

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs, namely Mr. Kwan Wing Hung and Mr. Ma Geng as at the date of this report. The principal role and functions of the Audit Committee are to review and provide supervision over the Group’s financial reporting process, internal controls and risk management. The Audit Committee also serves as a channel of communication between the Board and the external auditor.

During the Year, the Audit Committee held two meetings. The attendance record of the committee members at these meetings are set out in the table on page 20 of the annual report. The work performed by the audit committee during the Year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2019, the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2019 and recommended such financial statements to the Board for approval and also the effectiveness of the internal control and risk management practices of the Group.

The Audit Committee has recommended to the Board that Moore Stephens CPA Limited be nominated for re-appointment as auditor of the Company at the forthcoming AGM of the Company.

The Board has delegated the responsibilities for performing the corporate governance duties to the Audit Committee to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of Directors; to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to employees and Directors; and to review the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

It also reviewed the Company’s progress in implementing the corporate governance requirements as set out in the CG Code.

審核委員會

本公司已遵照企業管治守則成立審核委員會（「**審核委員會**」），並訂定書面職權範圍。於本報告日期，審核委員會成員包括兩名獨立非執行董事關永洪先生及馬耕先生。審核委員會的主要職責及職權為檢討及監察本集團的財務報告程序、內部監控及風險管理。審核委員會亦為董事會及外聘核數師之間的溝通渠道。

年內，審核委員會曾舉行兩次會議。委員會成員出席該等會議之紀錄載於年報第20頁表內。年內，審核委員會履行之工作包括檢討本集團截至二零一九年十二月三十一日止年度的經審核綜合財務報表、本集團截至二零一九年六月三十日止六個月的未經審核綜合中期財務報表及建議董事會批准該等財務報表，以及本集團內部監控及風險管理常規之有效性。

審核委員會已向董事會推薦於本公司應屆股東週年大會上提名續聘大華馬施雲會計師事務所有限公司為本公司核數師。

董事會已授權審核委員會履行企業管治職責，制定及檢討本公司之企業管治政策及常規，並向董事會提供建議；檢討及監察董事的培訓及持續專業發展；檢討及監察本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事之操守準則；以及檢討本公司遵守企業管治守則情況及在《企業管治報告》內披露。

委員會亦檢討本公司實行企業管治守則所載企業管治規定之進度。

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the remuneration paid or payable to the auditor of the Company, Moore Stephens CPA Limited are set out below:

核數師酬金

於截至二零一九年十二月三十一日止年度內已付或應付本公司核數師大華馬施雲會計師事務所有限公司之酬金如下：

Services rendered	提供之服務	Fee paid/payable HK\$'000 已付/ 應付費用 千港元
Audit services	審核服務	1,000
Non-audit services (Agreed-upon procedures on interim financial statements and other services regarding to the disposal of CIL Group)	非審核服務 (中期財務報表之協定程序及其他服務關於CIL集團出售)	965

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the Group's consolidated financial statements. The consolidated financial statements for the year ended 31 December 2019 have been prepared in accordance with Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standards and applicable Interpretations, issued by the Hong Kong Institute of Certified Public Accountants, and the applicable disclosure requirements of the Listing Rules, Hong Kong Companies Ordinance and other applicable regulatory requirements.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, other than the situations described in note 3.1 to the consolidated financial statements, the Board is not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as a going concern.

The responsibilities of the external auditor, Moore Stephens CPA Limited, are set out in the Independent Auditor's Report on pages 47 to 49.

董事及核數師就綜合財務報表須承擔之責任

董事確認彼等的責任為編製本公司綜合財務報表。截至二零一九年十二月三十一日止年度的綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則，包括香港會計準則及適用詮釋及上市規則的適用披露條文，香港公司條例及其他適用監管規定編製。

董事確認，經作出一切合理查詢後就彼等所知、所悉及所信，除綜合財務報表附註3.1所述之情況外，董事會並無知悉任何重大不明朗事件或情況而可能會影響本公司的業務或對其持續經營能力構成疑問。

外聘核數師大華馬施雲會計師事務所有限公司的報告責任載於第47頁至第49頁的獨立核數師報告。

DIRECTORS' AND OFFICERS' LIABILITY

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

According to the code provision A.6.5 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. A summary of training records received by the Directors for the Year is set out as follows:

董事及高級職員之責任

本公司已就董事及高級職員之責任購買適當保險，以保障董事及本集團高級職員就本集團業務所產生之風險。

董事之持續專業發展

按照企業管治守則之守則條文A.6.5，所有董事須參與持續專業發展，以發展及更新其知識及技能，從而確保其繼續對董事會作出知情及相關貢獻。年內董事接受培訓之記錄概述如下：

Directors	董事	Attending conference(s)/ training course(s)/ seminars relevant to the business, directors' duties or listing regulatory requirements 出席與業務、董事職責或上市監管規定有關之會議／培訓課程／研討會	Reading and/or updates relevant to the business, directors' duties or listing regulatory requirements 閱讀與業務、董事職責或上市監管規定有關之材料及／或更新
Executive Directors	執行董事		
Mr. Bao Hongkai [#]	包洪凱先生 [#]	—	✓
Mr. Dong Cunling	董存嶺先生	—	✓
Mr. Li Xiangfei	李翔飛先生	—	✓
Mr. Sun Shusheng	孫書生先生	—	✓
Mr. Zhang Yi	張毅先生	—	✓
Mr. Zhou Guangwen [*]	周廣文先生 [*]	—	✓
Non-Executive Director	非執行董事		
Mr. Li Chunyan	李春彥先生	✓	✓
INEDs	獨立非執行董事		
Dr. Chen Renbao [*]	陳仁寶博士 [*]	—	✓
Mr. Ma Wai Tong [*]	馬煒堂先生 [*]	✓	✓
Mr. Ma Yueyong [*]	馬躍勇先生 [*]	✓	✓
Mr. Kwan Wing Hung [#]	關永洪先生 [#]	✓	✓
Mr. Ma Geng [#]	馬耕先生 [#]	—	✓

* Resigned by the date of this report

[#] Appointed after 31 December 2019

* 於本報告日期之前離任

[#] 於二零一九年十二月三十一日後獲委任

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

As at 31 December 2019, the Company Secretary of the Company, Mr. Li Chun On (“**Mr. Li**”), fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. He has day-to-day knowledge of the Company’s affairs. Mr. Li reports to the Chairman and is responsible for advising the Board on governance matters. For the Year under review, Mr. Li has taken over 15 hours of relevant professional training.

CORPORATE SOCIAL RESPONSIBILITY

To enhance the business social responsibility and to improve its result, the Group has always been dedicated to fulfilling its social responsibility. In deciding the appropriate policies, the Group takes into consideration the impact on the environment, the community and its employees, The Group has objective to achieve the balance between economic benefit and the environmental protection, as well as sustainable development for the entire community.

The Group will inform its employees about the environmental protection information that they can utilise in their working environment. It is a wish that with a concept to be developed amongst the employees, the Group and the employees as a whole can contribute in environment protection.

In addition to the normal remuneration packages entitled to the employees, the Group has provided them with other benefits, such as medical subsidies and insurance, etc., for the purpose of giving them job security. This has cultivated stronger sense of belonging to the Group for its employees and created a working environment of high spirit.

SAFETY PRODUCTION AND ENVIRONMENT PROTECTION

The Group has always paid great attention to production safety and environmental protection in its coal and building materials production. Thus, the Group makes great efforts in promoting safety management and strengthening measures for environmental protection, aiming at building itself into a safety-oriented and environmentally-friendly enterprise.

公司秘書

於二零一九年十二月三十一日，本公司之公司秘書李俊安先生（「李先生」）已符合上市規則第3.28及3.29條之規定。彼熟悉本公司日常事務。李先生向主席匯報及負責就管治事宜向董事會提供意見。於回顧年度，李先生已接受超過15個小時相關專業培訓。

企業社會責任

為增強企業社會責任及改善業績，本集團始終致力於履行社會責任。在決定適當的政策時，本集團會考慮對環境、社區及其僱員的影響。本集團的目標是實現經濟利益與環境保護之間的平衡，並實現整個社區的可持續發展。

本集團將向其僱員告知在工作環境中可利用的環境保護資料。本集團的願景是，隨著僱員中形成一種觀念，本集團及僱員整體能夠為環境保護作出貢獻。

除僱員可獲得的正常薪酬外，本集團亦向僱員提供其他福利，如醫療補貼及保險等，為彼等帶來工作安全感。此舉已培養僱員對本集團的較強歸屬感，創造充滿活力的工作環境。

安全生產及環境保護

於煤炭及建築材料生產上，本集團亦一直重視生產安全及環境保護。故此，本集團加大力度，促進安全管理，並加強環保措施，以成為安全為本之環保企業。

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

During the year, the Group engaged an external professional consultant to review and assess its risk management and internal control systems and report to the audit committee. The review covered several parts of the systems including risk management, and operational, financial and compliance controls.

The Board, through the audit committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2019 covering material financial, operational and compliance functions, and is of the view that the effectiveness of the risk management and internal control systems of the Group are considered as effective and adequate.

Review of the Group's internal controls covers major financial, operational and compliance controls, as well as risk management functions. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

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

風險管理及內部監控

董事會有責任確保本公司始終保持健全有效的內部監控措施，保障股東投資及本集團資產。本公司採取了一系列內部監控政策及程序，旨在為實現有效運作，可靠的財務報告及遵守適用法律法規的目標提供合理的保證。

年內，本集團已委聘一名外部專業顧問檢討及評估風險管理及內部監控系統並向審核委員會報告。檢討涵蓋了系統的數個方面，包括風險管理，以及營運、財務及合規監控。

董事會透過審核委員會對截至二零一九年十二月三十一日止年度本集團風險管理及內部監控系統的有效性進行了檢討，涵蓋重大的財務、營運及合規職能，並認為本集團風險管理及內部監控系統充分有效。

檢討本集團的內部監控涵蓋重大財務、經營及合規控制，以及風險管理職能。內部監控系統只能就防止重大失實陳述或損失提供合理而非絕對的保證，原因是其設計目標為管理（而非消除）未能實現業務目標的風險。

本集團風險管理框架包括風險識別、風險評估、風險處理及監督以及評估相關措施的有效性。風險管理框架按三級風險管理法指導。作為第一道防線，業務單位負責識別、評估及監督與各業務或交易有關的風險。管理層作為第二道防線，制定規則及模型，提供技術支持，開發新提供及監督組合管理。其確保風險處於可接受範圍內及第一道防線有效。作為最後一道防線，本公司審核委員會獲外聘專業顧問（每年對本集團內部審核工作進行檢討）提供專業建議及意見，透過持續檢查及監督而確保第一道及第二道防線有效。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognises the importance of good communication with Shareholders. A Shareholders' Communication Policy setting out the Company's procedure in providing the Shareholders with prompt and equal access to information about the Company, in order to enable the Shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meetings of the Company provide a forum for exchange of views between the Shareholders and the Board. The Chairman of the Board, the Directors and senior management of the Company and where applicable, the INEDs, are available to answer questions at the shareholders' meeting.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors. Details of poll voting procedures are included in all circulars to Shareholders which call for a general meeting and are explained during proceedings of the meeting.

The Company continues to enhance communications and relationships with its Shareholders and investors. Information about the Company's activities is provided in its interim and annual reports, which are sent to Shareholders, analysts and/or interested parties. Enquiries from Shareholders and investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at <http://www.irasia.com/listco/hk/rrhl>, on where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

與股東之溝通及投資者關係

董事會明白與股東保持良好溝通之重要性。與股東溝通的政策載列本公司迅速及平等地向各股東提供有關本公司資料之程序，從而令股東可得悉本公司之整體表現、充分行使其權利及與本公司積極交流。有關本集團之資料透過多個渠道，包括中期報告及年報、公告及通函適時向股東傳遞。

本公司股東大會為股東及董事會提供交流意見的機會。本公司董事會主席、董事及高級管理層，以及（倘適用）獨立非執行董事將於股東大會上回答提問。

每項重大事項（包括選舉個別董事）將於股東大會上以獨立決議案提呈。按股數投票表決程序之詳情載於召開股東大會之所有致股東通函，並於大會過程中解釋。

本公司持續促進與股東及投資者之溝通及關係。有關本公司業務的資料載於向股東、分析員及／或有興趣人士寄發之本公司中期報告及年報。本公司將詳盡及適時處理股東及投資者之查詢。

為促進有效溝通，本公司亦設有網站<http://www.irasia.com/listco/hk/rrhl>，以刊登詳盡資料及更新本公司業務發展及營運、財務資料、企業管治常規及其他資料。

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to convene a special general meeting

Shareholders can submit a requisition to convene a special general meeting pursuant to Section 74 of the Companies Act 1981 of Bermuda (the "Act"). The number of Shareholders necessary for a requisition shall be representing not less than one-tenth of the Company's paid-up capital as at the date of requisition having the right to vote at the general meeting.

The written requisition must:

- state the purposes of the special general meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists); and
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary.
- If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, any themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedure for Shareholders to put forward proposals at general meetings

Shareholders can submit a requisition to move a resolution at an annual general meeting pursuant to Section 79 of the Act.

The number of Shareholders necessary for a requisition shall be:

- representing not less than one-twentieth of the total voting rights of all Shareholders having at the date of requisition a right to vote at the meeting to which the requisition relates; or
- not less than 100 Shareholders.

股東權利

股東召開股東特別大會之程序

股東可根據百慕達一九八一年公司法（「公司法」）第74條，呈交書面請求召開股東特別大會。提出請求之股東須佔於請求日期持有股東大會投票權不少於十分之一之繳足股本。

書面請求必須：

- 列明股東特別大會之目的；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；及
- 寄送至本公司香港辦事處，收件人為本公司秘書。
- 倘董事於該請求書送交日期起計21日內未召開股東特別大會，則請求人或佔彼等總投票權超過一半之任何股東可自行召開股東特別大會，惟召開之任何大會不得於上述日期3個月期滿後舉行。

股東於股東大會提出動議之程序

根據公司法第79條，股東可提出書面請求於股東週年大會上提呈決議案。

請求所需之股東數目應：

- 佔該請求書提出日期有權在該會議上表決的所有股東的總表決權中不少於二十分之一；或
- 不少於100名股東。

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The written requisition must:

- state the resolution, with a statement not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists);
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in case of any other requisition; and
- be deposited with a sum reasonably sufficient to meet the Company's expenses in giving notice of the resolution and circulating the statements of the proposed resolution to all Shareholder in accordance with the requirements under the applicable laws and rules.

Enquires to the Board

The Company's website provides email address and telephone to enable Shareholders to make any enquiries and concerns to the Board. Shareholders may send their enquiries by post or by email to the attention of the Company Secretary who will direct the enquiries to the Board for handling.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the Year.

書面請求必須：

- 列明決議案，連同一份不多於1,000字，有關建議決議案之事項或擬於會上處理之事務之陳述書；
- 經所有請求人士簽署（由一名或多名請求人士簽署於一份或數份同樣格式的文件內）；
- 如屬發出決議案通知的情況，不少於大會前6個星期送達，如屬其他情況，則不少於1個星期前送達到本公司香港辦事處，收件人為本公司秘書；及
- 存放合理足夠金額，以應付本公司根據適用法律及規定要求向所有股東發出決議案通知及傳閱請求人士提交的陳述書所作出的開支。

向董事會提出查詢

本公司網站載有電子郵件地址及電話號碼以供股東向董事會提出任何查詢及關注。股東可以郵寄或電子郵件向公司秘書發送查詢，公司秘書將直接向董事會提交查詢以供處理。

憲章文件

年內，本公司之憲章文件並無任何改動。

The Board is pleased to present the annual report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 December 2019.

BUSINESS REVIEW AND PERFORMANCE

A review of the Group's business for the Year is set out in the sections headed "Chairman's Statement" on pages 6 to 8 and "Management Discussion and Analysis" on pages 9 to 14 of this annual report. Principal financial risks and uncertainties facing the Group are set out in note 45 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activities of the Group are (i) the production and sale of coal and trading of purchased coal; (ii) production and sale of building materials and (iii) leasing of aluminum boundary wall moulds in the PRC.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Company and of the Group at that date are set out on pages 50 to 220 of this annual report.

The Board does not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment are set out in note 15 to the consolidated financial statements.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

Save as disclosed in note 41 to the consolidated financial statements, the Group did not have any material acquisitions, disposals and significant investments during the Year.

董事會欣然呈報本公司及本集團截至二零一九年十二月三十一日止年度之年報及經審核綜合財務報表。

業務回顧及表現

本集團於本年度之業務回顧載於本年報第6頁至第8頁「主席報告」及第9頁至第14頁「管理層討論及分析」等節。本集團面臨的主要財務風險及不確定性載於綜合財務報表附註45。

主要業務

本集團之主要業務為在中國(i)生產及銷售煤炭及購入煤炭之貿易；(ii)生產及銷售建築材料以及(iii)租賃鋁製圍牆模具。

業績及分配

本集團於截至二零一九年十二月三十一日止年度之業績以及本公司及本集團於該日之事務狀況載於本年報第50頁至第220頁。

董事會不建議就本年度派付任何股息。

五年財務摘要

本集團於最近五個財政年度之業績以及資產及負債之摘要載於本年報第4頁及第5頁。

物業、廠房及設備

物業、廠房及設備之變動詳情載於綜合財務報表附註15。

重大收購、出售事項及重大投資

除綜合財務報表附註41所披露者外，本集團於本年度並無任何重大收購事項、出售事項及重大投資。

SHARE CAPITAL

Details of the changes of Company's share capital during the Year, together with the reasons therefore, are set out in note 37 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants ("**Participants**") of the share option scheme include any employee of the Company or any of its subsidiaries (including any director of the Company or any of its subsidiaries). The shareholders of the Company approved the termination of the share option scheme adopted on 20 October 2004 (the "**Old Scheme**") and adoption of the new share option scheme (the "**New Scheme**") in place of the Old Scheme at the annual general meeting on 27 May 2014. The New Scheme became effective on 27 May 2014 and, unless otherwise cancelled or amended, will remain in force for ten years from that date until 26 May 2024.

Under the New Scheme, the board of directors of the Company may at its discretion grant options to the Participants to subscribe for shares provided that the total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 10% of the shares in issue as at the adoption date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 30% of the shares in issue from time to time.

Details of the said termination of the Old Scheme and adoption of the New Scheme were also set out in the Company's circular dated 24 April 2014.

No share options were granted during the years ended 31 December 2019 and 2018. As at 31 December 2019 and 2018, the Company had no share options outstanding under the New Scheme.

股本

年內本公司股本之變動詳情及有關原因分別載於綜合財務報表附註37。

購股權計劃

本公司推行購股權計劃藉以給予對本集團業務成功有所貢獻之合資格參與者鼓勵及獎賞。購股權計劃之合資格參與者（「**參與者**」）包括本公司或其任何附屬公司之任何僱員（包括本公司或其任何附屬公司之董事）。於二零一四年五月二十七日之股東週年大會上，股東批准終止於二零零四年十月二十日採納之購股權計劃（「**舊計劃**」）並採納新購股權計劃（「**新計劃**」）以取代舊計劃。新計劃於二零一四年五月二十七日生效，除非被註銷或加以修訂，否則將由該日期起至二零二四年五月二十六日止十年仍屬有效。

根據新計劃，本公司董事會可酌情授出購股權予參與者以認購股份，惟根據新計劃及本公司任何其他購股權計劃將予授出之購股權全數獲行使時可予發行之股份總數不得超過本公司於採納日期已發行股份之10%。因行使所有根據新計劃及本公司任何其他購股權計劃已授出但未行使之購股權而發行之股份總數，不得超過本公司當時已發行股份之30%。

上述終止舊計劃及採納新計劃之詳情亦載列於本公司日期為二零一四年四月二十四日之通函。

截至二零一九年及二零一八年十二月三十一日止年度，並無購股權獲授出。於二零一九年及二零一八年十二月三十一日，本集團根據新計劃並無未行使購股權。

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 on the Stock Exchange during the Year.

PRE-EMPTIVE RIGHTS

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

EXCHANGE RISK EXPOSURE

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The Board therefore is of the opinion that the Group's sensitivity to the change in foreign currency is low and the Group does not hedge its foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group has a total of approximately 916 employees located in Hong Kong and the PRC. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical insurance and pension funds. A share option scheme was adopted by the Group on 27 May 2014 to enable the Directors to grant share options to eligible participants including any employee of the Group as incentive to their valuable contribution to the Group.

AUDIT COMMITTEE

The Company established an Audit Committee in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management. The Audit Committee comprises three of the INEDs of the Company. The members of the Audit Committee have reviewed the consolidated financial statements of the Group for the year ended 31 December 2019 and were of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements and those adequate disclosures have been made.

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on pages 18 to 30 of this annual report.

購買、出售或贖回本公司上市證券

年內本公司或其任何附屬公司概無購買、出售或贖回本公司於聯交所之任何上市證券。

優先購股權

本公司之細則或百慕達法律並無涉及優先購股權之條文，規定本公司必須按比例向現有股東發售新股。

匯兌風險

本集團之銷售及購買主要以人民幣結算，人民幣亦為關連集團實體之功能貨幣。因此董事會認為本集團受外匯變動之影響較低，而本集團並無為外匯風險作對沖。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團在香港及中國共有約916名僱員。每年本集團均會檢討彼等之薪酬，按員工個別表現釐定酬情花紅。本集團並提供其他福利，包括醫療保險及退休金。本集團於二零一四年五月二十七日採納購股權計劃，使董事可向合資格參與者（包括本集團任何僱員）授出購股權，藉以激勵該等對本集團作出重要貢獻的人士。

審核委員會

本公司已按企業管治守則之規定成立審核委員會，以審閱及監察本集團之財務申報程序、內部監控及風險管理。審核委員會由本公司三名獨立非執行董事組成。審核委員會之成員已審閱本集團截至二零一九年十二月三十一日止年度之綜合財務報表，認為有關財務報表符合適用會計準則、上市規則及法例規定，並已作出充分披露。

企業管治報告

企業管治報告之詳情載於本年報第18頁至第30頁。

Directors' Report

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the financial year.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, to the knowledge of the Board, the Group had complied with the relevant laws and regulations that have a material impact on the business of the Group in all material aspects and there were no circumstances of material breach or non-compliance of applicable laws and regulations.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 38 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2019 and 2018 was nil. In addition, the Company's share premium account as at 31 December 2019, in the amount of approximately HK\$261.8 million (as at 31 December 2018: approximately HK\$261.8 million), can be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Year under review, the percentage of turnover attributable to the largest customer and the five largest customers of the Group accounted for 22.4% and 57.6% respectively. The percentage of purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 26.6% and 52.0% respectively.

None of the Directors 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.

充足之公眾持股量

按照本公司公開可得的資料及就董事所知，於整個本財政年度，本公司已維持上市規則所訂明之充足公眾持股量。

遵守法律及法規

年內，據董事會所知，本集團已在所有重大方面遵守對本集團業務具有重大影響的相關法律及法規，且並無重大違反或未遵守適用法律及法規的情況。

儲備

年內本公司及本集團儲備之變動詳情分別載於綜合財務報表附註38及綜合權益變動表內。

可供分派儲備

於二零一九年及二零一八年十二月三十一日，本公司之可供分派儲備為零。此外，本公司於二零一九年十二月三十一日金額約261,800,000港元（於二零一八年十二月三十一日：約261,800,000港元）之股份溢價賬可供以繳足紅股之方式分派。

主要客戶及供應商

於回顧年度，本集團最大客戶與五大客戶分別佔營業額之22.4%及57.6%。本集團最大供應商及五大供應商分別佔採購額約26.6%及52.0%。

董事或彼等之任何聯繫人或任何股東（就董事所深知擁有本公司已發行股本超過5%權益），概無在本集團五大客戶或五大供應商中擁有任何實益權益。

DIRECTORS

The Directors during the Year and up to the date of this report are as follows:

Executive Directors:

Mr. Bao Hongkai (*Chairman*)
(appointed in April 2020)
Mr. Dong Cunling
Mr. Li Xiangfei
Mr. Sun Shusheng
Mr. Zhang Yi
Mr. Zhou Guangwen (resigned in April 2020)

Non-Executive Director:

Mr. Li Chunyan

INEDs:

Dr. Chen Renbao (resigned in January 2020)
Mr. Kwan Wing Hung (appointed in March 2020)
Mr. Ma Geng (appointed in March 2020)
Mr. Ma Wai Tong (resigned in December 2019)
Mr. Ma Yueyong (resigned in April 2020)

The Company has received annual confirmations of independence from all INEDs and as at the date of this annual report still considers them to be independent.

In accordance with bye-law 111 of the Company's Bye-laws, Mr. Bao Hongkai, Mr. Li Chunyan, Mr. Kwan Wing Hung and Mr. Ma Geng will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 15 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

董事

本年度及直至本報告日期，董事列示如下：

執行董事：

包洪凱先生（主席）
（於二零二零年四月獲委任）
董存嶺先生
李翔飛先生
孫書生先生
張毅先生
周廣文先生（於二零二零年四月辭任）

非執行董事：

李春彥先生

獨立非執行董事：

陳仁寶博士（於二零二零年一月辭任）
關永洪先生（於二零二零年三月獲委任）
馬耕先生（於二零二零年三月獲委任）
馬煒堂先生（於二零一九年十二月辭任）
馬躍勇先生（於二零二零年四月辭任）

本公司已接獲各獨立非執行董事之年度獨立性確認書及於本年報日期仍認為彼等均為獨立人士。

按照本公司之細則第111條，包洪凱先生，李春彥先生，關永洪先生及馬耕先生將於本公司應屆股東週年大會上輪值退任且符合資格及將膺選連任。

董事及高級管理層履歷

本集團董事及高級管理層履歷之詳情載於本年報第15頁至第17頁。

董事服務合約

擬在本公司應屆股東週年大會中膺選連任之本公司董事，並無與本公司訂立如無作出賠償（法定賠償除外）則不能由本公司於一年內終止之服務合約。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 12 and 43 to the consolidated financial statements, no director of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures and Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of Directors	Nature of interest	Number of shares	Number of underlying shares	Approximate percentage of shares shareholdings
董事姓名	權益性質	股份數目	相關股份數目	概約百分比
Mr. Dong Cunling 董存嶺先生	Personal interest 個人權益	540,000	—	0.05%
Mr. Li Xiangfei 李翔飛先生	Personal interest 個人權益	100,000,000	—	9.61%
Mr. Sun Shusheng 孫書生先生	Personal interest 個人權益	3,432,000	—	0.33%

董事於合約中之權益

除綜合財務報表附註12及43所披露者外，年內各本公司董事概無在本公司或其任何附屬公司所訂立對本集團業務關係重大之任何合約中擁有直接或間接重大權益。

董事及行政總裁於本公司及其相聯法團之證券中擁有之權益及淡倉

於二零一九年十二月三十一日，董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入本公司根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司普通股中之好倉

Save as disclosed above, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange as at 31 December 2019.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as was known to the Directors or chief executive of the Company, as at 31 December 2019, the person, other than the Directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一九年十二月三十一日，除上文所披露者外，概無任何董事及本公司行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或須載入根據證券及期貨條例第352條存置之登記冊；或根據上市規則所載標準守則須知會本公司及聯交所之權益或淡倉。

主要股東及其他人士擁有之股份權益

據董事或本公司行政總裁所知，於二零一九年十二月三十一日，下列人士（董事或本公司行政總裁除外）於股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記錄之權益或淡倉如下：

Directors' Report

董事會報告

(a) Long positions in the shares

Name of Shareholders 股東名稱／姓名	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
(1) Retop International Investment Limited (note 1) 瑞拓國際投資有限公司(附註1)	Beneficial Owner 實益擁有人	241,400,000	23.21%
(2) Vestfoco International Investment Limited ("Vestfoco") (note 1) 維豐國際投資有限公司(「維豐」) (附註1)	Interests in controlled corporation 受控法團權益	241,400,000	23.21%
(3) Mr. Bao Hongkai ("Mr. Bao") (note 1) 包洪凱先生(「包先生」) (附註1)	Interests in controlled corporation 受控法團權益	241,400,000	23.21%
	Beneficial Owner 實益擁有人	675,000	0.06%
(4) Mr. Li Yupeng (note 2) 李玉朋先生(附註2)	Beneficial Owner 實益擁有人	71,000,000	6.83%
(5) Minan Holding Limited (note 3) (附註3)	Beneficial Owner 實益擁有人	127,500,000	12.26%
(6) Mr. Zhang Xinzhi (note 3) 張信志先生(附註3)	Interest in controlled corporation 受控法團權益	127,500,000	12.26%

Notes:

- (1) Retop International Investment Limited is beneficially and wholly owned by Vestfoco of which Mr. Bao is the sole beneficial owner. Accordingly, Vestfoco and Mr. Bao are deemed to be interested in the shares of the Company held by Retop International Investment Limited.
- (2) Mr. Li Yupeng is independent and not related to the Board or management of the Company.
- (3) Minan Holding Limited is beneficially and wholly owned by Mr. Zhang Xinzhi. He is not related to the Board or management of the Company.

Save as disclosed above, no persons had an interest or a short position in the shares and the underlying shares as recorded in the register required to be kept under section 336 of the SFO.

(a) 於股份中之好倉

Number of shares 股份數目	Approximate percentage of shareholding 股權 概約百分比
241,400,000	23.21%
241,400,000	23.21%
241,400,000	23.21%
675,000	0.06%
71,000,000	6.83%
127,500,000	12.26%
127,500,000	12.26%

附註：

- (1) 瑞拓國際投資有限公司由維豐實益全資擁有，而包先生為維豐之唯一實益擁有人。因此，維豐及包先生被視為於瑞拓國際投資有限公司持有之本公司股份中擁有權益。
- (2) 李玉朋先生獨立於本公司董事會或管理層且與彼等並無關聯。
- (3) Minan Holding Limited由張信志先生實益全資擁有。彼與本公司董事會或管理層並無關聯。

除上文所披露者外，概無其他人士於根據證券及期貨條例第336條須存置之登記冊所記錄之股份及相關股份中擁有權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PENSION SCHEME AND COSTS

Details of the Group's pension scheme and the employer's pension costs charged to the consolidated income statement for the Year are set out in notes 8 and 11 to the consolidated financial statements, respectively.

In the opinion of the Board, the Group had no significant obligations for long service payments to its employee pursuant to the requirements under the Employment Ordinance, Chapter 57 of the Laws of Hong Kong, at 31 December 2019.

CONNECTED TRANSACTIONS

On 30 December 2019, the Company has completed a connected transaction (as defined under Chapter 14A of the Listing Rule) in relation to the disposal of a subsidiary the Company to a substantial shareholder. Details of the transaction has been disclosed in the note 41 to the consolidated financial statements.

Save as disclosed above, the Group has not conducted any "connected transaction" or "continuing connected transaction" which is subject to reporting and annual review requirements under the Listing Rules. The transactions disclosed in note 43 to the consolidated financial statements as related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No Directors are considered to have interest in any business which is likely to compete directly or indirectly with that of the Group.

DONATIONS

During the year, the Group have made charitable and relief donations of approximately HK\$851,000 (2018: 606,000).

董事購買股份或債券之權利

除上文所披露者外，於年內任何時間，本公司概無向任何董事或彼等各自之配偶或不滿十八歲之子女授予任何權利，以致彼等可藉購買本公司之股份或債券而獲益，彼等亦概無行使該等權利；本公司或其任何附屬公司亦概無訂立任何安排，使董事能夠於任何其他法人團體中取得該等權利。

退休金計劃及成本

本集團退休金計劃及年內已自綜合收益表內扣除之僱主退休金成本詳情分別載於綜合財務報表附註8及附註11。

董事會認為，於二零一九年十二月三十一日，根據香港法例第57章僱傭條例之規定，本集團並無重大僱員長期服務金之承擔。

關連交易

於二零一九年十二月三十日，本公司已完成關聯交易（定義見上市規則第14章），內容有關向重要股東出售本公司一間附屬公司。交易詳情已於綜合財務報表附註41披露。

除上文披露者外，本集團並無進行任何須遵守上市規則之申報及年度審核規定之「關連交易」或「持續關連交易」。綜合財務報表附註43披露為關連人士交易之交易，並不符「關連交易」或「持續關連交易」（定義見上市規則第14A章）之定義。

董事於競爭業務之權益

概無董事被視為在可能與本集團業務直接或間接構成競爭之任何業務中擁有權益。

捐贈

年內，本集團進行公益救濟性捐助合計約為851,000港元（二零一八年：606,000）。

Directors' Report

董事會報告

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at the 31 December 2019.

CLOSURE OF REGISTER OF MEMBERS

The 2020 Annual General Meeting (the "2020 AGM") of the Company is scheduled on Wednesday, 17 June 2020. For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Thursday, 11 June to Wednesday, 17 June 2020, both days inclusive. In order to be eligible to attend and vote at the 2020 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 10 June 2020.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for the benefit of the Directors during the Year.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Group did not carry out any fund raising activity in the past twelve months.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in note 47 to the consolidated financial statements, the Group did not carry out significant events after 31 December 2019 and until the date of this report.

或然負債

於二零一九年十二月三十一日，本集團並無任何或然負債。

暫停辦理股份過戶登記

本公司二零二零年股東週年大會（「二零二零年股東週年大會」）計劃於二零二零年六月十七日（星期三）舉行。為釐定出席二零一九年股東週年大會並投票之資格，本公司將於二零二零年六月十一日（星期四）至二零二零年六月十七日（星期三）（包括首尾兩日）暫停辦理股份過戶登記手續。如欲符合資格出席二零二零年股東週年大會並投票，所有股份過戶文件連同相關股票必須於二零二零年六月十日（星期三）下午四時三十分前送交本公司的香港股份過戶登記處卓佳登捷時有限公司（地址為香港皇后大道東183號合和中心54樓），以進行登記。

管理合約

年內並無訂立或存在有關本公司全部或任何重大部分業務的管理及行政管理之合約。

獲准許的彌償條文

根據本公司之組織章程細則，年內有令董事受益的生效之獲准許的彌償條文（定義見香港公司條例）。

過往十二個月之集資活動

本集團在過去十二個月中未有進行任何集資活動。

報告期末後事項

除綜合財務報表附註47所披露者外，於二零一九年十二月三十一日後及至本報告日期，本集團並無發生重大事項。

AUDITOR

The consolidated financial statements have been audited by Moore Stephens CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Moore Stephens CPA Limited as auditor of the Company is to be proposed at the 2020 AGM.

Bao Hongkai
Chairman

13 May 2020,
Hong Kong

核數師

綜合財務報表已由大華馬施雲會計師事務所有限公司審核，其將退任並符合資格且願意膺選連任。於二零二零年股東週年大會上將提呈一項決議案，以續聘大華馬施雲會計師事務所有限公司為本公司核數師。

主席
包洪凱

香港
二零二零年五月十三日

Independent Auditor's Report

獨立核數師報告



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To the shareholders of Rosan Resources Holdings Limited
(Incorporated in Bermuda with limited liability)

致融信資源控股有限公司股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Rosan Resources Holdings Limited and its subsidiaries (together, the “Group”) set out on pages 50 to 220, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, 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.

意見

吾等已審計載列於第50至220頁的融信資源控股有限公司及其附屬公司(統稱「貴集團」)的綜合財務報表,當中包括於二零一九年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合收益表、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)。

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.

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

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

意見基準

吾等已按照香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計工作。吾等在該等準則下承擔的責任已在本報告「核數師有關審計綜合財務報表的責任」一節作進一步闡述。按照香港會計師公會頒佈的「專業會計師道德守則」(「守則」),吾等獨立於貴集團,且吾等已按照守則履行其他專業道德責任。吾等相信,吾等獲取的審計憑證能充分及適當地為吾等審計意見提供基礎。

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements which indicates that the Group incurred a consolidated net loss of approximately HK\$107,449,000 for the year ended 31 December 2019 and, as of that date, the Group has net current liabilities of approximately HK\$412,721,000 and a capital deficiency of approximately HK\$83,570,000. As at 31 December 2019, the Group's outstanding borrowings of approximately HK\$248,980,000, which included bank loans of approximately HK\$147,014,000, amounts due to shareholders of the Company of approximately HK\$1,337,000 and certain cash advanced from a family member of a substantial shareholder of the Company, a non-controlling shareholder of a subsidiary of the Company, a company controlled by a substantial shareholder of the Company and an individual of approximately HK\$100,629,000 (included in other payables), are due to repayment within one year from the end of the reporting period or repayable on demand.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainties Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

有關持續經營的重大不確定性

吾等提請注意綜合財務報表附註3.1，當中顯示，截至二零一九年十二月三十一日止年度，貴集團產生綜合虧損淨額約107,449,000港元，且於該日，貴集團的流動負債淨額約為412,721,000港元及資本虧絀約為83,570,000港元。於二零一九年十二月三十一日，貴集團的未償還借款約248,980,000港元（包括銀行貸款約147,014,000港元、應付貴公司股東款項約1,337,000港元及來自貴公司一名主要股東之一名家庭成員、貴公司一間附屬公司之非控股股東、貴公司一名主要股東控制之公司及一名人士的若干墊付現金約100,629,000港元（計入其他應付款項））須於報告期末起一年內償還或按要求償還。

該等情況顯示存在可能造成對貴集團之持續經營能力產生重大疑慮之重大不明朗因素。吾等的意見並無就該事項作出修訂。

關鍵審計事項

關鍵審計事項指根據吾等的專業判斷，在吾等對本期綜合財務報表的審計中最重要的事項。該等事項在吾等對綜合財務報表進行整體審計及出具意見時處理，吾等不會就該等事項提供單獨意見。除「有關持續經營的重大不確定性」一節所述事項外，吾等已釐定以下所述事項為吾等報告中將傳達的關鍵審計事項。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matters

關鍵審計事項

Impairment assessment of non-financial assets

非金融資產減值評估

(Refer to notes 3.12, 4(iv), 15 to 20 to the consolidated financial statements)

(請參閱綜合財務報表附註3.12、4(iv)、15至20)

The management of the Company had performed impairment review in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets* in relation to the Group's coal mining operation and boundary wall moulds business, which are considered by the management as two different cash-generating units ("CGU") respectively. The Group had recognised an impairment loss of approximately HK\$33,921,000 for the year ended 31 December 2019, allocating to the net carrying amounts of property, plant and equipment of approximately HK\$995,000 and mining rights of approximately HK\$32,926,000, in respect of the CGU of coal mining operation.

貴公司管理層已按照香港會計準則第36號「資產減值」對貴集團的煤炭開採業務及圍牆模具業務進行減值評估，該等業務被管理層分別視為兩個不同的現金產生單位（「現金產生單位」）。貴集團已就截至二零一九年十二月三十一日止年度確認減值虧損約33,921,000港元，分配至煤炭開採業務現金產生單位之物業、廠房及設備的賬面值淨額約995,000港元及採礦權約32,926,000港元。

The recoverable amount of the CGU was determined based on higher of value-in-use or fair value less cost of disposal, which requires significant management's judgements concerning the estimated future cash flows.

現金產生單位的可收回金額乃基於使用價值或公平值減出售成本（以較高者為準）釐定，需要管理層就估計未來現金流量作出重大判斷。

Accordingly, we have identified management's impairment assessment of the CGU as a key audit matter.

因此，吾等將管理層對現金產生單位的減值評估識別為一項關鍵審計事項。

關鍵審計事項（續）

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:
吾等為處理該事項而採取的主要程序包括：

- Discussed with the management of the Company and the independent valuer engaged by the Company (the "Valuer") regarding the reasonableness of the valuation methodology being adopted;
與貴公司管理層及貴公司委聘的獨立估值師（「估值師」）討論所採納估值方法的合理性；
- Discussed with the management of the Company and the Valuer and the assumptions and inputs used in determining the recoverable amounts of the CGUs, respectively, and challenged the reasonableness and relevance of key assumptions and inputs based on our knowledge of the business and industry;
與貴公司管理層及估值師分別討論釐定現金產生單位可收回金額所用的假設及資料輸入，根據吾等對業務及行業的了解，質疑主要假設及資料輸入的合理性及相關性；
- Checked the allocation of impairment loss amongst assets within the CGU in accordance with the applicable accounting standard; and
根據適用會計準則，檢查現金產生單位內資產之減值虧損分配情況；及
- Assessed the objectivity, competency and experience of the Valuer.
評估估值師的客觀性、能力及經驗。

KEY AUDIT MATTERS (continued)

Key audit matters 關鍵審計事項

Impairment assessment of accounts and bills receivables

應收賬款及票據之減值評估

(Refer to notes 3.15, 4(iii), 26 and 45(a) to the consolidated financial statements)

(請參閱綜合財務報表附註3.15、4(iii)、26及45(a))

As at 31 December 2019, the Group had gross accounts and bills receivables amounting to approximately HK\$126,328,000. The Group had recognised an expected credit loss (“ECL”) on accounts receivable amounting to approximately HK\$16,173,000 during the year ended 31 December 2019.

於二零一九年十二月三十一日，貴集團的應收賬款及票據總額約為126,328,000港元。於截至二零一九年十二月三十一日止年度，貴集團已就應收賬款確認預期信貸虧損（「預期信貸虧損」）約16,173,000港元。

The ECL assessment on accounts and bills receivables is considered to be a matter of most significance as it requires the application of significant judgement and use of subjective assumptions by management. The management of the Company believed that the methodologies and inputs used in estimating ECL are appropriate and best reflects the Group's exposure to credit risk. These models and assumptions relate to the future macroeconomic conditions and debtors' creditworthiness. The ECL assessment requires significant management's judgements. Accordingly, we have identified management's ECL assessment as a key audit matter.

就應收賬款及票據之預期信貸虧損評估被視為重大事項，因其需要管理層應用重大判斷及使用主觀假設。貴公司管理層認為，估計預期信貸虧損時所使用之方法及資料輸入屬適當，為貴集團所承受信用風險之最佳反映。該等模式及假設與未來宏觀經濟狀況及債務人信譽有關。預期信貸虧損評估需要管理層作出重大判斷。因此，吾等將管理層的預期信貸虧損評估識別為一項關鍵審計事項。

關鍵審計事項 (續)

How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項

Our key procedures to address the matter included:
吾等為處理該事項而採取的主要程序包括：

- Discussed with the management of the Company the reasonableness and relevance of the methodologies, inputs and assumptions adopted in performing the ECL assessment;
與貴公司管理層討論進行預期信貸虧損評估所採納之方法、資料輸入及假設的合理性及相關性；
- Obtained an ageing analysis of the accounts and bills receivables from the management of the Group and tested the accuracy of ageing of accounts and bills receivables at year end to the underlying invoices on a sample basis;
從貴集團管理層取得應收賬款及票據的賬齡分析及抽樣測試年末應收賬款及票據的賬齡與相關發票的準確性；
- Challenged the management's ECL assessment regarding long outstanding and overdue accounts and bills receivables;
質疑管理層對長期未償還及逾期應收賬款及票據的預期信貸虧損的評估；
- Checked, on a sample basis, inputs used by the management in the ECL assessment against the source data (e.g. historical information and observable external data); and
抽樣檢查管理層於預期信貸虧損評估使用的資料輸入與源數據（例如歷史資料及可觀察外部數據）；及
- Assessed the adequacy of the ECL recorded by reviewing subsequent settlements after the year end and related correspondence with customers about expected settlement dates.
透過審閱年末後的後續結算以及與客戶有關預期結算日期的相關信函所記錄，評估預期信貸虧損的充分性。

Independent Auditor's Report

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all the information in the Group's 2019 annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 audit committee of the Company assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

除綜合財務報表及核數師報告以外的資料

貴公司董事對其他資料負責。其他資料包括 貴集團二零一九年年報中包含的除綜合財務報表及吾等的核數師報告以外的所有資料。

吾等對綜合財務報表的意見不涵蓋其他資料，且吾等並不對此發表任何形式的保證結論。

就吾等對綜合財務報表的審計而言，吾等的責任是閱讀其他資料，並同時考慮其他資料是否與綜合財務報表或吾等在審計過程中獲得的了解存在重大不一致或看似嚴重失實。倘若基於吾等進行的工作，吾等認為該其他資料存在重大失實陳述，則吾等須報告該事實。吾等在此方面沒有任何報告。

董事對綜合財務報表的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而中肯的反映，及對其認為為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將 貴集團清盤或停止經營，或除此之外並無其他替代方案）。

貴公司審核委員會協助董事履行監督 貴集團財務報告程序的職責。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師審計綜合財務報表的責任

吾等的目標是就綜合財務報表整體是否存在重大錯誤陳述（不論因欺詐或錯誤導致）取得合理保證，按照百慕達一九八一年公司法第90條僅向閣下（作為整體）並出具包含吾等意見的核數師報告，而非用於其他目的。吾等概不就本報告的內容向其他任何人負有或承擔任何責任。合理保證是高水平的保證，但並不擔保按照香港審計準則進行的審計總能發現所存在的重大錯誤陳述。錯誤陳述可能因欺詐或錯誤而產生，如個別或整體合理預期可能影響用戶基於該等綜合財務報表作出的經濟決定，則屬重大。

作為按照香港審計準則進行審計的一部分，吾等在整個審計期間作出專業判斷並保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表中存在重大錯誤陳述（不論因欺詐或錯誤導致）的風險，設計及執行應對該等風險的審計程序，並取得充分適當的審計證據，為吾等的意見提供基礎。未發現欺詐導致重大錯誤陳述的風險高於錯誤導致重大錯誤陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或凌駕內部控制。
- 取得與審計相關的內部控制的理理解，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及所作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

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

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

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

核數師審計綜合財務報表的責任 (續)

- 對董事使用持續經營會計基準的適當性，及（基於所取得的審計證據）是否存在與事件或狀況相關且可能導致對貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若吾等認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或（如該披露不足）修改吾等的意見。吾等的結論基於截至核數師報告日期所獲得的審計證據。然而，未來事件或狀況可能導致貴集團無法持續經營。
- 評價綜合財務報表的整體列報、結構及內容，包括披露及綜合財務報表是否按實現中肯列報的方式反映了相關交易及事件。
- 獲取有關貴集團內實體或業務活動的財務資料的充分適當的審計證據，以對綜合財務報表發表意見。吾等負責指導、監督及進行集團審計。吾等仍然對吾等的審計意見承擔全部責任。

除其他事項外，吾等就（其中包括）審計的規劃範圍及時間與重大審計結果（包括吾等在審計中發現的內部控制重大缺陷）與貴公司審核委員會溝通。

吾等亦向貴公司審核委員會提供一份聲明，表示吾等已遵守有關獨立性的相關專業道德要求，並就合理可能導致對吾等獨立性產生疑問的所有關係及（如適用）相關防範措施與審核委員會溝通。

Independent Auditor's Report 獨立核數師報告

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

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

Moore Stephens CPA Limited
Certified Public Accountants

Leung Yu Ngong
Practising Certificate Number: P06734

Hong Kong, 13 May 2020

核數師審計綜合財務報表的責任 (續)

根據與 貴公司審核委員會溝通的事項，吾等認為有關事項是對審計本期間綜合財務報表而言最重要的事項，因此屬於關鍵審計事項。吾等在核數師報告中說明該等事項，除非法律或法規不允許公開披露該事項，或（在極少數情況下）由於其不利後果合理預期將超過公開披露所帶來的公共利益，吾等認為該事項不應在吾等的報告中披露。

大華馬施雲會計師事務所有限公司
執業會計師

梁宇昂
執業證書編號：P06734

香港，二零二零年五月十三日

Consolidated Income Statement

綜合收益表

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

		Notes	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
		附註		
Revenue	收益	6	504,536	961,440
Cost of sales	銷售成本		(459,925)	(901,900)
Gross profit	毛利	6	44,611	59,540
Other income and gains	其他收入及得益	6	118,867	55,743
Selling and distribution expenses	銷售及分銷開支		(37,370)	(37,605)
Administrative expenses	行政開支		(92,320)	(90,143)
Other expenses	其他開支		(5,603)	(4,276)
Finance costs	財務費用	7	(84,526)	(101,514)
Share of results of associates	應佔聯營公司業績		(1,692)	(12,826)
Share of results of a joint venture	應佔一間合營企業業績		23	51
Net impairment loss on financial and contract assets	金融資產及合約資產之減值虧損淨額	45(a)	(18,590)	(9,626)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15	(995)	(5,693)
Impairment loss on mining rights	採礦權之減值虧損	19	(32,926)	(8,544)
Loss before income tax	除所得稅前虧損	8	(110,521)	(154,893)
Income tax credit	所得稅抵免	9	3,072	2,261
Loss for the year	年內虧損		(107,449)	(152,632)
Loss for the year attributable to:	應佔年內虧損：			
Owners of the Company	本公司擁有人		(99,922)	(142,747)
Non-controlling interests	非控股權益		(7,527)	(9,885)
			(107,449)	(152,632)
Loss per share attributable to the owners of the Company	本公司擁有人應佔每股虧損			
– Basic and diluted (HK cents)	– 基本及攤薄 (港仙)	10	(9.606)	(13.747)

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Loss for the year	年內虧損	(107,449)	(152,632)
Other comprehensive income/ (loss) for the year	年內其他全面收益／(虧損)		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：		
Exchange differences on translation of financial statements of foreign operations:	換算海外業務財務報表之匯兌差額：		
– subsidiaries	– 附屬公司	11,502	14,109
– a joint venture	– 一間合營企業	(104)	(326)
– associates	– 聯營公司	(1,713)	(5,156)
Item that will not be reclassified to profit or loss:	其後不會重新分類至損益之項目：		
Change in the fair value of equity investments at fair value through other comprehensive income	按公平值計入其他全面收益股權投資之公平值變動	–	8
Share of other comprehensive (loss)/income of an associate	應佔一間聯營公司之其他全面(虧損)／收益	(19,443)	16,090
Other comprehensive (loss)/income for the year, net of tax	年內其他全面(虧損)／收益，扣除稅項	(9,758)	24,725
Total comprehensive loss for the year	年內全面虧損總額	(117,207)	(127,907)
Total comprehensive loss attributable to:	應佔全面虧損總額：		
Owners of the Company	本公司擁有人	(104,157)	(116,642)
Non-controlling interests	非控股權益	(13,050)	(11,265)
		(117,207)	(127,907)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		Notes	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	189,577	396,187
Prepaid land lease payments	預付土地租賃款項	16	–	66,197
Right-of-use assets	使用權資產	17	65,763	–
Goodwill	商譽	18	–	–
Mining rights	採礦權	19	131,861	293,917
Other intangible assets	其他無形資產	21	695	623
Interests in associates	於聯營公司之權益	22	–	100,046
Interest in a joint venture	於一間合營企業之權益	23	–	5,973
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之 金融資產	24	–	682
Deferred tax assets	遞延稅項資產	36	3,148	–
			391,044	863,625
Current assets	流動資產			
Inventories	存貨	25	16,137	24,849
Accounts and bills receivables and contract assets	應收賬款及票據及合約資產	26	96,249	454,569
Prepaid land lease payments	預付土地租賃款項	16	–	1,506
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	27	19,985	24,480
Tax recoverable	可收回稅款		8,081	9,433
Pledged and restricted bank deposits	已抵押及受限制的銀行存款	28(a)	–	656,651
Cash and cash equivalents	現金及現金等值項目	28(b)	15,904	35,789
			156,356	1,207,277
Current liabilities	流動負債			
Accounts and bills payables	應付賬款及票據	29	32,456	658,132
Amount due to an associate	應付一間聯營公司款項	22	–	14,640
Amounts due to shareholders	應付股東款項	30	1,337	9,135
Other payables and accruals	其他應付款項及應計費用	31	363,647	551,447
Provision for reclamation obligations	開墾費用撥備	32	24,001	100,164
Lease liabilities	租賃負債	33	622	–
Bank and other loans	銀行及其他貸款	34	147,014	762,200
			569,077	2,095,718

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Net current liabilities	流動負債淨值		(412,721)	(888,441)
Total assets less current liabilities	總資產減流動負債		(21,677)	(24,816)
Non-current liabilities	非流動負債			
Loans from shareholders	來自股東貸款	30	57,235	54,491
Lease liabilities	租賃負債	33	43	–
Bank and other loans	銀行及其他貸款	34	–	78,364
Deferred income	遞延收入	35	2,316	3,142
Deposit received	已收按金	31	2,299	2,165
Deferred tax liabilities	遞延稅項負債	36	–	489
			61,893	138,651
Net liabilities	負債淨值		(83,570)	(163,467)
EQUITY	股本權益			
Share capital	股本	37	104,017	104,017
Deficit in reserves	儲備虧絀	38(a)	(189,992)	(209,671)
Deficiency attributable to the owners of the Company	本公司擁有人應佔之虧絀		(85,975)	(105,654)
Non-controlling interests	非控股權益		2,405	(57,813)
Capital deficiency	資本虧絀		(83,570)	(163,467)

The consolidated financial statements on pages 50 to 220 were approved and authorised for issue by the Board of Directors on 13 May 2020 and are signed on its behalf by:

第50頁至第220頁的綜合財務報表經董事會於二零二零年五月十三日批准及授權刊發，並由以下人士代表簽署：

Bao Hongkai
包洪凱
Director
董事

Dong Cunling
董存嶺
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to the owners of the Company 本公司擁有人應佔											
		Share capital (note 37) HK\$'000	Share premium* (note 38(a)(i)) HK\$'000	Capital redemption reserve* (note 38(a)(ii)) 資本贖回儲備*	Other reserves* (note 38(a)(iii)) 其他儲備*	Contributed surplus* (note 38(a)(iv)) 繳入盈餘*	Exchange fluctuation reserve* (note 38(a)(v)) 匯兌波動儲備*	Capital reserve* (note 38(a)(vi)) 資本儲備*	Statutory reserve fund* (note 38(a)(vii)) 公積金*	Accumulated losses* 累計虧損*	Total 總計	Non-controlling interest 非股權利息	Capital deficiency 資本虧絀
		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
Balance at 1 January 2018	於二零一八年一月一日結餘	71,267	235,334	50	66,566	641	136,686	27,442	133,928	(717,364)	(45,450)	(72,008)	(117,458)
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(142,747)	(142,747)	(9,885)	(152,632)
Other comprehensive income/(loss) for the year	年內其他全面收益/(虧損)												
Exchange differences on translation of financial statements of foreign operations	換算境外業務財務報表之匯兌差額												
- subsidiaries	- 附屬公司	-	-	-	-	-	16,550	-	-	-	16,550	(2,441)	14,109
- a joint venture	- 一間合營企業	-	-	-	-	-	(293)	-	-	-	(293)	(33)	(326)
- associates	- 聯營公司	-	-	-	-	-	(4,641)	-	-	-	(4,641)	(515)	(5,156)
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面虧損	-	-	-	14,481	-	-	-	-	-	14,481	1,609	16,090
Change in fair value of equity investments at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資之公平值變動	-	-	-	8	-	-	-	-	-	8	-	8
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	14,489	-	11,616	-	-	(142,747)	(116,642)	(11,265)	(127,907)
Additions through acquisition of subsidiaries (note 40)	透過收購附屬公司添置(附註40)	-	-	-	-	-	-	-	-	-	-	20,649	20,649
Capital injection from non-controlling interests	非控股權益之注資	-	-	-	-	-	-	-	-	-	-	4,757	4,757
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	-	-	-	54	54
Deemed capital contribution arising from non-current interest-free shareholders' loan (note 30(b))	視作來自非流動免息股東貸款之出資(附註30(b))	-	-	-	17,185	-	-	-	-	-	17,185	-	17,185
Shares issued in consideration for the acquisition of subsidiaries (notes 37(a) and 40)	因收購附屬公司而發行代價股份(附註37(a)及40)	12,750	6,503	-	-	-	-	-	-	-	19,253	-	19,253
Issuance of shares pursuant to the subscriptions** (notes 37(b) and 38(a)(iii))	根據認購事項發行股份** (附註37(b)及38(a)(iii))	20,000	20,000	-	(20,000)	-	-	-	-	-	20,000	-	20,000
Transfer from other reserves	從其他儲備轉撥	-	-	-	(13,628)	-	-	-	-	13,628	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	104,017	261,837	50	64,612	641	148,302	27,442	133,928	(846,483)	(105,654)	(57,813)	(163,467)

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to the owners of the Company

本公司擁有人應佔

		Capital		Other reserves*	Contributed surplus*	Exchange fluctuation reserve*	Statutory		Accumulated losses*	Total	Non-controlling interest	Capital deficiency	
		Share capital (note 37)	Share premium* (note 38(a)(i))				reserve* (note 38(a)(ii))	reserve fund* (note 38(a)(iii))					
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
		股本	股份溢價*	儲備*	其他儲備*	繳入盈餘*	儲備*	資本儲備*	公積金*	累計虧損*	總計	非股權利息	資本虧蝕
		(附註37)	(附註38(a)(i))	(附註38(a)(ii))	(附註38(a)(iii))	(附註38(a)(iv))	(附註38(a)(v))	(附註38(a)(vi))	(附註38(a)(vii))	(附註38(a)(viii))	(附註38(a)(ix))	(附註38(a)(x))	(附註38(a)(xi))
		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
Balance at 1 January 2019	於二零一九年一月一日結餘	104,017	261,837	50	64,612	641	148,302	27,442	133,928	(846,483)	(105,654)	(57,813)	(163,467)
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(99,922)	(99,922)	(7,527)	(107,449)
Other comprehensive income/(loss) for the year	年內其他全面收益/(虧損)												
Exchange differences on translation of financial statements of foreign operations	換算境外業務財務報表之匯兌差額：												
- subsidiaries	- 附屬公司	-	-	-	-	-	14,917	-	-	-	14,917	(3,415)	11,502
- a joint venture	- 一間合營企業	-	-	-	-	-	(94)	-	-	-	(94)	(10)	(104)
- associates	- 聯營公司	-	-	-	-	-	(1,559)	-	-	-	(1,559)	(154)	(1,713)
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面收益	-	-	-	(17,499)	-	-	-	-	-	(17,499)	(1,944)	(19,443)
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	(17,499)	-	13,264	-	-	(99,922)	(104,157)	(13,050)	(117,207)
Capital injection from non-controlling interests (note 14(c))	非控股權益之注資 (附註14(c))	-	-	-	-	-	-	-	-	-	-	335	335
Deemed capital contribution from a shareholder arising from disposal of subsidiaries (note 41)	視作股東因出售附屬公司而產生之出資 (附註41)	-	-	-	184,319	-	(60,483)	-	-	-	123,836	72,933	196,769
Transfer upon disposal of subsidiaries	於出售附屬公司時轉撥	-	-	-	(40,264)	-	-	-	(133,928)	174,192	-	-	-
Transfer to other reserves	轉撥至其他儲備	-	-	-	10,336	-	-	-	-	(10,336)	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	104,017	261,837	50	201,504	641	101,083	27,442	-	(782,549)	(85,975)	2,405	(83,570)

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Notes:

- * These accounts comprise the consolidated deficit in reserves of approximately HK\$189,992,000 (2018: approximately HK\$209,671,000) in the consolidated statement of financial position.
- ** Included in the amount represented deposit of approximately HK\$20,000,000 received from Retop International Investment Limited before the year ended 31 December 2017, an entity indirectly wholly owned by Mr. Bao Hongkai, a substantial shareholder of the Company, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Such amount was recorded in "Other reserves". Upon the completion of the subscription, such amount was reversed and formed part of share capital and share premium.

附註：

- * 該等賬戶包括綜合財務狀況表中的綜合儲備虧絀約189,992,000港元（二零一八年：約209,671,000港元）。
- ** 該金額包括截至二零一七年十二月三十一日止年度前就認購本公司普通股（於二零一八年一月三日完成）已收瑞拓國際投資有限公司（本公司主要股東包洪凱先生間接全資擁有的實體）的按金約20,000,000港元。該金額計入「其他儲備」。認購完成後，該金額已撥回，並構成股本及股份溢價的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before income tax	除所得稅前虧損	(110,521)	(154,893)
Adjustments for:	調整項目：		
Share of results of associates	應佔聯營公司業績	1,692	12,826
Share of results of a joint venture	應佔一間合營企業業績	(23)	(51)
Finance costs	財務費用	84,526	101,514
Discount at inception of deposit received	已收按金之初始折現值	6	–
Amortisation of mining rights	採礦權攤銷	8	7,805
Amortisation of other intangible assets	其他無形資產攤銷	8	134
Amortisation of prepaid land lease payments	預付土地租賃付款攤銷	8	–
Amortisation of deferred income	遞延收入攤銷	35	(783)
Write-down of inventories	存貨撇減	8	997
Net impairment loss on financial and contract assets	金融資產及合約資產之減值虧損淨額	45(a)	18,590
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	15	995
Impairment loss on mining rights	採礦權之減值虧損	19	32,926
Interest income	利息收入	6	(53,544)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8	62,048
Depreciation of right-of-use assets	使用權資產折舊	8	2,845
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損淨額	8	70
Gain on bargain purchase arising from acquisition of subsidiaries	收購附屬公司產生之議價購買得益	6	–
Gain on disposal of a subsidiary	出售一間附屬公司之得益	6	–
Provision for reclamation obligations	開墾費用撥備	32	4,556
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	6	(24,110)
Operating profit before working capital changes	營運資金變動前經營溢利	26,862	25,190
Increase in inventories	存貨增加	(1,592)	(2,300)
Increase in accounts and bills receivables and contract assets	應收賬款及票據及合同資產增加	(150,021)	(224,679)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(369,964)	297,350
Decrease in accounts and bills payables	應付賬款及票據減少	(259,242)	(185,504)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Notes	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
		附註		
Increase in other payables and accruals	其他應付款項及應計費用增加		404,146	80,044
Deposit received	已收按金		-	4,554
Cash used in operations	經營所用現金		(349,811)	(5,345)
Interest received	已收利息	6	53,544	2,296
Interest paid	已付利息	7	(80,539)	(92,692)
Income tax paid	已付所得稅		(339)	(665)
Net cash used in operating activities	經營活動所用現金淨額		(377,145)	(96,406)
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備	15	(10,080)	(32,613)
Purchases of other intangible assets	購買其他無形資產	21	(218)	(730)
Proceeds from disposal of property, plant and equipment	出售物業、房產及設備所得款項		171	55
Net cash inflow on acquisition of subsidiaries	收購附屬公司之現金流入淨額	40	-	19,586
Net cash outflow on disposal of subsidiaries	出售附屬公司之現金流出淨額	41	(24,452)	(55)
Decrease/(increase) in pledged and restricted bank deposits	已抵押及受限制的銀行存款減少/(增加)		425,740	(74,771)
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額		391,161	(88,528)
Cash flows from financing activities	融資活動之現金流量			
Capital injection from non-controlling interests	非控股權益之注資	14(c)	335	4,757
Proceeds from issuance of share capital	發行股本之所得款項	37(b)	-	20,000
Proceeds from bank loans	銀行貸款之所得款項		859,145	207,618
Repayments of bank loans	償還銀行貸款		(827,857)	(182,704)
Proceeds from other loans	其他貸款所得款項		5,671	201,975
Repayments of other loans	償還其他貸款		(196,738)	(37,584)
Proceeds from loans from shareholders	來自股東貸款之所得款項		-	94,800

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Repayments of loans from shareholders	股東償還貸款之所得款項	-	(29,660)
Capital element of lease rentals paid	已付租賃租金之資本部分	(1,402)	-
Interest element of lease rentals paid	已付租賃租金之利息部分	(67)	-
Advance from/(repayment to) shareholders	股東之墊款/(向股東還款)	26,636	(31,962)
Repayment to an associate	向一間聯營公司還款	-	(79,785)
Advance from/(repayment to) related parties, net	來自關連人士之墊款/(向關連人士還款)·淨額	79,393	(109,669)
Advance from/(repayment to) certain parties included in other payables, net*	計入其他應付款項之若干人士之墊款/(向若干人士還款)·淨額*	17,176	(15,828)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(37,708)	41,958
Net decrease in cash and cash equivalents	現金及現金等值項目淨額減少	(23,692)	(142,976)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	35,789	170,878
Effect of foreign exchange rate changes	外匯匯率變動之影響	3,807	7,887
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	15,904	35,789

Note:

* The Group obtained certain cash advance from a non-controlling shareholder of a subsidiary of the Company and an individual during the year. The cash advances were included in other payables (note 31(a)).

附註:

* 年內·本集團自本公司一家附屬公司之非控股股東及一名人士取得若干現金墊款。現金墊款計入其他應付款項(附註31(a))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Rosan Resources Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) include (i) production and sale of coal and trading of purchased coal; and (ii) production and sale of building materials in the People’s Republic of China (the “**PRC**”). During the year ended 31 December 2019, one of the subsidiaries of the Company commenced the business of leasing of aluminum boundary wall moulds. The principal activities and other particulars of its subsidiaries are set out in note 14.

The consolidated financial statements for the year ended 31 December 2019 were approved for issue by the Board of Directors of the Company on 13 May 2020.

1. 一般資料

融信資源控股有限公司(「**本公司**」)為在百慕達註冊成立之有限公司。其註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司及其附屬公司(「**本集團**」)之主要業務包括在中華人民共和國(「**中國**」)從事：(i)生產及銷售煤炭及購入煤炭貿易；及(ii)建材生產及銷售。截至二零一九年十二月三十一日止年度，本公司其中一間附屬公司開始其租賃鋁製圍牆模具之業務。其附屬公司之主要業務及其他詳情載於附註14。

截至二零一九年十二月三十一日止年度之綜合財務報表經本公司董事會於二零二零年五月十三日批准刊發。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new and revised HKFRSs effective from 1 January 2019

In the current year, the Group has applied a number of new HKFRSs and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Of these, the following developments are relevant to the Group’s consolidated financial statements:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to Hong Kong Accounting Standard (“HKAS”) 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(a) 採納自二零一九年一月一日起生效之新訂及經修訂香港財務報告準則

於本年度，本集團已應用香港會計師公會(「香港會計師公會」)頒佈的多項自二零一九年一月一日或之後開始的會計期間強制生效的新訂香港財務報告準則及其修訂本。其中，以下發展與本集團的綜合財務報表相關：

香港財務報告準則第16號	租賃
香港財務報告準則第9號	具有負補償之預付款項特性(修訂本)
香港會計準則「香港會計準則」第19號	計劃修訂、縮減或清償(修訂本)
香港會計準則第28號	於聯營公司及合營企業之長期權益(修訂本)
香港財務報告準則修訂本	香港財務報告準則於二零一五年至二零一七年週期之年度改進
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理之不确定性

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new and revised HKFRSs effective from 1 January 2019 (continued)

Except for the HKFRS 16 *Leases* (“**HKFRS 16**”), the application of these new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

Under the transition methods chosen, the Group has recognised cumulative effect of the initial application of HKFRS 16 as an adjustment to the opening balance at 1 January 2019. Comparative information is not restated. Line items that were not affected by the changes have not been included in the following table. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The following table gives a summary of the opening balance adjustments recognised for the line items in the consolidated statement of financial position that have been impacted by HKFRS 16:

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納自二零一九年一月一日生效之新訂及經修訂香港財務報告準則(續)

除香港財務報告準則第16號「租賃」(「**香港財務報告準則第16號**」)之外，於本年度應用該等新訂香港財務報告準則及其修訂本概不會對本年度及以往年度本集團的財務表現及狀況及／或該等綜合財務報表內載列的披露造成重大影響。

根據所選擇的過渡法，本集團將首次應用香港財務報告準則第16號的累計影響確認為於二零一九年一月一日期初餘額的調整。比較資料並無重列。下表亦未加入不受變動影響的項目。因此，所披露的小計及總計不能從所提供的數字重新計算。下表概述就綜合財務狀況表中已受香港財務報告準則第16號影響的項目確認的期初餘額調整：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new and revised HKFRSs effective from 1 January 2019 (continued)

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(a) 採納自二零一九年一月一日生效之新訂及經修訂香港財務報告準則(續)

		At 31 December 2018 HK\$'000	Impact of initial application of HKFRS 16 (note 2(b)) HK\$'000 首次應用 香港財務報告 準則第16號 的影響 (附註2(b)) 千港元	At 1 January 2019 HK\$'000
		於 二零一八年 十二月三十一日 千港元		於 二零一九年 一月一日 千港元
Prepaid land lease payments	預付土地租賃款項	66,197	(66,197)	-
Right-of-use assets	使用權資產	-	68,912	68,912
Total non-current assets	非流動資產總額	863,625	2,715	866,340
Prepaid land lease payments	預付土地租賃款項	1,506	(1,506)	-
Total current assets	流動資產總額	1,207,277	(1,506)	1,205,771
Lease liabilities	租賃負債	-	(980)	(980)
Total current liabilities	流動負債總額	(2,095,718)	(980)	(2,096,698)
Net current liabilities	流動負債淨值	(888,441)	(2,486)	(890,927)
Total assets less current liabilities	總資產減流動負債	(24,816)	229	(24,587)
Lease liabilities	租賃負債	-	(229)	(229)
Total non-current liabilities	非流動負債總額	(138,651)	(229)	(138,880)

Further details of these changes are set out in note 2(b).

該等變動的進一步詳情載於附註2(b)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC) Interpretation 4 *Determining whether an Arrangement contains a Lease*, HK(SIC) Interpretation 15 *Operating Leases – Incentives* and HK(SIC) Interpretation 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group has applied HKFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for the year ended 31 December 2018 has not been restated – i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃

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「釐定安排是否包括租賃」、香港(準則詮釋委員會)–詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)–詮釋第27號「評估牽涉租賃的法律形式的交易內容」。香港財務報告準則第16號為承租人引入單一的資產負債表內會計處理模式。因此，本集團(作為承租人)已確認使用權資產(表示其有權使用相關資產)及租賃負債(表示其有責任支付租賃付款)。香港財務報告準則第16號下之出租人會計處理與香港會計準則第17號下實質上並無重大變動。出租人將繼續利用與香港會計準則第17號內之類似原則將租賃分類為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人的租賃並無任何財務影響。

本集團已使用經修訂追溯法應用香港財務報告準則第16號。因此，就截至二零一八年十二月三十一日止年度呈列的比較資料並未重列—即如先前所呈報，根據香港會計準則第17號及相關詮釋呈列。會計政策變動的詳情披露如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) HKFRS 16 Leases (continued)

(i) 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) Interpretation 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC) Interpretation 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.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components as a single lease component.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(i) 租賃的新定義

根據香港財務報告準則第16號，倘合約授予權利以代價為交換在某一時期內控制使用已識別資產，則該合約為一項租賃或包含一項租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利時，即有控制權。本集團選擇使用過渡可行權宜方法，允許該準則僅適用於先前首次應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號當日已確認為租賃的合約。並無根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號確認為租賃的合約，概未獲重新評估。因此，根據香港財務報告準則第16號項下租賃的定義僅適用於二零一九年一月一日或之後訂立或更改的合約。

於開始或重新評估包含租賃部份的合約時，本集團按其相對單獨價格將合約代價分配至各租賃及非租賃部份。本集團已採用可供承租人選用的可行權宜方法，有關方法為不予分開非租賃部分，並將租賃部分及相關非租賃部分入賬作為單一租賃部分處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

At the date of initial application of HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the lease liability was 5.13%.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(ii) 承租人會計處理及過渡影響

香港財務報告準則第16號取消承租人將租賃分類為經營租賃或融資租賃的規定(如香港會計準則第17號先前所規定)。相反,本集團作為承租人時,須資本化所有租賃(包括先前根據香港會計準則第17號分類為經營租賃的租賃),惟短期租賃及低價值資產租賃則除外。

於首次應用香港財務報告準則第16號日期(即二零一九年一月一日),本集團釐定餘下租賃期,並按剩餘租賃付款的現值計量先前分類為經營租賃之租賃的租賃負債,並使用於二零一九年一月一日的相關增量借貸利率貼現。釐定租賃負債所用的加權平均增量借貸利率為5.13%。

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綜合財務報表附註

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

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

(b) HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- i. the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- ii. when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group excluded initial direct costs; and
- iii. when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment of whether leases are onerous by apply HKAS 37 as at 31 December 2018 as an alternative to performing an impairment review.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(ii) 承租人會計處理及過渡影響(續)

為方便過渡至香港財務報告準則第16號，本集團於首次應用香港財務報告準則第16號當日應用下列確認豁免及實際權宜方法：

- i. 對於剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內屆滿(即租期於二零一九年十二月三十一日或之前屆滿)的租賃，本集團選擇不就確認租賃負債及使用權資產應用香港財務報告準則第16號的規定；
- ii. 於首次應用香港財務報告準則第16號日期計量使用權資產時撇除初始直接成本；及
- iii. 於首次應用香港財務報告準則第16號日期計量使用權資產時，本集團依賴先前於二零一八年十二月三十一日透過應用香港會計準則第37號對租賃是否繁重作出之評估，作為執行減值審查之代替方案。

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

The following table reconciles the operating lease commitments as disclosed in note 42(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(ii) 承租人會計處理及過渡影響(續)

下表載列於二零一八年十二月三十一日之經營租賃承擔(如附註42(b)所披露)與於二零一九年一月一日確認之租賃負債的期初結餘對賬:

		HK\$'000 千港元
Operating lease commitment at 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	1,199
Less:	減:	
Leases end within 12 months from the date of initial application	於首次應用日期起計12個月內結束的租賃	(13)
Add:	加:	
Others	其他	63
Operating lease liabilities before discounting at 31 December 2018	於二零一八年十二月三十一日貼現前的經營租賃負債	1,249
Effect from discounting at incremental borrowing rate at 1 January 2019	按於二零一九年一月一日增量借貸利率貼現的影響	(40)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	1,209
Of which are:	其中:	
Current lease liabilities	流動租賃負債	980
Non-current lease liabilities	非流動租賃負債	229
		1,209

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) HKFRS 16 Leases (continued)

(ii) Lessee accounting and transitional impact (continued)

The associated right-of-use assets for properties and office equipment were measured at the amount equal to the lease liabilities, adjusted by the amounts of any prepaid land lease payments relating to the land leases recognised in the consolidated statement of financial position as at 31 December 2018. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position. This includes the land use rights recognised previously under prepaid land lease payments of approximately RMB67,703,000 as at 31 December 2018 that were reclassified to right-of-use assets upon the adoption of HKFRS 16 for the presentation purpose.

(iii) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported loss before income tax in the Group's consolidated income statement, as compared to the results if HKAS 17 had been applied during the year.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(ii) 承租人會計處理及過渡影響(續)

物業及辦公設備的相關使用權資產按與租賃負債相同之金額計量，並根據於二零一八年十二月三十一日在綜合財務狀況表確認之土地租賃相關任何預付土地租賃付款金額作調整。本集團選擇於綜合財務狀況表中單獨呈列使用權資產。此包括之前於二零一八年十二月三十一日於預付土地租賃付款下確認之土地使用權約人民幣67,703,000元，乃於採納香港財務報告準則第16號後重新分類至使用權資產作呈列用途。

(iii) 對本集團財務業績及現金流量之影響

於二零一九年一月一日初步確認使用權資產及租賃負債後，本集團作為承租人須確認租賃負債之未償還結餘累積之利息開支，以及使用權資產折舊，而非過往以直線法於租期內確認根據經營租賃產生之租賃開支之政策。與倘於年內應用香港會計準則第17號所得業績相比，此對本集團之綜合收益表中錄得之除所得稅前虧損產生重大影響。

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綜合財務報表附註

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

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

(b) HKFRS 16 Leases (continued)

(iii) Impact on the financial result and cash flows of the Group (continued)

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see note 28(c)). These elements are classified as financing cash outflows, rather than as investing and operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flows (see note 33).

(iv) As a lessor

The Group leases out its certain leasehold land and building in the PRC at 1 January 2019. The Group has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under HKAS 17.

Under HKFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 香港財務報告準則第16號租賃(續)

(iii) 對本集團財務業績及現金流量之影響(續)

於綜合現金流量表中，本集團作為承租人須將根據資本化租賃所支付之租金分為資本部分及利息部分(見附註28(c))。該等部分乃分類為融資現金流出，而非如同香港會計準則第17號項下經營租賃的情況分類為投資及經營現金流出。儘管現金流量總額不受影響，但採納香港財務報告準則第16號導致綜合現金流量表內現金流量之呈現方式發生重大變動(見附註33)。

(iv) 作為出租人

於二零一九年一月一日，本集團出租其於中國的若干租賃土地及樓宇。本集團將該等租賃分類為經營租賃。適用於本集團作為出租人的會計政策與香港會計準則第17號項下的政策並無差別。

根據香港財務報告準則第16號，當本集團於一項轉租安排中作為間接出租人，本集團須參考開頭租約產生的使用權資產而非參考相關資產，將轉租分類為融資租賃或經營租賃。本集團毋須就其作為出租人的租賃對過渡至香港財務報告準則第16號作出任何調整。

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綜合財務報表附註

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

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

(c) New and revised HKFRSs that have been issued but are not yet effective

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

Amendments to HKFRS 3 (Revised)	Definition of a Business ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 17	Insurance Contracts ²
Amendments to HKAS 1 (Revised) and HKAS 8	Definition of Material ¹
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ¹

¹ Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted

³ The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred. Early application of the amendments continues to be permitted.

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, based on the preliminary assessment, the directors of the Company have concluded that the above new and revised HKFRSs which will be adopted at the respective effective dates is unlikely to have a significant impact on the consolidated financial statements of the Group.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(c) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未在綜合財務報表中應用以下已頒佈惟尚未生效的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(修訂本)	業務之釋義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 ³
香港財務報告準則第17號	保險合約 ²
香港會計準則第1號(經修訂)及香港會計準則第8號(修訂本)	材料之釋義 ¹
二零一八年財務報告的概念框架	經修訂財報報告的概念框架 ¹

¹ 於二零二零年一月一日或其後開始的年度期間生效，允許提早應用

² 於二零二一年一月一日或其後開始的年度期間生效，允許提早應用

³ 修訂本原擬於二零一六年一月一日或之後開始的年度期間生效。生效日期已延遲。仍然允許提早應用修訂本。

本集團已評估採納上述新訂及修訂香港財務報告準則造成的有關影響。迄今為止，基於初步評估，本公司董事的結論是上述新訂及修訂香港財務報告準則將於各自的生效日期採納，且不大可能對本集團綜合財務報表造成重大影響。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared under historical cost convention, except for financial assets at fair value through other comprehensive income (“**FVTOCI**”) which are measured as fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

3. 主要會計政策概要

3.1 編製基準

綜合財務報表乃按香港財務報告準則(統稱包括香港會計師公會頒佈一切適用之個別香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則及香港公司條例之披露規定編製。綜合財務報表亦遵守聯交所證券上市規則(「**上市規則**」)之適用披露規定。

編製此等綜合財務報表所採用之主要會計政策概述如下。除另有所述外，該等政策已於所有呈列年度貫徹應用。採納新訂或經修訂之香港財務報告準則以及對本集團綜合財務報表之影響(如有)於附註2內披露。

綜合財務報表乃根據歷史成本常規法編製，惟按公平值計入其他全面收益(「**按公平值計入其他全面收益**」)之金融資產按公平值計量除外。有關計量準則詳載於下文的會計政策。

務請留意，於編製綜合財務報表時採用了會計估計及假設。儘管該等估計乃基於管理層所知及對當前事件及行動之判斷，實際結果最終卻可能與該等假設有差異。涉及高度判斷或高度複雜性之範圍，或假設及估計對綜合財務報表屬重大之範圍於附註4披露。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis

The Group incurred a consolidated net loss of approximately HK\$107,449,000 for the year ended 31 December 2019 and, as of that date, the Group has net current liabilities of approximately HK\$412,721,000 and a capital deficiency of approximately HK\$83,570,000. As at 31 December 2019, the Group's outstanding borrowings of approximately HK\$248,980,000, which included bank loans of approximately HK\$147,014,000 (note 34), amounts due to shareholders of the Company of approximately HK\$1,337,000 (note 30) and certain cash advanced from a family member of a substantial shareholder of the Company, a non-controlling shareholder of a subsidiary of the Company, a company controlled by a substantial shareholder of the Company and an individual of approximately HK\$100,629,000 (included in other payables (note 31(a))), are due for repayment within one year from the end of the reporting period or repayable on demand. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its business.

In order to improve the Group's financial positions, liquidity and cash flows, the directors of the Company have adopted or in the process of adopting the following measures:

- (a) The Group has been taking stringent cost controls in different areas, such as applying cost control measures in the cost of sales and administrative expenses;
- (b) The Group has been liaising with certain banks in relation to the renewal of its bank loans amounting to approximately Renminbi ("RMB") 131,424,000 (equivalent to approximately HK\$147,014,000) as at 31 December 2019, which would be due for repayment within twelve months from the reporting date. In the opinion of the directors of the Company, taken into account the long term relationships and also their understanding from the liaison with the banks, all the bank borrowings can be renewed upon their respective maturities;

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準

截至二零一九年十二月三十一日止年度，本集團產生綜合虧損淨額約107,449,000港元，且截至該日，本集團的流動負債淨值約為412,721,000港元及資本虧絀約為83,570,000港元。於二零一九年十二月三十一日，本集團之未償還借貸約248,980,000港元(包括銀行貸款約147,014,000港元(附註34)、應付本公司股東款項約1,337,000港元(附註30)及來自本公司一名主要股東之家庭成員、本公司一間附屬公司之非控股股東、本公司一名主要股東控制之公司及一名人士的若干墊付現金約100,629,000港元(計入其他應付款項(附註31(a)))須於報告期末起計一年內到期償還或按要求償還。該等情況顯示存在可能造成對本集團之持續經營能力產生重大疑慮之重大不明朗因素，因此本集團可能無法於正常業務過程中變現資產及履行負債。

為改善本集團之財務狀況、流動資金及現金流量，本公司董事已採取或正採取以下措施：

- (a) 本集團一直嚴格控制各方面的成本，例如採用有關銷售成本及行政開支的成本控制措施；
- (b) 本集團一直在就於二零一九年十二月三十一日金額約人民幣(「人民幣」)131,424,000元(相當於約147,014,000港元)的銀行貸款與若干銀行聯絡，該借貸將於報告日期起12個月內償還。本公司董事認為，考慮到與銀行的長期關係及彼等從銀行聯絡中獲悉，所有銀行借貸均能在到期時續期；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

- (c) A then subsidiary of the Company, Henan Jinfeng Coal Industrial Group Company Limited# (河南金豐煤業集團有限公司) (“**Jinfeng**”), entered into three loan agreements with three shareholders of the Company (the “**Three Shareholders**”) on 14 February 2018, in which two of them are substantial shareholders of the Company who directly/indirectly own 23.27% and 12.26% of the Company’s shares respectively as of the date of approval of these consolidated financial statements. Pursuant to the loan agreements, the Three Shareholders agreed to provide unsecured and interest-free revolving loans with an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$671,172,000) for a term of three years. Jinfeng was disposed of together with the disposal of Clear Interest Limited (“**CIL**”) (note 41). Before the disposal, pursuant to one of the supplemental agreements of share purchase agreement for disposal of CIL, the loans from shareholders were taken up by Xiangyang Coal Industry Company Limited# (登封市向陽煤業有限公司) (“**Xiangyang**”), another subsidiary of the Company that remains in the Group, and the Three Shareholders agreed to provide unsecured and interest-free loan facilities up to an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$671,172,000) to the Group, which will be expired on 13 February 2021, being the maturity date of the original loan agreements. As at 31 December 2019, loans from shareholders with principal amount of RMB55,000,000 (equivalent to approximately HK\$61,524,000) has been advanced to the Group; and
- (d) The Group, from time to time, reviews its investment projects and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary.

For identification purpose only

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

- (c) 於二零一八年二月十四日，本公司當時一家附屬公司河南金豐煤業集團有限公司(「**金豐**」)已與本公司三名股東(「**三名股東**」，其中兩名為本公司主要股東，於該等綜合財務報表獲批准之日分別直接／間接擁有本公司股份的23.27%及12.26%)訂立三份貸款協議。根據該等貸款協議，三名股東同意提供總金額為人民幣600,000,000元(相當於約671,172,000港元)為期三年的無抵押免息循環貸款。金豐已與出售Clear Interest Limited(「**CIL**」)(附註41)一同出售。於出售前，根據出售CIL的購股協議中的一份補充協議，該等股東貸款會由本公司的另外一家仍屬於本集團的附屬公司登封市向陽煤業有限公司(「**向陽**」)承擔，以及三名股東同意向本集團提供總金額最高為人民幣600,000,000元(相當於約671,172,000港元)的無抵押及免息貸款融資，將於二零二一年二月十三日到期，即原貸款協議的到期日。截至二零一九年十二月三十一日，本金額為人民幣55,000,000元(相當於約61,524,000港元)的股東貸款已墊付予本集團；及
- (d) 本集團不時檢討其投資項目，並在有需要時可能調整投資策略以改善本集團之現金流狀況。

僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

Going concern basis (continued)

Taking into account the above measures and after assessing the Group's current and future cash flow positions, the directors of the Company are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of assets to their estimated recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which may arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

3.2 Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. The financial statements of 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 ("OCI") are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Group re-assesses 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 in the accounting policy for subsidiaries below.

3. 主要會計政策概要(續)

3.1 編製基準(續)

持續經營基準(續)

計及上述措施以及於評估本集團現有及未來現金流狀況後，本公司董事相信本集團有能力履行其到期財務責任。因此，本公司董事認為，按持續經營基準編製綜合財務報表屬適當。

如本集團無法持續經營業務，則須作出調整以將資產價值撇減至估計可收回金額，將非流動資產及非流動負債分別重新分類為流動資產及流動負債，並就日後可能產生之任何負債作出撥備。有關調整之影響並無於綜合財務報表反映。

3.2 綜合基準

該等綜合財務報表包括本公司及其附屬公司之截至二零一九年十二月三十一日止年度之財務報表。附屬公司與本公司之財務報表為同一報告期，採用一致會計政策。附屬公司的業績自本集團取得控制權日期起合併，並繼續合併直至終止控制日期。

損益及其他全面收益(「其他全面收益」)各組成部分歸因於本集團擁有人及非控制性權益，即使此會導致其非控制性權益結餘赤字。所有集團內部交易、結餘、收入及費用均於綜合時全額抵銷。

倘事實及情況表明下文附屬公司會計政策所述三個控制權元素中的一項或多項出現變動，本集團重新評估是否控制該投資對象。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group's share of components previously recognised in OCI is reclassified to the consolidated income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

3. 主要會計政策概要(續)

3.2 綜合基準(續)

倘本集團於附屬公司的權益變動並未導致本集團喪失控制權，則作為權益交易入賬。

倘本集團喪失對附屬公司的控制權，則出售產生的損益乃根據(i)已收代價公平值與任何保留投資公平值的總額及(ii)該附屬公司的資產(包括商譽)及負債以及任何非控股權益的過往賬面值兩者間的差額計算。從前於其他全面收益中確認之本集團組成部分之份額，現重新分類至綜合收益表或保留溢利(如適用)，與本集團直接出售相關資產或負債之要求為同一基礎。

3.3 業務合併及商譽

業務合併採用收購法入賬。轉移代價以收購日期的公平值計量，此公平值指本集團於收購當日轉移資產的公平值、本集團向被收購方前擁有人承擔之負債和本集團為獲得被收購方的控制權所發行的股本權益之和。就每次業務合併而言，本集團選擇將於被收購方擁有的為現時所有權並令持有人在清盤時候有權獲比例獲得資產淨額之非控股權益按公平值或者按比例應佔被收購方可辨識之淨資產計量。非控股權益的所有其他部分按公平值計量。收購相關成本在實際發生時確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKFRS 9 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of HKFRS 9, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

當本集團收購一項業務時，會根據合約條款以及於收購日期之經濟環境和相關條件，評估將承接的金融資產及所承擔負債之分類及類別，其中包括分開處理於被收購方所訂主合約之內含衍生工具。

若業務合併分階段進行，本集團須按收購日期(即本集團取得控制權日期)的公平值重新計量其先前在被購方持有的權益性利益，且相關的收益或損失(如有)應於綜合收益表確認。

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為屬金融工具並處於香港財務報告準則第9號範圍內的資產或負債的或然代價按公平值計量，公平值變動於損益確認或作為其他全面收益的變動確認。如或然代價不屬於香港財務報告準則第9號範圍內，則按照適當的香港財務報告準則計量。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

In the Company's statement of financial position (note 49), investments in subsidiaries are stated at cost less impairment losses, unless the investments are classified as held for sale.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated income statement as a bargain purchase gain.

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

在本公司財務狀況表(附註49)中,於附屬公司的投資按成本減去減值虧損入賬,除非投資分類為持作出售。

商譽乃指初始計量之成本,乃所轉移的代價、被收購方之非控股權益金額、及收購方先前持有被收購方股本權益之公平值(如有)之總和與所收購之可識別資產及承擔負債之收購日期淨額比較之超出數額。倘經評估後,所收購之可識別資產及承擔負債之收購日期淨額超過所轉移的代價、被收購方之非控股權益金額及收購方先前持有被收購方股權之公平值(如有)之總和,超出部分立即確認作為議價購買收益計入綜合收益表。

初始確認後,商譽按成本扣除累計減值虧損(如有)列賬,並在綜合財務狀況表中個別列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill (continued)

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the cash-generating units (group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating units (group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of cash-generating units) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

3. 主要會計政策概要(續)

3.3 業務合併及商譽(續)

商譽每年進行減值測試，倘事件或情況變化顯示賬面價值可能減值，則會更頻繁地進行測試。本集團每年於十二月三十一日對商譽作出減值測試。為進行減值測試，商譽分配到預期可從合併協同效應中受益之每個現金產生單位(或現金產生單位組別)，而不論本集團之其他資產或負債是否分配予該等現金產生單位或現金產生單位組別。減值通過評估涉及商譽之現金產生單位(或現金產生單位組別)之可收回金額確定。倘現金產生單位(或現金產生單位組別)之可收回金額低於其賬面價值，減值虧損首先予以分配以減少分配到單位(或現金產生單位組別)之商譽賬面價值，然後根據單位資產賬面價值按比例再分配至單位的其他資產。就商譽確認的減值虧損不會於其後期間撥回。

如商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分業務被出售，則與被出售業務有關的商譽在釐定出售收益或虧損時計入業務的賬面值。在此情況下，被出售的商譽基於所出售業務及所保留現金產生單位部分的相對價值計量。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Subsidiaries

A subsidiary is an entity (including a structured entity) 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:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

3.5 Associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. 主要會計政策概要(續)

3.4 附屬公司

附屬公司乃本公司控制之實體(包括結構化實體)。本公司落實控制，倘本集團面對來自參與投資對象可變回報的風險或權利，及對投資對象使用其權力影響投資者回報金額的能力(即現存之權利使本集團有能力指揮投資對象之相關活動)。

倘本公司擁有(直接或間接)低於多數之投票權或與投資對象擁有相似權利，本集團考慮所有相關事實及情況以評估是否對投資對象有權力，包括：

- 與投資對象其他股東之合同安排；
- 從其他合同安排所產生的權利；及
- 本集團之投票權及潛在之投票權。

3.5 聯營公司及合營企業

聯營公司指本集團對其擁有重大影響力的實體，重大影響力指參與投資對象財務及經營決策的權力，但並非控制或共同控制該等政策。

合營企業指一種合資安排，即各方據此對合營企業的資產淨值擁有權利。共同控制權指按照合約協定而分佔一項安排的控制權，其僅在有關活動要求分佔控制權的各方作出一致同意的決定時存在。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures (continued)

Investments in associates or a joint venture is accounted for in the consolidated financial statements under the equity method, less any impairment losses, unless it is classified as held for sale. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investee's OCI is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associates or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in consolidated income statement. Goodwill arising from the acquisition of associates or joint venture is included as part of the Group's investments in associates or joint venture.

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業(續)

於聯營公司或合營企業的投資根據權益法減任何減值虧損於綜合財務報表內列賬，除非其分類為持有待售。若存有不相近的會計政策，將作相應調整。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值之公平值超出投資成本的部分(如有)作出調整。此後，該投資因應本集團所佔被投資公司資產淨值份額於收購後的變動及與投資有關之任何減值虧損作出調整。收購當日出出成本的任何部分、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合收益表確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合全面收益表內確認。

當本集團應佔虧損超過其於聯營公司或合營企業之權益時，本集團的權益將調減至零，及確認進一步虧損折現，惟倘本集團須承擔法定或推定責任，或代表被投資公司付款則除外。就此而言，本集團的權益是按權益法計算的投資賬面值加上實質上屬於本集團對聯營公司或合營企業投資淨額一部分的本集團長期權益。

本集團與其聯營公司及合營企業交易所產生的未變現損益，以本集團所佔被投資公司的權益為限抵銷，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致，則即時於綜合收益表確認。收購聯營公司或合營企業產生的商譽作為本集團於聯營公司或合營企業的投資的一部分入賬。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in consolidated income statement. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When investments in associates or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

3.6 Foreign currency translation

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

3. 主要會計政策概要(續)

3.5 聯營公司及合營企業(續)

倘於聯營公司的投資成為於合營企業的投資或相反，則保留權益不予重新計量。反之，有關投資繼續使用權益法入賬。於所有其他情況下，當本集團喪失對聯營公司的重大影響力或對合營企業的共同控制時，視同本集團處置了對該投資對象的所有權益，產生的盈虧計入綜合收益表。於前投資對象保留的任何權益在喪失重大影響力或共同控制權日按照公平值確認，該金額視為初始確認一項金融資產的公平值。

當於聯營公司或合營企業的投資分類為持有待售時，根據香港財務報告準則第5號入賬。

3.6 外幣換算

綜合財務報表以港元(「港元」)呈列，港元亦為本公司的功能貨幣，除另有指明者外，全部數額均湊整至最接近之千位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation (continued)

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 are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated 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 comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. 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 determined. 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. The functional currencies of certain overseas subsidiaries, joint venture and associates are currencies other than HK\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their income and expense items are translated into HK\$ at the weighted average exchange rates for the year.

3. 主要會計政策概要(續)

3.6 外幣換算(續)

本集團各實體決定其自身的功能貨幣，各實體財務報表中的項目使用該功能貨幣計量。外幣交易初步採用交易日之功能匯率入賬。以外幣計值之貨幣資產及負債，按於報告期末之功能貨幣匯率重新換算。結算或換算貨幣項目產生的差額於綜合全面收益表確認，指定為對沖本集團境外業務投資淨額一部分的貨幣項目除外。按歷史成本列賬並以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按外幣以公平值計量之非貨幣項目，採用釐定公平值當日之匯率換算。因換算按公平值計量的非貨幣項目而產生之收益或虧損按與該項目公平值變動收益或虧損確認一致之方式處理。若干海外附屬公司、合營企業及聯營公司的功能貨幣為港元以外的其他貨幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為本公司呈列貨幣，其收入及開支項目按年內加權平均匯率換算為港元。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation (continued)

The resulting exchange differences are recorded in OCI and the cumulative balance is included in exchange fluctuation reserve in the consolidated statement of changes in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in exchange fluctuation reserve relating to that particular foreign operation is recognised in the consolidated income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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 HK\$ at the weighted average exchange rates for the year.

3.7 Revenue recognition

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

A performance obligation is a promise in a contract with a customer to transfer to the customer either (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. 主要會計政策概要(續)

3.6 外幣換算(續)

因此產生的匯兌差額在其他全面收益確認，累計結餘計入綜合權益變動表中匯兌波動儲備。於出售海外業務時，就特定海外業務在匯兌波動儲備確認的遞延累計金額於綜合收益表確認。收購海外業務產生的任何商譽以及對收購產生的資產及負債的賬面金額的任何公平值調整被視為海外業務的資產及負債並按收盤匯率進行換算。

就綜合現金流量表而言，海外附屬公司之現金流量按有關日期之匯率換算為港元。海外附屬公司年內經常產生之現金流量按年內之加權平均匯率換算為港元。

3.7 收入確認

當本集團符合履約責任時(即當(或由於)貨物或服務有關特定履約責任的「控制權」轉移予客戶時)確認收益。

履約責任為與客戶合約中的承諾，即向客戶轉讓(a)不同的貨物或服務(或一組貨物或服務);或(b)一系列不同的貨物或服務，該等貨物或服務大致相同並具有相同的轉讓方式。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

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

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

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

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

3. 主要會計政策概要(續)

3.7 收入確認(續)

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收益確認會參考一段時間內已完成相關履約責任的進度進行：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益會在當客戶獲得明確商品或服務的控制權時在某一時點確認。

合約資產指本集團就本集團已向客戶轉讓的商品或服務而於交換中收取代價的權利(尚未成為無條件)，根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓商品或服務的責任。

與合約有關的合約資產和合約負債按淨額入賬並列報。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

i) Sales of coal and trading of purchased coal

The Group is principally engaged in the business of production and sale of coal and trading of purchased coal. The Group also sells ancillary materials to its customers. Revenue are recognised when control of the products has transferred, being when the products are delivered to and accepted by the customer at the agreed predetermined location, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue from these sales is recognised based on the price specified in the contract. The Group typically receives certain deposit on acceptance of coal sales orders, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

No element of financing is deemed present as the sales are made with a credit term from 30 to 180 days for the remaining balance based on the invoice date, which is consistent with market practice.

A receivable is recognised when the goods are accepted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. 主要會計政策概要(續)

3.7 收入確認(續)

有關本集團收益及其他收益確認政策的進一步詳情如下：

i) 煤炭銷售以及購入煤炭貿易

本集團主要從事煤炭生產及銷售業務以及購入煤炭之貿易業務。本集團亦向其客戶出售輔助材料。收益於產品控制權轉移時確認，即產品於協定預定地點交付予客戶及由客戶接受，並且概無未履行的責任可能影響客戶對產品的接受。

該等銷售收益根據合約規定的價格確認。本集團通常會於接受煤炭銷售訂單時收取若干按金，會根據具體情況與客戶協商。該等按金於確認收益超過按金金額之前確認為合約負債。

由於根據發票日期的剩餘結餘，信貸期為30至180日，因此不存在任何融資要素，其與市場慣例一致。

於貨物被接受時確認應收款，由於此為代價無條件的時間點，因為在付款到期之前僅需經一段時間。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

ii) Sales of building materials

The Group is also engaged in the business of production and sale of building materials. Revenue are recognised when control of the products has transferred, being when the products are delivered to and accepted by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transferred to the specific location.

Revenue from these sales is recognised based on the price specified in the contract. The Group typically receives certain deposit on acceptance of building materials orders, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

A receivable is recognised when the goods are accepted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. No element of financing is deemed presented as the sales are made as the Group typically offers a credit term from 30 to 180 days for the remaining balance based on the invoice date.

Certain of the Group's building materials contracts include payment schedules which require stage payments over the contract period once milestones are reached. No element of financing is deemed, as the period between payment and transfer of the associated goods is less than one year, which the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

3. 主要會計政策概要(續)

3.7 收入確認(續)

ii) 銷售建材

本集團亦從事建材生產及銷售業務。收益於產品控制權轉移時確認，即產品交付予客戶並由客戶接受，並且概無未履行的責任可能影響客戶對產品的接受。於產品已轉移到特定位置時發生交付。

該等銷售收益根據合約規定的價格確認。本集團通常會於接受建材訂單時收取若干按金，會根據具體情況與客戶協商。該等按金於確認收益超過按金金額之前確認為合約負債。

於貨物被接受時確認應收款，由於此為代價無條件的時間點，因為在付款到期之前僅需經一段時間。由於根據發票日期的剩餘結餘，本集團通常會提供信貸期為30至180日，因此不存在任何融資要素。

本集團若干建材合約包括付款時間表，一旦進程達標，則需要在合約期內分階段付款。由於相關貨物的支付和轉讓之間期間少於一年，本集團採用可行的權宜之計，並不調整任何重大融資成分的交易價格，因此不會視為融資要素。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

ii) Sales of building materials (continued)

Certain major building material contracts also include a retention period for 1% to 16% of the contract value, which is entitled by the Group subject to the Group's product satisfactorily passing inspection and is consistent with market practice. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's product satisfactorily passing inspection.

iii) Interest income

Accounting policy of interest income is stated in the section headed "amortised cost and interest income" in note 3.14.

iv) Rental income

Accounting policy of rental income is stated in the section headed "the Group as a lessor" in note 3.13.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策概要(續)

3.7 收入確認(續)

ii) 銷售建材(續)

若干主要建材合約亦包括合約價值1%至16%的保質期，凡指本集團的產品滿意地通過檢驗，並符合市場慣例。由於本集團對該尾款權利取決於本集團的產品滿意地通過檢驗，因此該金額計入合約資產直至保質期結束。

iii) 利息收入

利息收入之會計政策載於附註3.14中的「攤銷成本和利息收入」一節。

iv) 租金收入

租金收入之會計政策載於附註3.13內「本集團作為出租人」一節。

3.8 借貸成本

購買、興建或生產合資格資產(即需經一段長時間方能作擬定用途或出售之資產)而直接產生之借款費用一律列入該資產之成本，直至資產之大部份已可作擬定用途或出售時為止。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於符合資本化之借款費用中扣除。其他借貸成本於產生期間在損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

3.9 Intangible assets (other than goodwill, mining rights and right-of-use assets)

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment loss. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives of two years.

Intangible assets with indefinite useful lives are carried at cost less any subsequent impairment losses. Intangible assets are tested for impairment as described below in note 3.12. Amortisation commences when intangible assets are available for use.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

All intangible assets are amortised on a straight-line basis over 5 to 10 years.

3. 主要會計政策概要(續)

3.8 借貸成本(續)

在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必需之準備工作進行時，借貸成本開始作為合資格資產成本之一部份而資本化。在使合資格資產投入擬定用途或銷售所必須之絕大部份準備工作中斷或完成時，借貸成本便會暫停或停止資本化。

3.9 無形資產(商譽、採礦權及使用權資產除外)

另行收購之無形資產乃按成本初步確認。初步確認後，可使用期有限的無形資產乃按成本減累計攤銷及任何減值虧損列賬。可使用期有限的無形資產攤銷按直線法按其估計可使用期兩年計提。

可使用期無限的無形資產按成本減任何繼後減值虧損列賬。無形資產須按下文附註3.12所述進行減值測試。無形資產於可供使用時開始攤銷。

因終止確認無形資產而產生的收益或虧損，按出售所得款項淨額與資產賬面值之間的差額計量，並在資產終止確認時於綜合收益表確認。

所有無形資產於5至10年內按直線法攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Mining rights

Mining rights are stated at cost less accumulated amortisation and any identified impairment losses and are amortised using units-of-production method over the proved and probable reserves of the coal mines. Mining rights are tested for impairment as described below in note 3.12.

Gains or losses arising from derecognition of mining rights are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

3.11 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of property, plant and equipment, other than construction in progress (“CIP”), are stated at cost less accumulated depreciation and any identified impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Depreciation on property, plant and equipment, other than aluminum boundary wall moulds, is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method, at the following rates per annum:

3. 主要會計政策概要(續)

3.10 採礦權

採礦權以成本減累計攤銷及任何已識別減值虧損列賬，並依據探明及估計之煤礦儲量使用生產單位法攤銷。採礦權須按下文附註 3.12 所述進行減值測試。

因終止確認採礦權而產生的收益或虧損，按出售所得款項淨額與資產賬面值之間的差額計量，並在資產終止確認時於綜合收益表確認。

3.11 物業、廠房及設備

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他物業、廠房及設備項目（在建工程（「在建工程」）除外），按成本減累計折舊及任何已識別減值虧損後列賬。資產成本包括購買價及使資產達至預定用途之運作狀況及場所而產生之任何直接成本。

除鋁製圍牆模具外，物業、廠房及設備折舊按直線法於估計可使用期計算折舊，以沖銷成本減其估計餘值，年利率如下：

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Property, plant and equipment (continued)

Buildings and mining structures	The shorter of the lease terms and 5% per annum
Plant and machineries	4% to 33% per annum
Mining related machinery and equipment	10% to 20% per annum
Furniture, fixtures and equipment	10% to 20% per annum equipment
Leasehold improvement	The shorter of the lease terms and 10% to 20% per annum
Motor vehicles	10% to 25% per annum
Aluminum boundary wall moulds	Over estimated product life of the aluminum boundary wall moulds manufactured.

The asset's estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to consolidated income statement during the financial period in which they are incurred.

3. 主要會計政策概要(續)

3.11 物業、廠房及設備(續)

樓宇及煤礦建築物	以租期及每年5%之較短者為準
廠房及機器	每年4%至33%
採礦相關機器及設備	每年10%至20%
傢俬、裝置及設備	每年10%至20%
租賃物業裝修	以租期及每年10%至20%之較短者為準
汽車	每年10%至25%
鋁製圍牆模具	按所生產鋁製圍牆模具的估計產品週期

資產之估計餘值、折舊方法及估計可使用期已視乎情況於各報告日期進行檢討及調整。

報廢或出售盈虧按銷售所得款項與資產賬面值之差額釐定，並於綜合收益表確認。

其後成本僅會在項目相關之未來經濟效益可能會流入本集團及能可靠計量項目成本時，始視乎情況計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之財政期間自綜合收益表扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Property, plant and equipment (continued)

CIP, which mainly represents construction on buildings and mining structures and machinery, is stated at cost less any identified impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. No depreciation is provided on CIP. CIP is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is ready for use.

3.12 Impairment of non-financial assets

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.

Goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the assets carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

3. 主要會計政策概要(續)

3.11 物業、廠房及設備(續)

在建工程(主要指樓宇及煤礦建築物及機器)以成本減去任何已識別減值虧損列賬。成本包括建設、安裝及測試期間產生之直接成本。在建工程無須作出折舊。在建工程於建設完工及資產可使用時重新分類為物業、廠房及設備中的適當類別。

3.12 非金融資產之減值

在每個報告期末均會評估是否有跡象表明之前確認之減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產之可收回金額的估計有所改變時，先前就該資產確認之減值虧損(商譽除外)才可轉回，但轉回後之數額不能高於假設以往年度沒有確認減值虧損而原應釐定之賬面值(扣除任何折舊/攤銷)。

商譽及可使用期無限或尚未可供使用的其他無形資產，不論有否出現任何減值跡象，均最少每年進行減值測試。所有其他資產在出現未必能收回有關資產賬面值的跡象時測試減值。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公平值減出售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of non-financial assets (continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a cash-generating unit (“CGU”)). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value-in-use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods.

3.13 Leases

The Group as a lessee

At inception of a contract, the Group assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

3. 主要會計政策概要(續)

3.12 非金融資產之減值(續)

為評估減值，倘資產產生之現金流入大致上不獨立於其他資產，可收回金額則按可獨立產生現金流入的最少資產組合(即現金產生單位(「現金產生單位」))釐定。因此，部份資產個別進行減值測試，另有部份按現金產生單位測試。商譽分配至在預期可受惠於相關業務合併協同效應的現金產生單位，即本集團內為內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減出售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽減值虧損不會於其後期間撥回。

3.13 租賃

本集團作為承租人

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利以換取對價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，控制權被轉移。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leases (continued)

The Group as a lessee (continued)

- (i) Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the commencement date of a lease, the Group, as a lessee recognises a right-of-use asset and a lease liability, except for short-term leases and leases of low-value assets which are primarily laptops and office furniture. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

3. 主要會計政策概要(續)

3.13 租賃(續)

本集團作為承租人 (續)

- (i) 自二零一九年一月一日起適用的政策

倘合約包含租賃組成部分及非租賃組成部分，本集團已選擇不分拆非租賃組成部分，並對每個租賃組成部分和任何相關的非租賃組成部分作為一項單一的租賃進行會計處理。

於租賃開始日，本集團作為承租人確認使用權資產和租賃負債，惟短期租賃和低價值資產(主要為手提電腦及辦公室家具)的租賃除外。與未資本化的租賃相關的租賃付款在租賃期內有系統地確認為費用。

若租賃被資本化，則租賃負債以租期開始日期未支付的租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息費用則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leases (continued)

The Group as a lessee (continued)

(i) Policy applicable from 1 January 2019 (continued)

At the commencement date of a lease, the lease payments included in the measurement of the lease liability comprise the following payments during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 3.12) and adjusted for any remeasurement of the lease liability.

3. 主要會計政策概要(續)

3.13 租賃(續)

本集團作為承租人 (續)

(i) 自二零一九年一月一日起適用的政策 (續)

於租賃開始日期，租期內租賃負債所包含之租賃付款包括以下付款：

- 固定付款額(包括實質上的固定付款額)，減去應收的租賃激勵措施金額；
- 取決於指數或費率的可變租賃付款額，初步計量時使用開始日期的指數或利率；
- 本集團預期應支付的剩餘價值擔保金額；
- 倘本集團合理確定將行使購買選擇權的行權價；及
- 終止租賃的罰款金額，如果租賃期反映出本集團將行使選擇權。

於資本化租賃時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在地盤而產生的估計成本，按其現值貼現並扣減任何所收的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損列賬(見附註3.12)並因租賃負債重新計量作調整。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leases (continued)

The Group as a lessee (continued)

- (i) Policy applicable from 1 January 2019 (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

- (ii) Policy applicable prior to 1 January 2019

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (note 3.8). Contingent rentals are recognised as expenses in the periods in which they are incurred.

3. 主要會計政策概要(續)

3.13 租賃(續)

本集團作為承租人 (續)

- (i) 自二零一九年一月一日起適用的政策 (續)

租賃期開始日之後，租賃負債通過利息增加和租賃付款額進行調整。

本集團於綜合財務狀況表單獨呈列使用權資產及租賃負債。

- (ii) 二零一九年一月一日前適用之政策

根據融資租賃持有之資產按租賃開始時之公平值或(倘為較低者)按最低租賃付款之現值確認為本集團之資產。出租人相應的負債則以融資租賃負債計入綜合財務狀況表內。

租賃付款按比例於融資費用及減少租賃承擔之間作出分配，從而使該等負債應付餘額之息率固定。

財務費用即時於損益確認，而直接有關合資格資產的財務費用，則根據本集團對借款費用的一般政策(附註3.8)資本化。或然租金於所產生之期間內確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Leases (continued)

The Group as a lessee (continued)

- (ii) Policy applicable prior to 1 January 2019 (continued)

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period of which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策概要(續)

3.13 租賃(續)

本集團作為承租人 (續)

- (ii) 二零一九年一月一日前適用之政策 (續)

經營租約租金(包括根據經營租賃持有的土地的購入成本)按有關租期以直線法確認為開支,除非另有系統基準更能代表租賃資產使用經濟利益之時間模式。經營租賃的或然租金於所產生之期間內列作開支。當訂立經營租賃時收到租賃優惠時,該等優惠被確認為負債。各項優惠以直線法遞減經營性租賃支出確認。

本集團作為出租人

本集團為出租人之租賃乃分類為融資或經營租賃。當租賃條款將相關資產擁有權附帶的絕大部分風險及回報轉移至承租人時,該合約乃分類為融資租賃。所有其他租賃乃分類為經營租賃。

經營租賃之租金收入乃按有關租賃協議之租期以直線法於損益中確認。協商及安排所產生之初步直接成本乃加至租賃資產之賬面值,且有關成本於租期內按直線基準確認為開支。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for accounts and bills receivables and contract assets arising from contracts with customers (that do not have significant financing components) which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

3. 主要會計政策概要(續)

3.14 金融工具

當集團實體成為該等工具合約條文之訂約方，則確認金融資產及金融負債。所有日常購買或出售之金融資產均按交易日基準確認及終止確認。日常購買或出售指按於市場規則或慣例確立之時限內交付資產之金融資產購買或出售。

金融資產及金融負債初步按公平值計量，惟自客戶合約產生之應收賬款及票據以及合約資產(並無單獨識別融資組成部分)則初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本乃於初步確認時計入金融資產或金融負債之公平值，或從其公平值扣除(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

實際利率法為計算金融資產或金融負債的攤銷成本及按相關期間分配利息收入及利息開支的方法。實際利率為於金融資產或金融負債的預期年期或(如適用)較短期間內將估計未來現金收入及付款(包括構成實際利率不可或缺一部分的所有已付或已收費用及貼息、交易成本以及其他溢價或折讓)準確貼現為於初步確認時的賬面淨值之利率。

本集團日常業務過程中產生之利息收入呈列為其他收入。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial assets

Classification and measurement of financial assets

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

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

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

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

All other financial assets are subsequently measured at fair value through profit or loss (“**FVTPL**”), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI on initial recognition if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 (revised) *Business Combinations* applies.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產

金融資產之分類及計量

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產乃以目的為收取合約現金流量的業務模式持有；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合下列條件的金融資產其後以按公平值計入其他全面收益計量：

- 金融資產乃以目的透過收取合約現金流量及出售金融資產而達到的業務模式持有；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產其後按公平值計入損益(「**按公平值計入損益**」)計量，惟於初步確認金融資產日期，倘該股本投資既非持作買賣亦非由收購方按香港財務報告準則第3號(經修訂)「業務合併」適用之業務合併內確認之或然代價，則本集團不可撤銷地選擇將股本投資公平值之其後變動呈列在其他全面收益內。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Classification and measurement of financial assets (continued)

A financial asset is classified as held for trading if:

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

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

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

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產(續)

金融資產之分類及計量(續)

倘屬下列情況，金融資產會被分類為持作買賣：

- 購入之目的主要為於近期出售；
- 於初步確認時屬於本集團整體管理之可識別金融工具組合之一部分，並且最近有可短期獲利之實際模式；或
- 屬並非指定及有效作為對沖工具之財務擔保合約之衍生工具。

此外，本集團可不可撤銷地將須按攤銷成本或按公平值計入其他全面收益之金融資產指定為按公平值計入損益計量(倘此舉可消除或顯著減少會計錯配情況)。

- (i) 攤銷成本及利息收入
- 就其後按攤銷成本計量之金融資產以實際利率法確認金融資產。除其後出現信貸減值之金融資產外，利息收入乃透過就金融資產總賬面值應用實際利率計算。就其後出現信貸減值之金融資產而言，利息收入將自下個報告期起就金融資產攤銷成本應用實際利率確認。如信貸減值金融工具之信貸風險改善以使金融資產不再出現信貸減值，則利息收入自釐定資產不再出現信貸減值後之報告期初起就金融資產之總賬面值應用實際利率確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Classification and measurement of financial assets (continued)

- (i) Amortised cost and interest income (continued)

Accounting policy of impairment of financial assets measured at amortised cost is stated in note 3.15,

- (ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve under other reserves; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income and gains in profit or loss.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產 (續)

金融資產之分類及計量 (續)

- (i) 攤銷成本及利息收入 (續)

有關按攤銷成本計量之金融資產減值之會計政策載述於附註3.15。

- (ii) 指定為按公平值計入其他全面收益之股本工具

指定為按公平值計入其他全面收益之股本工具投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於其他儲備項下公平值儲備中累計；無須作減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將轉撥至保留溢利。

當本集團確認收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益內之其他收入及收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial assets (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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產(續)

終止確認金融資產

金融資產(或視適用情況而定,一項金融資產之一部分或一組類似金融資產之一部分)主要在下列情況下將予終止確認(即從本集團之綜合財務狀況表中剔除):

- 自資產收取現金流量之權利已屆滿;或
- 本集團已轉讓自資產收取現金流量之權利,或已根據一項「轉付」安排承擔責任,在無重大延誤情況下,將所收現金流量全數付予第三方;且(a)本集團已轉讓資產絕大部分風險及回報;或(b)本集團雖未轉讓或保留資產之絕大部分風險及回報,但已轉讓資產之控制權。

倘本集團已轉讓其自一項資產收取現金流量之權利或已訂立一項轉付安排,會評估其有否保留該資產擁有權之風險及回報,以及其程度。倘本集團並無轉讓或保留該項資產之絕大部分風險及回報,亦無轉讓該資產之控制權,則該轉讓資產會以本集團繼續參與該資產之程度而確認入賬。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留之權利及義務之基準計量。

採取已轉讓資產之擔保形式之持續參與,以該項資產原賬面值與本集團可能須償還最高代價金額兩者中之較低者計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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

On derecognition of an equity investments designated at FVTOCI, the cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Financial liabilities

The Group's financial liabilities include bank and other loans, accounts and bills payables, other payables, accruals and deposit received, amount due to an associate and amounts due to and loans from shareholders and lease liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

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

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產(續)

終止確認金融資產(續)

當終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之差額於損益內確認。

當終止確認指定為按公平值計入其他全面收益之股權投資時，累計收益或虧損不會重新分類至出售股權投資之損益，並將轉撥至保留溢利。

金融負債

本集團之金融負債包括銀行及其他貸款、應付賬款及票據、其他應付款項、應計費用及已收按金、應付一間聯營公司款項以及應付股東款項及來自股東貸款及租賃負債。

金融負債於本集團成為工具合約條文之一方時確認。所有利息相關費用根據本集團有關借貸成本之會計政策確認。

金融負債於負債項下之責任獲解除、取消或屆滿時終止確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Where 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 the recognition of a new liability, and the difference in the respective carrying amount is recognised in consolidated income statement.

- (i) Borrowings
Borrowings, which include bank and other loans and loans from shareholders, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in consolidated income statement over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- (ii) Accounts and bills payables, other payables, accruals and deposit received, amount due to an associate, amounts due to and loans from shareholders and lease liabilities

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策概要(續)

3.14 金融工具(續)

金融資產(續)

倘一項現有金融負債以來自同一貸款人而條款大部分不同之另一項金融負債取代，或現有負債之條款大幅修改，則有關轉換或修改將視作終止確認原有負債及確認新負債，而兩者各自賬面值之間之差額將於綜合收益表內確認。

- (i) 借貸
借貸(包括銀行及其他貸款以及來自股東貸款)初步按公平值(扣除已產生之交易成本)確認。借貸其後按已攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之任何差額使用實際利息法於借貸期間在綜合收益表確認。

借貸分類為流動負債，惟本集團有無條件權利遞延償還負債之期限至報告日期後至少12個月則除外。

- (ii) 應付賬款及票據、其他應付款項、應計費用及已收按金、應付一間聯營公司款項、應付股東款項及來自股東貸款以及租賃負債

有關款項初步乃按其公平值確認，其後使用實際利息法按攤銷成本計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets

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

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

The Group always recognises lifetime ECL for accounts and bills receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

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

3. 主要會計政策概要(續)

3.15 金融資產減值

本集團對須根據香港財務報告準則第9號進行減值之金融資產(包括應收賬款及票據、合約資產、按金及其他應收款項、已抵押及受限制銀行存款以及現金及現金等值項目)之預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認以來之變動。

全期預期信貸虧損指於相關工具於預計全期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於報告日期後12個月內可能發生的違約事件產生的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、一般經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團始終確認並無重大融資組成部分之應收賬款及票據以及合約資產之全期預期信貸虧損。該等資產之預期信貸虧損乃就具有重大結餘的債務人進行個別評估及使用合適分組的撥備矩陣進行整體評估。

就所有其他工具而言，本集團計量虧損撥備等於12個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自初始確認以來發生違約的可能性或風險顯著上升。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

- (i) 信貸風險大幅增加
- 於評估信貸風險是否自初始確認以來大幅增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及無須花費不必要成本或努力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；或
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

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

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

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

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

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

- (i) 信貸風險大幅增加(續)
無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已大幅增加，除非本集團有合理及可靠資料證明則當別論。

本集團定期監控用以識別信用風險有否大幅增加之標準之效力，並修訂標準(如適當)以確保標準能在金額逾期前識別信用風險大幅增加。

- (ii) 違約定義
就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據:

- 發行人或借款人的重大財務困難;
- 違反合約(如違約或逾期事件);
- 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;
- 借款人將可能陷入破產或其他財務重組; 或
- 該金融資產的活躍市場因財務困難而消失。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

- (iv) Write-off policy
- The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts and bills receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

- (v) Measurement and recognition of ECL

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

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

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

- (iv) 撇銷政策
- 倘有資料顯示對手方面對嚴重財務困難，且實際上並無收回款項的前景(如對手方被清盤或進入破產程序，或(如為應收賬款及票據)金額已逾期超過一年(以較早發生者為準))，則本集團會撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷之金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回於損益中確認。

- (v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的預估乃無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預計收取的所有現金流量的差額估計，並按初始確認時釐定的實際利率貼現。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

- Nature of financial instruments (i.e. the Group's accounts and bills receivables together with contract assets and deposits and other receivables are each assessed as a separate group.);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts and bills receivables, contract assets and deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 主要會計政策概要(續)

3.15 金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

倘預期信用虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質(即本集團應收賬款及票據連同合約資產及按金及其他應收款項各項評為獨立組別)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

歸類工作由管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟應收賬款及票據、合約資產及按金及其他應收款項除外，其相應調整乃透過虧損撥備賬予以確認。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Inventories comprise coal, spare parts and consumable store for trading and own consumption purposes. Costs of coal is determined using weighted average basis whereas costs of spare parts and consumables are stated at first-in, first-out or weighted average basis as appropriate, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.17 Income taxes

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in OCI or directly in equity.

3. 主要會計政策概要(續)

3.16 存貨

存貨按成本及可變現淨值兩者之較低者列賬。存貨包括用作買賣及本身消耗之煤、零件及其他耗材。煤之成本按加權平均成本列賬，而零件及耗材之成本則按先入先出或加權平均兩者之適當者為基準列賬，在製品及製成品之成本包括直接材料、直接工資及按適當比例計算之間接費用。

可變現淨值是減去估計完工成本及銷售估計必須費用後於日常業務過程中的估計售價。

當存貨出售，該等存貨之賬面值確認為相關收入確認期間之費用。存貨可變現淨值及所有存貨損失之任何撇減金額確認為撇減或損失發生期間之費用。任何撥回之存貨撇減金額確認為發生撥回期間存貨金額減少之費用。

3.17 所得稅

所得稅代表本期所得稅項及遞延稅項之總和。與於損益外確認項目有關的所得稅於損益外的其他全面收入或直接於權益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

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 venture, 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.

3. 主要會計政策概要(續)

3.17 所得稅(續)

本期所得稅項資產及負債以於報告期末頒佈或實質頒佈的稅率(及稅法)為基礎,同時考慮本集團經營之國家解釋及做法,從預期收回或支付給稅務機關之金額計量。

遞延稅項採用負債法,對所有於報告期末就資產及負債之計稅基礎與用於財務報告的賬面值之不同而引致之暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時差異予以確認,除非:

- 遞延稅項負債是由非業務合併交易初始確認之資產或負債所產生,且在交易時既不影響會計利潤亦不影響應課稅損益;及
- 就對附屬公司、聯營公司及合營企業的投資相關應課稅暫時性差異而言,倘撥回臨時差異之時間可予控制,臨時差異可能不會於可見將來撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (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 profits will be available against which 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 venture, 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 is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策概要(續)

3.17 所得稅(續)

遞延稅項資產乃按所有可扣稅暫時性差異、結轉未用稅項抵免及任何未用稅損予以確認，惟將可扣稅暫時性差異、未用稅項抵免及未用可稅損的結轉確認為遞延資產的最高上限應以可供抵銷的應課稅利潤總額為限，除非：

- 遞延稅項資產是由非業務合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時差異而言，遞延稅項資產確認為以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

遞延稅項資產的賬面值乃於每一報告期末審核，並將減少至不再可能有充裕應課稅利潤使全部或部分遞延稅項資產可動用。如有充裕應課稅利潤使全部或部分遞延稅項資產可動用，未確認之遞延資產於報告期末可重新評估及可予確認。

遞延稅項乃按於報告期末已執行或實質上已執行的稅率(及稅務法例)為基礎，根據預期適用於變現資產或償還債項期間的稅率計量(無折扣)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income taxes (continued)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

- 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 venture, 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.

3.18 Employee benefits

Retirement benefit obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated income statement 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.

3. 主要會計政策概要(續)

3.17 所得稅(續)

倘涉及由相同之稅務機關徵收之所得稅，而本集團有意以淨額方式解決本期稅項資產和負債，遞延稅項資產及負債將被抵銷。

- 遞延稅項資產是由非企業合併交易初始確認之資產或負債所產生，且在交易時既不影響會計利潤亦不影響應課稅損益；及
- 就對附屬公司、聯營公司及合營企業的投資相關可扣稅暫時差異而言，遞延稅項資產確認是以暫時性差異將於可預見的未來撥回，且有足夠的應課稅利潤可用以抵銷為限。

3.18 僱員福利

退休福利責任

本集團根據強制性公積金計劃條例向所有香港僱員提供定額供款退休福利計劃(「強積金計劃」)。根據強積金計劃條款，供款乃根據僱員之基本薪金之百分比計算及於應付時於綜合收益表扣除。強積金計劃之資產與本集團之其他資產分開處理及以獨立管理之基金形式持有。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits (continued)

Retirement benefit obligations (continued)

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which 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.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. 主要會計政策概要(續)

3.18 僱員福利(續)

退休福利責任(續)

本集團於中國經營之附屬公司之僱員須參加由地方市政府設立之中央退休金計劃。該等中國附屬公司須按其薪資成本之若干比例向當地市政府指定之中央退休金計劃供款。根據地方退休金計劃之條例須支付有關供款時，從綜合收益表扣除該供款。

短期僱員福利

薪金、年度花紅、帶薪年假及非貨幣福利成本，均於僱員提供有關服務的年度計算。如付款或結算被推遲，且影響重大，該等金額則按其現值入賬。

3.19 現金及現金等值項目

現金及現金等值包括手頭現金及活期存款，及易於轉換為已知金額現金之短期高流動性投資，其價值變動風險低，並自購入後時限一般在三個月內。

3.20 股本

普通股分類為權益。發行新股份或購股權直接應佔的新增成本，於權益中列為所得款項的減項（扣除稅項）。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.22 Segment reporting

The Group identifies operating segment and prepares segment information based on the regular internal financial information reported to the executive directors of the Company (the “**Executive Directors**”), being the chief operating decision makers, for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the Executive Directors are determined following the Group’s major product and service lines.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

3. 主要會計政策概要(續)

3.21 撥備及或然負債

倘本集團因過往事件須承擔現時責任(法定或推定)，且承擔該責任可能導致經濟利益外流，倘責任數額能夠可靠地估計，則確認為撥備。倘金錢之時間價值重大，則撥備會以承擔責任預期所需支出之現值入賬。

所有撥備均於各報告日期審閱並經調整以反映當期之最佳估計。

倘若導致經濟利益外流之可能性不大，或未能可靠預計該責任之金額，則該責任會披露為或然負債，除非導致經濟利益外流之可能性極低。潛在責任(須視乎日後是否發生一宗或多宗不確定事件且完全不在本集團控制範圍內而確定其會否實現)亦會披露為或然負債，除非導致經濟利益外流之可能性極低。

3.22 分部報告

本集團根據定期向本公司執行董事(「**執行董事**」)(即主要經營決策者)呈報之內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

本集團根據香港財務報告準則第8號報告分部業績使用之計量政策與根據香港財務報告準則編製綜合財務報表時使用者相同。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Provision for reclamation obligations

The Group is required to make payments for reclamation of the land after the underground sites have been mined. Provision for reclamation obligation is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimation of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

3.24 Fair value measurement

A number of assets and liabilities included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised. The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

3. 主要會計政策概要(續)

3.23 開墾費用撥備

本集團須就地下場地開採以後土地之復墾支付款項。當本集團因過往事件而擁有現時責任以及倘本集團可能須清償該責任時，須計提復墾責任撥備。該等撥備按於報告期末董事對須清償責任所需開支之最佳估計計量，並折現至現值(倘有關影響屬重大)。

3.24 公平值計量

本集團財務綜合報表中包括的多項資產及負債需要按公平值計量及／或披露公平值。

本集團之金融及非金融資產及負債之公平值計量盡可能利用可觀察市場資料輸入及數據。釐定公平值計量時使用之資料輸入按照估值技術使用可觀察資料之方式分為不同級別。該等級別定義如下：

第1級：公平值計量使用相同金融工具於活躍市場之報價(未作調整)。

第2級：公平值計量使用第2級資料輸入(即可觀察資料輸入未達到第1級，並且未使用重要的難以觀察資料輸入)。難以觀察資料輸入為無法獲得市場數據的資料輸入。

第3級：公平值計量使用重要的難以觀察資料輸入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Fair value measurement (continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

3.25 Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

or

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

3. 主要會計政策概要(續)

3.24 公平值計量(續)

項目基於對項目公平值計量具有重大影響之最低資料輸入級別，分類至上述級別。不同級別之間的項目轉移於產生期間確認。

有關上述項目公平值計量之更詳細資料，請參閱適用附註。

3.25 關連人士

(a) 該名人士於符合以下條件時，該名人士或其家族之近親即與本集團有關連：

- (i) 對本集團擁有控制權或共同控制權；
- (ii) 對本集團擁有重大影響力；或
- (iii) 為本集團或本公司母公司之主要管理層人員。

或

(b) 實體於適用以下任何條件時，即與本集團有關連：

- (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies: (continued)
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 主要會計政策概要(續)

3.25 關連人士(續)

- (b) 實體於適用以下任何條件時，即與本集團有關連：(續)
 - (ii) 某一實體為另一實體之聯營公司或合營企業，或為另一實體所屬集團成員之聯營公司或合營企業。
 - (iii) 實體均為同一第三方之合營企業。
 - (iv) 實體為第三實體之合營企業，而另一實體為第三實體之聯營公司。
 - (v) 實體乃為本集團或與本集團有關之實體之僱員福利而設之離職後福利計劃。
 - (vi) 實體受(a)所界定人士控制或共同控制。
 - (vii) (a)(i)所界定人士對實體擁有重大影響力或為實體或該名實體母公司之主要管理層人員。
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本公司之母公司提供主要管理人員服務。

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. However, other than the judgement made by the directors of the Company in respect of going concern as disclosed in note 3.1 above, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of property, plant and equipment and right-of-use assets

Other than CIP and aluminum boundary wall moulds, the Group depreciates property, plant and equipment using straight-line method over the estimated useful lives ranging between 3 to 25 years, starting from the date on which the assets are ready for productive use. For aluminum boundary wall moulds, the Group depreciates over their estimated product lives. For the right-of-use assets, the Group depreciates right-of-use assets over the lease term determined at the commencement date for leases. The estimated useful lives, product lives and lease term reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and right-of-use assets. The carrying amount of property, plant and equipment, other than CIP, as at 31 December 2019 was approximately HK\$188,845,000 (2018: approximately HK\$393,650,000) and the carrying amount of right-of-use assets was approximately HK\$65,763,000 (2018: Nil). Further details are disclosed in notes 15 and 17.

4. 重大會計估計及判斷

估計及判斷將按過往經驗及其他因素(包括相信在某時情況下合理發生的未來事項預期)作出持續評估。

重大會計估計及假設

本集團作出有關未來的估計及假設。定義上，會計估計與相關實際結果甚少相同。然而，除上文附註3.1所披露本公司董事就持續經營作出的判斷外，存在可能導致下一財政年度之資產及負債賬面值重大調整之重大風險的估計及假設載列如下。

(i) 物業、廠房及設備以及使用權資產折舊

除在建工程及鋁製圍牆模具外，本集團使用直線法由資產可用作具生產力之用途當日起計3至25年之估計可使用年期內就物業、廠房及設備計算折舊。就鋁製圍牆模具而言，本集團按其估計產品壽命計算折舊。就使用權資產而言，本集團按於租賃開始日期釐定的租期就使用權資產計算折舊。估計可使用年期、產品壽命及租期反映董事對本集團計劃透過使用本集團之物業、廠房及設備以及使用權資產衍生未來經濟利益之期間的估計。於二零一九年十二月三十一日，物業、廠房及設備(除在建工程外)之賬面值約為188,845,000港元(二零一八年：約393,650,000港元)以及使用權資產之賬面值約為65,763,000港元(二零一八年：無)。進一步詳情披露於附註15及17。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(ii) Amortisation of mining rights

The Group amortises its mining rights using a units-of-production method, utilising only proved and probable coal reserves as the depletion base. The estimated coal reserves and the related future economic benefits were estimated by the directors of the Company. Accounting policy on mining rights is set out in note 3.10. The carrying amount of mining rights as at 31 December 2019 was approximately HK\$131,861,000 (2018: approximately HK\$293,917,000). Further details are disclosed in note 19.

(iii) Provision of ECL for accounts and bills receivables

The Group estimated the amounts of ECL for accounts and bills receivables based on (i) market borrowing rates for these debts grouped based on their risks and characteristics, less risk-free rate; and (ii) the expected settlement dates taking into account for the Group's historical experience in relation to accounts and bills receivables. The Group also takes into account forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the estimated default rates are reassessed and changes in the forward-looking information are considered. In addition, accounts and bills receivables which are significant and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts and bills receivables are disclosed in note 45(a).

The impairment loss of accounts and bills receivables provided during the year ended 31 December 2019 were approximately HK\$16,173,000 (2018: HK\$9,156,000). Further details are disclosed in note 45(a).

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(ii) 採礦權攤銷

本集團僅以探明及估計礦產儲量為基準，利用單位生產法攤銷採礦權。估計礦產儲量及相關未來經濟利益由本公司董事估計。採礦權的會計政策載於附註3.10。於二零一九年十二月三十一日，採礦權之賬面值約為131,861,000港元(二零一八年：約293,917,000港元)。進一步詳情披露於附註19。

(iii) 應收賬款及票據之預期信貸虧損撥備

本集團根據(i)該等債務的市場借款利率，根據其風險及特徵分組，減無風險利率；(ii)計及本集團與應收賬款及票據有關的過往經驗的預期結算日期，估計應收賬款及票據的預期信貸虧損金額。本集團亦以無須不必要的成本或努力，考慮可獲得的合理及可支持的前瞻性資料。於各報告日期，重新評估估計違約率，並考慮前瞻性資料變動。此外，重大及信貸減值的應收賬款及票據將分別對預期信貸虧損進行評估。

預期信貸虧損撥備對估計的變動敏感。有關預期信貸虧損及本集團應收賬款及票據之資料於附註45(a)披露。

截至二零一九年十二月三十一日止年度，計提撥備之應收賬款及票據減值虧損約為16,173,000港元(二零一八年：9,156,000港元)。進一步詳情披露於附註45(a)。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that non-financial assets with definite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in note 3.12. In assessing whether there is any indication that non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions and economic environment. These assessments are subjective and require management's judgements and estimations.

During the year ended 31 December 2019, impairment loss on property, plant and equipment of approximately HK\$995,000 (2018: approximately HK\$5,693,000) was recognised by the Group and details of this impairment are set in notes 15 and 20.

During the year ended 31 December 2019, impairment loss on mining rights of approximately HK\$32,926,000 (2018: approximately HK\$8,544,000) was recognised by the Group and details of this impairment are set out in notes 19 and 20.

(v) Provision for reclamation obligations

The provision is reviewed regularly to verify that it properly reflects the remaining obligation arising from current and past mining activities. Provision for land reclamation is determined by management based on their best estimates of the current and future costs, latest government policies and past experiences. The carrying amount of provision for reclamation obligations as at 31 December 2019 was approximately HK\$24,001,000 (2018: approximately HK\$100,164,000). Further details are disclosed in note 32.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(iv) 非金融資產之減值

本集團於每個報告日期評估是否有任何跡象表明具有確定年期的非金融資產可能已減值。如存在任何相關跡象，本集團按照附註3.12所述會計政策估計資產的可收回金額。在評估是否有任何跡象表明非金融資產可能已減值時，本集團考慮內部及外部來源的跡象，如資產過時或經濟表現下降的證據、市況及經濟環境變動。該等評估具有主觀性，需要管理層作出判斷及估計。

截至二零一九年十二月三十一日止年度，本集團確認物業、廠房及設備的減值虧損約995,000港元(二零一八年：約5,693,000港元)，減值詳情載於附註15及20。

截至二零一九年十二月三十一日止年度，本集團確認採礦權的減值虧損約32,926,000港元(二零一八年：約8,544,000港元)，減值詳情載於附註19及20。

(v) 開墾費用撥備

撥備定期檢討，以核實及恰當反映現時及過去開採活動產生之餘下承擔責任。土地開墾撥備由管理層按目前及未來成本、最新政府政策及過往經驗之最佳估計而釐訂。於二零一九年十二月三十一日，開墾費用撥備之賬面值約為24,001,000港元(二零一八年：約100,164,000港元)。進一步詳情披露於附註32。

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(v) Provision for reclamation obligations (continued)

Management determined that the probability to make payment of such liability within twelve months after the reporting period is remote taking into account the industry practice and the Group's scenario, facts and circumstances. However, management also considered that the relevant government authorities have the sole discretion to request payment of such liability. As the Group does not have unconditional right to defer settlement of such liability for at least twelve months after the reporting period, accordingly, the provision for reclamation obligations is classified as current liabilities in accordance with HKAS 1 (Revised).

(vi) Central pension scheme

Certain subsidiaries of the Group in the PRC are required to contribute certain percentage on their payroll costs for employees to the central pension scheme. However, the implementation and settlement of the contribution to the central pension scheme varies among various Social Security Bureaus in cities of the PRC, and the Group has not finalised its contribution calculation and payments with the local Social Security Bureau in the PRC. Accordingly, significant judgement is required in determining the amount of the contribution. The Group recognised the contribution based on management's best estimates according to the understanding of the rules of the central pension scheme, with reference to the legal opinion received by the Group.

4. 重大會計估計及判斷(續)

重大會計估計及假設(續)

(v) 開墾費用撥備(續)

經考慮行業慣例及本集團的情形、事實及情況，管理層認為，於報告期後十二個月內支付該負債的可能性很低。然而，管理層亦認為，相關政府部門可全權酌情要求支付該負債。由於本集團並無將負債遞延至報告期後至少十二個月結算的無條件權利，因此開墾費用撥備按照香港會計準則第1號(經修訂)分類為流動負債。

(vi) 中央退休金計劃

本集團若干於中國的附屬公司須按僱員薪酬的若干百分比向中央退休金計劃供款。然而，於中國城市多個社會保障部門向中央退休金計劃實行及結算供款大相逕庭，及本集團尚未落實其供款計算及向中國社會保障部門作出付款。因此，釐定供款金額須作出重大判斷。本集團根據管理層的最佳估計及對中央退休金計劃規則的理解並參照本集團收到的法律意見確認供款金額。

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5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the Executive Directors are determined following the Group's major product and service lines.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Executive Directors in order to allocate resources and assess performance of the segment. The Executive Directors have determined that the Group's operating and reportable segments under HKFRS 8 are as follows:

- Coal Business – Production and sale of coal and trading of purchased coal
- Building Materials Business – Production and sale of building materials and leasing of aluminum boundary wall moulds

During the year ended 31 December 2019, one of the subsidiaries of the Company commenced the business of leasing of aluminum boundary wall moulds. Information about this strategic business unit that is not reportable in accordance with HKFRS 8, is consolidated under "Building Materials Business" in this year.

The measure used for reporting segment (loss)/profit is adjusted loss before income tax. Items not specifically attributable to individual segments, such as share of results of associates and a joint venture, finance costs, interest income, unallocated head office and corporate expenses are further adjusted.

5. 分部資料

本集團根據定期向執行董事呈報之內部財務資料確定其經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現之基準。向執行董事呈報之內部財務資料之業務分部乃按本集團之主要產品和服務類別來劃分。

經營分部指本集團從事可賺取收益及產生開支之業務活動之組成部分，並按內部管理報告資料之基準確定經營分部，而執行董事定期審閱所提供之內部管理報告資料以分配資源及評估分部表現。執行董事認為本集團根據香港財務報告準則第8號的經營及可報告分部如下：

- 煤炭業務 – 煤炭生產及銷售以及購入煤炭貿易
- 建材業務 – 建材生產及銷售以及租賃鋁製圍牆模具

截至二零一九年十二月三十一日止年度，本公司其中一間附屬公司開始其租賃鋁製圍牆模具之業務。有關此策略業務單位並非根據香港財務報告準則第8號呈報之資料於本年度「建築材料業務」綜合入賬。

報告分部(虧損)/溢利使用的計量為扣除所得稅前之經調整虧損。並無指明各分部應佔的項目，如應佔聯營公司及合營公司業績、財務費用、利息收入、未分配總部及企業開支將進一步進行調整。

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綜合財務報表附註

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5. SEGMENT INFORMATION (continued)

Segment assets include all tangible assets, prepaid land lease payments, right-of-use assets, goodwill, mining rights, other intangible assets and current assets with the exception of other corporate assets. Segment liabilities include accounts and bills payables, other payables and accruals attributable to activities of the individual segments, provision for reclamation obligations, lease liabilities and deposit received.

Revenue and expenses are allocated to the operating and reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

(a) Segment revenue and results

The following is an analysis of the Group's disaggregation of revenue from contracts with customers by the timing of revenue recognition and results from operating and reportable segments:

5. 分部資料(續)

分部資產包括所有有形資產、預付土地租賃款項、使用權資產、商譽、採礦權、其他無形資產及流動資產，惟其他公司資產除外。分部負債包括各分部活動應佔的應付賬款及票據、其他應付款項及應計費用、開墾義務撥備、租賃負債及已收按金。

收益及支出乃經參考該等分部產生之銷售額及招致之支出分配予經營及可報告分部。

(a) 分部收益及業績

以下為按收益確認之時間以及經營及可呈報分部之業績劃分來自客戶合約之收益分拆分析：

		Coal Business HK\$'000 煤炭業務 千港元	Building Materials Business HK\$'000 建材業務 千港元	Total HK\$'000 總計 千港元
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Revenue from external customers and disaggregated by timing of revenue recognition	來自外部客戶之收益及按確認收益之時間分類			
Point in time	某一時間點	274,893	225,762	500,655
Point over time	一段時間	-	3,881	3,881
		274,893	229,643	504,536
Segment (loss)/profit	分部(虧損)/溢利	(67,325)	984	(66,341)
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	22,720	1,390	24,110
Depreciation and amortisation	折舊及攤銷	(46,146)	(24,150)	(70,296)
Net impairment loss on financial and contract assets	金融資產及合約資產之減值虧損淨額	(368)	(18,222)	(18,590)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(995)	-	(995)
Impairment loss on mining rights	採礦權之減值虧損	(32,926)	-	(32,926)

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5. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度
Revenue from external customers and disaggregated by timing of revenue recognition	來自外部客戶之收益及按確認收益之時間分類
Point in time	某一時間點
Segment (loss)/profit	分部(虧損)/溢利
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備
Depreciation and amortisation	折舊及攤銷
Net reversal of/(impairment loss) on financial and contract assets	金融及合約資產之撥回/(減值虧損)淨額
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損
Impairment loss on mining rights	採礦權之減值虧損

5. 分部資料(續)

(a) 分部收益及業績(續)

Coal Business HK\$'000 煤炭業務 千港元	Building Materials Business HK\$'000 建材業務 千港元	Total HK\$'000 總計 千港元
--	--	--------------------------------

763,432	198,008	961,440
(40,364)	14,886	(25,478)
23,189	1,344	24,533
(44,649)	(23,885)	(68,534)
2,412	(12,038)	(9,626)
(5,693)	–	(5,693)
(8,544)	–	(8,544)

2019
HK\$'000
二零一九年
千港元

2018
HK\$'000
二零一八年
千港元

Reconciliation of segment profit or loss:

Reportable segment loss from the Group's external customers	來自本集團外部客戶之可呈報分部虧損	(66,341)	(25,478)
Share of results of associates	應佔聯營公司業績	(1,692)	(12,826)
Share of results of a joint venture	應佔一間合營企業業績	23	51
Finance costs	財務費用	(84,526)	(101,514)
Interest income	利息收入	53,544	2,296
Unallocated head office and corporate expenses	未分配總部及公司開支	(11,529)	(17,422)
Loss before income tax	除所得稅前虧損	(110,521)	(154,893)

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綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

5. 分部資料(續)

(b) 分部資產及負債

以下為按經營及可報告分部劃分的本集團資產及負債分析：

		Coal Business HK\$'000 煤炭業務 千港元	Building Materials Business HK\$'000 建材業務 千港元	Total HK\$'000 總計 千港元
At 31 December 2019	於二零一九年十二月三十一日			
Segment assets	分部資產	168,060	344,777	512,837
Additions to non-current segment assets during the year	年內非流動分部資產添置	6,806	4,015	10,821
Segment liabilities	分部負債	(201,073)	(200,639)	(401,712)
At 31 December 2018	於二零一八年十二月三十一日			
Segment assets	分部資產	1,354,909	549,715	1,904,624
Additions to non-current segment assets during the year	年內非流動分部資產添置	10,865	300,622	311,487
Segment liabilities	分部負債	(1,215,714)	(94,028)	(1,309,742)
		2019 HK\$'000 二零一九年 千港元		2018 HK\$'000 二零一八年 千港元
Reconciliation of segment assets:	分部資產對賬：			
Reportable segment assets	可報告分部資產	512,837		1,904,624
Interests in associates	於聯營公司之權益	-		100,046
Interest in a joint venture	於一間合營企業之權益	-		5,973
Financial assets at FVTOCI	按公平值計入其他全面收益的金融資產	-		682
Deferred tax assets	遞延稅項資產	3,148		-
Tax recoverable	可收回稅款	8,081		9,433
Restricted bank deposits	受限制的銀行存款	-		1,621
Cash and cash equivalents	現金及現金等值項目	15,904		35,789
Unallocated corporate assets	未分配企業資產	7,430		12,734
Consolidated total assets	綜合資產總值	547,400		2,070,902

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5. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

Reconciliation of segment liabilities:	
Reportable segment liabilities	可報告分部負債
Amount due to an associate	應付一間聯營公司款項
Amounts due to and loans from shareholders	應付股東款項及來自股東貸款
Bank and other loans	銀行及其他貸款
Lease liabilities	租賃負債
Deferred tax liabilities	遞延稅項負債
Unallocated corporate liabilities	未分配企業負債
Consolidated total liabilities	綜合負債總值

	分部負債對賬：
	可報告分部負債
	應付一間聯營公司款項
	應付股東款項及來自股東貸款
	銀行及其他貸款
	租賃負債
	遞延稅項負債
	未分配企業負債
	綜合負債總值

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
401,712	1,309,742
-	14,640
58,572	63,626
147,014	840,564
665	-
-	489
23,007	5,308
630,970	2,234,369

(c) Geographical information

The Group's revenue from external customers is all derived from the PRC and most of its non-current assets are located in the PRC. The Company is an investment holding company incorporated in Bermuda, in where the Group does not have any activities. The Group has the majority of its operations and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of disclosures as required by HKFRS 8.

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the location of assets.

5. 分部資料(續)

(b) 分部資產及負債(續)

(c) 地區資料

本集團來自外部客戶之收益全部來自中國，而其大部份非流動資產位於中國。本公司為一間於百慕達註冊成立之投資控股公司，而本集團於當地並無任何業務。本集團之主要業務及員工均位於中國，故按香港財務報告準則第8號之規定，就披露目的而言，中國被視為本集團之所在國家。

客戶之所在地區按提供服務或交付貨品之地區而定。非流動資產之所在地區按資產位置而定。

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5. SEGMENT INFORMATION (continued)

(d) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group.

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Customer A ¹	客戶A ¹	112,766	357,446
Customer B ¹	客戶B ¹	69,649	249,974
Customer C ¹	客戶C ¹	83,138	99,375

¹ Revenue from Coal Business

5. 分部資料(續)

(d) 有關主要客戶之資料

來自貢獻本集團總收益超過10%的客戶之收益。

6. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income arising from the Group's principal activities which include (i) production and sale of coal; (ii) trading of purchased coal; (iii) production and sale of building materials; and (iv) leasing of aluminum boundary wall moulds.

Revenue and other income and gains recognised during the year are as follows:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Revenue from contract with customers within the scope of HKFRS 15, types of goods:	屬香港財務報告準則第15號範圍之客戶合約收益，按貨物類別：		
Production and sale of coal	煤炭生產及銷售	205,244	324,515
Trading of purchased coal	購入煤炭貿易	69,649	438,917
Production and sale of building materials	建材生產及銷售	225,762	198,008
		500,655	961,440
Revenue from other source:	來自其他來源的收入：		
Rental income arising from leasing of aluminum boundary wall moulds	租賃鋁製圍牆模具產生之租金收入	3,881	-
		504,536	961,440

收益指本集團主要業務(包括(i)煤炭生產及銷售；(ii)購入煤炭貿易；(iii)建材生產及銷售；及(iv)租賃鋁製圍牆模具)產生之收入。

年內確認之收益及其他收入及收益如下：

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6. REVENUE AND OTHER INCOME AND GAINS (continued)

6. 收益及其他收入及得益(續)

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Gross (loss)/profit derived from:	來自以下各項的 (毛損)/毛利:		
Production and sale of coal	煤炭生產及銷售	(30,316)	(4,712)
Trading of purchased coal	購入煤炭貿易	(693)	(330)
Production and sale of building materials	建材生產及銷售	72,310	64,582
Leasing of aluminum boundary wall moulds	租賃鋁製圍牆模具	3,310	-
		44,611	59,540
		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Other income and gains	其他收入及得益		
Bank interest income	銀行利息收入	53,544	2,296
Discount at inception of deposit received (note 31(c))	已收按金之初始折現值 (附註31(c))	-	2,458
Government subsidies (note (a))	政府補貼(附註(a))	17,160	16,372
Gain on bargain purchase arising from acquisition of subsidiaries (note 40)	收購附屬公司事項產生之 議價購買收益(附註40)	-	2,629
Gain on disposal of coal production capacity replacement quota (note (b))	出售煤炭產能置換額度收益 (附註(b))	16,853	5,747
Gain on disposal of a subsidiary (note 14(b))	出售附屬公司的得益 (附註14(b))	-	62
Rental income	租金收入	3,511	1,210
Reversal of provision for central pension scheme	撥回中央退休金計劃之撥備	24,110	24,533
Others	其他	3,689	436
		118,867	55,743

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6. REVENUE AND OTHER INCOME AND GAINS (continued)

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales of coal and building materials contracts that regarding the performance obligation that has an original expected duration of one year or less, the Group does not make disclosure in accordance with paragraph 120 of HKFRS 15, that is the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the Group expects to recongise as revenue.

Notes:

- (a) The Group received unconditional subsidies from local government during the year as recognition of the Group's sale of building materials which considered as the environmental-friendly products in the PRC.
- (b) The Group disposed of coal production capacity replacement quota to a coal mining company during the year with a cash consideration of RMB14,858,000 (equivalent to approximately HK\$16,853,000) (2018: RMB4,950,000 (equivalent to approximately HK\$5,747,000)). The consideration of RMB14,858,000 (2018: RMB4,950,000) was received during the year.

6. 收益及其他收入及得益(續)

本集團已將香港財務報告準則第15號第121段的可行權宜之計用於涉及履約責任及擁有一年或以下原預期期限之銷售煤炭及建材合約。本集團並無按照香港財務報告準則第15號第120段披露，即於報告期末分配至尚未履行(或部分尚未履行)之履約責任之總交易額及本集團預期確認收入之時間之闡釋。

附註：

- (a) 年內，本集團獲得當地政府的無條件補貼，作為認可本集團於中國銷售視為環保產品的建材。
- (b) 年內，本集團向一家煤炭開採公司出售煤炭產能置換額度，現金代價為人民幣14,858,000元（相當於約16,853,000港元）（二零一八年：人民幣4,950,000元（相當於約5,747,000港元））。代價人民幣14,858,000元（二零一八年：人民幣4,950,000元）已於年內收取。

7. FINANCE COSTS

7. 財務費用

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
An analysis of finance costs is as follows:	財務費用之分析如下：	
Unwinding of imputed interest on loans from shareholders (note 30(b))	3,746	8,750
Unwinding of imputed interest on deposit received (note 31(c))	174	72
Interest expenses on lease liabilities	67	-
Interests on bank and other loans	60,647	60,527
Bank charges on discounted bills receivable	19,892	32,165
	84,526	101,514

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8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

8. 除所得稅前虧損

除所得稅前虧損已扣除：

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Amortisation of mining rights** (note 19)	採礦權攤銷** (附註19)	6,464	7,805
Amortisation of other intangible assets** (note 21)	其他無形資產攤銷** (附註21)	134	80
Amortisation of prepaid land lease payments** (note 16)	預付土地租賃付款攤銷** (附註16)	-	1,569
Auditor's remuneration**	核數師酬金**		
– Auditor services	– 審核服務	1,000	1,030
– Non-audit services	– 非審核服務	965	360
Cost of inventories recognised as expenses#	確認為開支之存貨成本#	455,368	895,813
Write-down of inventories included in cost of inventories	計入存貨成本之存貨撇減	997	56
Depreciation of property, plant and equipment* (note 15)	物業、廠房及設備折舊* (附註15)	62,048	59,332
Depreciation of right-of-use assets** (note 17)	使用權資產折舊** (附註17)	2,845	-
Employee benefits expense (including directors' remuneration) (note 11)	僱員福利開支(包括董事薪酬) (附註11)	158,151	206,528
Expenses relating to short-term lease***	短期租賃有關之開支***	13	-
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之 虧損淨額	70	95
Minimum lease payments under operating leases on land, buildings and office equipment##	有關土地、樓宇及辦公室設備 之經營租賃項下 最低租賃付款##	-	1,593
Provision for reclamation obligations (note 32)	開墾費用撥備(附註32)	4,556	6,087
Research expenses	研究開支	15,778	1,963

* Depreciation of property, plant and equipment approximately HK\$50,661,000 (2018: approximately HK\$50,626,000), HK\$11,362,000 (2018: approximately HK\$8,607,000) and HK\$25,000 (2018: HK\$99,000) has been included in cost of sales, administrative expenses and selling and distribution expenses respectively.

** Included in administrative expenses in the consolidated income statement.

*** Expenses relating to short-term lease of approximately HK\$13,000 (2018: Nil) has been included in administrative expenses respectively.

* 約50,661,000港元(二零一八年: 約50,626,000港元)、11,362,000港元(二零一八年: 約8,607,000港元)及25,000港元(二零一八年: 約99,000港元)之折舊已分別計入銷售成本、行政開支及銷售及分銷開支。

** 已計入綜合收益表的行政開支內。

*** 短期租賃有關之開支約13,000港元(二零一八年: 無)已分別計入行政開支。

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8. LOSS BEFORE INCOME TAX (continued)

Cost of inventories included approximately HK\$173,363,000 (2018: approximately HK\$221,513,000) relating to employee benefits expense and depreciation which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.

Amount in 2018 represents the operating lease charges recognised over the lease terms for operating leases under HKAS 17. Upon adoption of HKFRS 16 as disclosed in note 2(b), the minimum lease payments under operating lease charges (except for short-term leases) are no longer recognised under operating expenses.

9. INCOME TAX CREDIT

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in Bermuda and the BVI (2018: Nil).

No Hong Kong Profits Tax has been provided for the year in the consolidated financial statements as the Group has tax losses brought forward from previous years (2018: Nil).

Corporate income tax arising from operations in the PRC was calculated at the statutory income tax rate of 25% (2018: 25%) of the estimated assessable profits as determined in accordance with the relevant income tax rules and regulations in the PRC.

8. 除所得稅前虧損(續)

存貨成本包括與僱員福利開支及折舊相關的173,363,000港元(二零一八年:約221,513,000港元)·有關金額亦已計入就各該等開支類別於上文單獨披露的相關總金額。

於二零一八年之金額指根據香港會計準則第17號於經營租約之租期內確認之經營租賃費用。於採納附註2(b)所披露之香港財務報告準則第16號後·經營租賃費用(短期租賃除外)項下之最低租賃付款不再於經營開支項下確認。

9. 所得稅抵免

百慕達及英屬處女群島(「英屬處女群島」)的規則及法規·本集團於百慕達及英屬處女群島毋須繳納任何所得稅(二零一八年:無)。

鑒於本集團有自以往年度結轉之稅項虧損·故年內並無就香港利得稅於綜合財務報表作出撥備(二零一八年:無)。

根據中國相關所得稅規則及規例·中國經營業務產生之企業所得稅乃按於中國之估計應課稅溢利之法定所得稅稅率25%(二零一八年:25%)計算。

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current tax – PRC corporate income tax	即期稅項 – 中國企業所得稅		
– Current year	– 本年度	607	375
Deferred tax	遞延稅項抵免		
– Current year (note 36)	– 本年度(附註36)	(3,679)	(2,636)
Income tax credit	所得稅抵免	(3,072)	(2,261)

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9. INCOME TAX CREDIT (continued)

A reconciliation between income tax credit to loss before income tax at applicable tax rates is as follows:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Loss before income tax	除所得稅前虧損	(110,521)	(154,893)
Tax on loss before income tax, calculated at the applicable rates in the tax jurisdictions concerned	按相關稅務司法權區適用稅率計算有關除所得稅前虧損之稅項	(16,511)	(35,479)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	2,687	15,887
Tax effect of deductible temporary differences not recognised	未確認可抵扣暫時性差異的稅務影響	(3,682)	(537)
Tax losses not recognised	未確認稅項虧損	17,776	21,731
Effect of tax reduction (note)	減稅之影響 (附註)	(3,299)	(4,046)
Utilisation of previously unrecognised tax losses	動用過往未確認稅項虧損	(43)	(32)
Under-provision in respect of prior year	過往年度撥備不足	-	215
Income tax credit	所得稅抵免	(3,072)	(2,261)

Note:

Pursuant to relevant pronouncement issued by the State Administration of Taxation of the PRC, a subsidiary of the Company, is eligible to reduce its assessable profit by 10% of the revenue generated from the sales of certain building material products, for tax reporting purpose. The list of approved building material products is issued by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and National Development and Reform Commission of the PRC.

As the associates and the joint venture did not generate any assessable profits during the year, no income tax expense arising from their operations has been provided for the year (2018: Nil). There is no share of income tax expense attributable to associates and a joint venture (2018: Nil).

9. 所得稅抵免(續)

所得稅抵免與除所得稅前虧損按適用稅率之對賬如下：

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Loss before income tax	(110,521)	(154,893)
Tax on loss before income tax, calculated at the applicable rates in the tax jurisdictions concerned	(16,511)	(35,479)
Tax effect of non-deductible expenses	2,687	15,887
Tax effect of deductible temporary differences not recognised	(3,682)	(537)
Tax losses not recognised	17,776	21,731
Effect of tax reduction (note)	(3,299)	(4,046)
Utilisation of previously unrecognised tax losses	(43)	(32)
Under-provision in respect of prior year	-	215
Income tax credit	(3,072)	(2,261)

附註：

根據中國國家稅務總局發佈之相關聲明，本公司附屬公司有資格將其銷售若干建材產品產生之收益的應課稅溢利降低10%，用於稅項申報目的。獲准的建材產品清單是由中國財政部、國家稅務總局和國家發展和改革委員會頒佈。

由於該等聯營公司及該合營企業於年內並無產生任何應課稅溢利，故並無就該等業務產生任何所得稅開支(二零一八年：無)。並無歸屬於該等聯營公司及該合營企業的所得稅開支份額(二零一八年：無)。

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10. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

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

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	(99,922)	(142,747)
	2019 Number of Shares '000 二零一九年 股份數目	2018 Number of Shares '000 二零一八年 股份數目
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	1,040,174	1,038,379

There were no dilutive potential ordinary shares during the years ended 31 December 2019 and 2018 and therefore, the amount of diluted loss per share is same as the amount of basic loss per share.

10. 本公司擁有人應佔每股虧損

本公司擁有人應佔之每股基本虧損乃按以下數據計算：

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	(99,922)	(142,747)
	2019 Number of Shares '000 二零一九年 股份數目	2018 Number of Shares '000 二零一八年 股份數目
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	1,040,174	1,038,379

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潛在攤薄普通股，因此每股攤薄虧損金額與每股基本虧損金額相同。

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11. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' REMUNERATION)

11. 僱員福利開支(包括董事酬金)

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Short-term benefits:		
Fees, salaries, allowances and other benefits in kind	125,230	149,252
Post-employment benefits:		
Retirement benefit scheme contributions (defined contribution plans)	32,921	57,276
	158,151	206,528

At 31 December 2019, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2018: Nil).

於二零一九年十二月三十一日，本集團並無可用於削減未來年度退休金計劃供款之已沒收供款(二零一八年：無)。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to the directors, disclosed pursuant to the Listing Rules and 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, were as follows:

12. 董事及主要行政人員酬金

已付或應付董事酬金(根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部之規定予以披露)如下:

		Salaries, allowances and other benefits in kind	Retirement benefit scheme contributions	Total
	Fees HK\$'000	HK\$'000	HK\$'000	HK\$'000
	袍金 千港元	薪金、津貼 及其他實物 利益 千港元	退休福利 計劃供款 千港元	總計 千港元
For the year ended				
31 December 2019				
Executive Directors				
Mr. Dong Cunling		1,046	-	1,046
Mr. Sun Shusheng ^{1, 5}		1,200	-	1,200
Mr. Li Xiangfei ("Mr. Li") ⁵		12	-	12
Mr. Zhang Yi ⁴		12	-	12
Mr. Zhou Guangwen ⁸		300	-	300
Non-executive director				
Mr. Li Chunyan	300	-	-	300
Independent non-executive directors				
Dr. Chen Renbao ⁷	150	-	-	150
Mr. Ma Wai Tong ⁶	147	-	-	147
Mr. Ma Yueyong ⁸	150	-	-	150
	747	2,570	-	3,317

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

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

12. 董事及主要行政人員酬金(續)

		Fees HK\$'000	Salaries, allowances and other benefits in kind 薪金·津貼 及其他實物 利益 千港元	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
		袍金 千港元	薪金·津貼 及其他實物 利益 千港元	退休福利 計劃供款 千港元	總計 千港元
For the year ended 31 December 2018	截至二零一八年十二月 三十一日止年度				
Executive Directors	執行董事				
Mr. Dong Cunling	董存嶺先生	–	1,042	–	1,042
Mr. Yang Hua ¹	楊華先生 ¹	–	26	–	26
Mr. Sun Shusheng ^{1, 5}	孫書生先生 ^{1, 5}	–	653	–	653
Mr. Chen Xu ¹	陳旭先生 ¹	–	26	–	26
Mr. Li ⁵	李先生 ⁵	–	7	–	7
Mr. Wu Jiahong ³	巫家紅先生 ³	–	450	14	464
Mr. Zhang Yi ⁴	張毅先生 ⁴	–	11	–	11
Mr. Zhou Guangwen ⁸	周廣文先生 ⁸	–	300	–	300
Non-executive director	非執行董事				
Mr. Li Chunyan	李春彥先生	300	–	–	300
Independent non-executive directors	獨立非執行董事				
Dr. Chen Renbao ⁷	陳仁寶博士 ⁷	150	–	–	150
Mr. Jiang Xiaohui ²	蔣曉輝先生 ²	69	–	–	69
Mr. Ma Wai Tong ⁶	馬煒堂先生 ⁶	45	–	–	45
Mr. Ma Yueyong ⁸	馬躍勇先生 ⁸	150	–	–	150
		714	2,515	14	3,243

¹ Mr. Yang Hua and Mr. Chen Xu resigned as Executive Directors with effect from 8 February 2018. Mr. Yang Hua remained as the chief executive of the Company until 31 December 2018. Mr. Sun Shusheng was appointed as the chief executive of the Company with effect from 1 January 2019.

² Mr. Jiang Xiaohui resigned as an independent non-executive director of the Company with effect from 15 June 2018.

³ Mr. Wu Jiahong resigned as an Executive Director with effect from 14 September 2018.

⁴ Mr. Zhang Yi was appointed as an Executive Director with effect from 8 February 2018.

⁵ Mr. Li and Mr. Sun Shusheng were appointed as Executive Directors with effect from 15 June 2018.

¹ 楊華先生及陳旭先生於二零一八年二月八日辭任執行董事。楊華先生仍為本公司行政總裁，直至二零一八年十二月三十一日。孫書生先生於二零一九年一月一日獲委任為本公司行政總裁。

² 蔣曉輝先生於二零一八年六月十五日辭任本公司獨立非執行董事。

³ 巫家紅先生於二零一八年九月十四日辭任執行董事。

⁴ 張毅先生於二零一八年二月八日獲委任為執行董事。

⁵ 李先生及孫書生先生於二零一八年六月十五日獲委任為執行董事。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

- ⁶ Mr. Ma Wai Tong was appointed and resigned as an independent non-executive director of the Company with effect from 14 September 2018 and 24 December 2019 respectively.
- ⁷ Dr. Chen Renbao resigned as an independent non-executive director of the Company with effect from 1 January 2020.
- ⁸ Mr. Zhou Guangwen and Mr. Ma Yueyong resigned as an Executive Director and an independent non-executive director of the Company respectively, with effect from 1 April 2020.

During the year, no emoluments were paid by the Group to the directors or chief executive of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office (2018: Nil).

During the year, no share options were granted to the directors or chief executive of the Company in respect of their services to the Group (2018: Nil).

There was no arrangement under which a director or chief executive of the Company waived or agreed to waive any remuneration during the year (2018: Nil).

13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included two (2018: three) directors of the Company whose emoluments are reflected in the analysis presented in note 12. The emoluments paid or payable to the remaining three (2018: two) individuals, during the year were as follows:

12. 董事及主要行政人員酬金(續)

- ⁶ 馬煒堂先生於二零一八年九月十四日及二零一九年十二月二十四日分別獲委任為及辭任本公司獨立非執行董事。
- ⁷ 陳仁寶博士於二零二零年一月一日辭任本公司獨立非執行董事。
- ⁸ 周廣文先生及馬躍勇先生於二零二零年四月一日分別辭任本公司執行董事及獨立非執行董事。

年內，本集團概無付予本公司董事或主要行政人員任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一八年：無)。

年內，並無就本公司董事或主要行政人員為本集團提供服務而授出購股權(二零一八年：無)。

年內，並無訂立任何有關本公司董事或主要行政人員放棄或同意放棄任何酬金的安排(二零一八年：無)。

13. 五名最高薪人士及高級管理層酬金

年內，本集團五名最高薪人士包括兩名(二零一八年：三名)本公司董事，彼等之酬金已於附註12呈列之分析反映。年內已付或應付餘下三名(二零一八年：兩名)人士酬金如下：

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Salaries, allowances and other benefits in kind	薪金、津貼及其他實物利益	2,409	2,518
Retirement benefit scheme contributions	退休福利計劃供款	46	36
		2,455	2,554

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13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

(continued)

The emoluments paid or payable to the remaining three (2018: two) individuals with the highest emoluments were within the following bands:

Emolument band	酬金範圍
Nil – HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2018: Nil).

During the year, no share options were granted to the five highest paid individuals in respect of their services to the Group (2018: Nil).

The emoluments paid or payable to members of senior management were within the following bands:

Emolument band	酬金範圍
Nil – HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元

13. 五名最高薪人士及高級管理層酬金(續)

已付或應付餘下三名(二零一八年：兩名)最高薪人士之酬金介乎以下範圍：

2019 No. of individuals 二零一九年 人數	2018 No. of individuals 二零一八年 人數
2	1
1	–
–	1

年內，本集團並無向五名最高薪人士支付任何酬金作為加入本集團或邀請加入本集團時之獎勵或損失職位之補償(二零一八年：無)。

年內，並無就五名最高薪人士為本集團提供服務而授出購股權(二零一八年：無)。

已付或應付高級管理層成員之酬金介乎以下範圍：

2019 No. of individuals 二零一九年 人數	2018 No. of individuals 二零一八年 人數
7	12
3	1
–	1

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14. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2019 and 2018, the Company had direct and indirect interests in the following subsidiaries, which principally affected the results, assets or liabilities of the Group:

14. 於附屬公司之投資

於二零一九年及二零一八年十二月三十一日，本公司於以下附屬公司擁有主要影響本集團之業績、資產或負債之直接及間接權益：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2019 二零一九年 %	2018 二零一八年 %	
Directly held 直接持有					
(1) CIL (note (a)) CIL (附註(a))	BVI, limited liability company 英屬處女群島·有限責任公司	United States Dollars ("US\$") 200 200美元	-	100	Investment holding in the PRC 於中國從事投資控股
(2) Bermusa Limited Bermusa Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100	100	Management service in Hong Kong 於香港從事管理服務
(3) Goal Getter Ventures Limited ("Goal Getter") (note 40) 志達創投有限公司(「志達」) (附註40)	BVI, limited liability company 英屬處女群島·有限責任公司	US\$50,000 50,000美元	100	100	Investment holding in the PRC 於中國從事投資控股

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2019 二零一九年 %	2018 二零一八年 %	
Indirectly held 間接持有					
(4) Popular Sky Coal Industrial Limited 普天煤業有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100	100	Investment holding in the PRC 於中國從事投資控股
(5) Hong Kong Zhongyuan Energy Co., Limited 香港中原能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100	100	Investment holding in the PRC 於中國從事投資控股
(6) Hong Kong Zhongzhou Energy Co., Limited 香港中州能源有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$1 1港元	100	100	Investment holding in the PRC 於中國從事投資控股
(7) Highlink Investments Limited Highlink Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100	100	Investment holding in Hong Kong 於香港從事投資控股
(8) Alive Investments Limited Alive Investments Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100	100	Investment holding in Hong Kong 於香港從事投資控股
(9) Yopland Limited Yopland Limited	BVI, limited liability company 英屬處女群島·有限責任公司	US\$1 1美元	100	100	Investment holding in Hong Kong 於香港從事投資控股
(10) Dynamic Energy Development (Shenzhen) Company Limited* ("Dynamic Energy") 合動能源開發(深圳)有限公司 (「合動能源」)	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	HK\$20,000,000 20,000,000港元	100	100	Investment holding in the PRC 於中國從事投資控股
(11) Beijing Zhongyue Heneng Technology Company Limited* ("Zhongyue Heneng") (note (a)) 北京中岳和能科技有限公司 (「中岳和能」)(附註(a))	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	HK\$160,000,000 160,000,000港元	-	100	Investment holding in the PRC 於中國從事投資控股

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2019 二零一九年 %	2018 二零一八年 %	
Indirectly held 間接持有					
(12) Jinfeng (note (a)) 金豐 (附註(a))	PRC, limited liability company 中國·有限責任公司	RMB118,000,000 人民幣118,000,000元	-	90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(13) Shenzhen Zhongzhou Energy Company Limited* (note (a)) 深圳市中州能源有限公司 (附註(a))	PRC, limited liability company 中國·有限責任公司	RMB10,000,000 人民幣10,000,000元	-	90	Investment holding in the PRC 於中國從事投資控股
(14) Xingyun Coal Industry Company Limited* ("Xingyun") (note (a)) 登封市興運煤業有限責任公司 ("興運") (附註(a))	PRC, limited liability company 中國·有限責任公司	RMB60,000,000 人民幣60,000,000元	-	90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(15) Xiangyang (note (a)) 向陽 (附註(a))	PRC, limited liability company 中國·有限責任公司	RMB50,000,000 人民幣50,000,000元	90	90	Production and sale of coal in the PRC 於中國從事煤炭生產及銷售
(16) Zhengzhou Huirui Shangmo Company Limited* ("Huirui") (note (a)) 鄭州輝瑞商貿有限公司 ("輝瑞") (附註(a))	PRC, limited liability company 中國·有限責任公司	RMB125,000,000 人民幣125,000,000元	-	96	Trading of purchased coal 購入煤炭貿易
(17) Henan Zhongyuan Jiuan Foundation & Investment Co., Ltd.* ("Zhongyuan Jiuan") 河南中原久安創業投資有限公司 ("中原久安")	PRC, sino-foreign equity joint venture 中國·中外合資企業	RMB272,387,000 人民幣272,387,000元	100	100	Investment holding in the PRC 於中國從事投資控股
(18) Beijing Kaisheng Guanhua Investment Company Limited* ("Kaisheng") (note (a)) 北京凱盛冠華投資有限公司 ("凱盛") (附註(a))	PRC, sino-foreign equity joint venture 中國·中外合資企業	RMB80,000,000 人民幣80,000,000元	-	91	Project investment, asset management and consultation of investment in the PRC 於中國從事項目投資、資產管理及投資諮詢

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14. INVESTMENTS IN SUBSIDIARIES (continued)

14. 於附屬公司之投資(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest held by the Company as at 31 December 本公司所持擁有人權益百分比 於十二月三十一日		Place of operation and principal activities 經營地點及主要業務
			2019 二零一九年 %	2018 二零一八年 %	
Indirectly held 間接持有					
(19) Winkin Construction Materials Company Limited 榮建建材有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$10,000 10,000港元	100	100	Investment holding in the PRC 於中國從事投資控股
(20) Rong Jian (Shenzhen) Consulting Company Limited [#] 榮建(深圳)諮詢有限公司	PRC, wholly foreign-owned limited liability company 中國·外商獨資有限公司	US\$500,000 500,000美元	100	100	Investment holding in the PRC 於中國從事投資控股
(21) Zhengzhou Shen Zhi Rong Construction Materials Company Limited [#] 鄭州深之榮建材有限公司	PRC, limited liability company 中國·有限責任公司	RMB2,000,000 人民幣2,000,000元	100	100	Investment holding in the PRC 於中國從事投資控股
(22) Henan Xingan New Construction Material Company Limited [#] ("Xingan") 河南興安新型建築材料有限公司 ("興安")	PRC, limited liability company 中國·有限責任公司	RMB20,000,000 人民幣20,000,000元	51	51	Production and sale of building material in the PRC 於中國從事建築材料生產及銷售
(23) Zhengzhou Tairun Aluminum Mould Technology Company Limited [#] ("Tairun") 鄭州泰潤鋁模科技有限公司 ("泰潤")	PRC, limited liability company 中國·有限責任公司	RMB10,300,000 (2018: RMB10,000,000) 人民幣 10,300,000元 (二零一八年: 人民幣 10,000,000元)	60	60	Production and leasing of aluminum boundary wall moulds in the PRC 於中國從事鋁製圍牆模具生產及銷售

[#] For identification purpose only

[#] 僅供識別

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

14. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (a) During the year ended 31 December 2019, before the Group disposed of its entire equity interest in CIL, the Group underwent the reorganisation to rationalise the Group's structure in preparation for the disposal. The reorganisation involved the followings:
- (i) Jinfeng, an indirect subsidiary of CIL, transferred its 90% equity interest in Xiangyang to Dynamic Energy, an indirect subsidiary of the Company that remains in the Group. Subsequent to such transfer, Xiangyang ceased to be an indirect subsidiary of CIL and remains in the Group after the disposal; and
- (ii) Zhongyuan Jiuan, an indirect subsidiary of the Company, transferred its 96% equity interest in Huirui to Zhongyue Heneng, an indirect subsidiary of CIL. Subsequent to such transfer, Huirui became an indirect subsidiary of CIL and was disposed of together with CIL.

For details of the reorganisation, please refer to the announcement of the Company dated 3 May 2019 and the circular of the Company dated 25 November 2019.

The reorganisation is merely a reorganisation of the business of the Group with no change in management and the owners of the business remain substantially the same. As such, there is no financial impact on the Group's consolidated financial statements.

During the year ended 31 December 2019, the Group disposed of its entire equity interest in CIL and its subsidiaries after the above mentioned reorganisation (the "CIL Group") which is principally engaged in production and sale of coal and trading of purchased coal in the PRC, for a consideration of US\$200 (equivalent to approximately HK\$2,000) to Right Success Investments Limited, a limited liability company incorporated in the BVI, and wholly-owned and controlled by Mr. Bao Hongkai ("Mr. Bao"), a substantial shareholder of the Company, who is interested in approximately 23.27% of the issued share capital of the Company as at the date of disposal. He was also appointed as an Executive Director subsequent to the year-end date. The disposal was completed on 30 December 2019, since then, the Group has no equity interest in and control over the CIL Group. Please refer to note 41 for details.

14. 於附屬公司之投資(續)

附註：

- (a) 截至二零一九年十二月三十一日止年度，於本集團出售其於CIL之全部股權前，為籌備出售本集團進行重組以理順本集團之架構。重組涉及下列事項：
- (i) 金豐（CIL之間接附屬公司）向合動能源（仍屬於本集團，本公司之間接附屬公司）轉讓其於向陽之90%股權。隨該轉讓之後，向陽不再為CIL之間接附屬公司，但於出售之後仍屬於本集團；及
- (ii) 中原久安（本公司之間接附屬公司）向中岳和能（CIL之間接附屬公司）轉讓其於輝瑞之96%股權。隨該轉讓之後，輝瑞成為CIL之間接附屬公司並已連同CIL一併出售。

有關重組之詳情，請參閱本公司日期為二零一九年五月三日之公告及本公司日期為二零一九年十一月二十五日之通函。

重組僅為本集團業務之重組，管理層並無變動且業務之擁有人基本保持不變。因此，對本集團之綜合財務報表並無財務影響。

截至二零一九年十二月三十一日止年度，本集團於上述重組後出售其於主要於中國從事煤炭生產及銷售以及已購煤炭貿易之CIL及其附屬公司（「CIL集團」）之全部股權予 Right Success Investments Limited（一間於英屬處女群島註冊成立的有限公司，由本公司主要股東包洪凱先生（「包先生」）全資擁有及控制，於出售日期包洪凱先生於本公司約23.27%已發行股本中持有權益。彼亦已於年結日後獲委任為執行董事，代價為200美元（相當於約2,000港元）。於二零一九年十二月三十日完成出售，自此，本集團於CIL集團並無任何股權及控制權。詳情請參閱附註41。

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

14. INVESTMENTS IN SUBSIDIARIES (continued)

Notes: (continued)

- (b) During the year ended 31 December 2018, the Group disposed of its entire equity interest in Rosan Clean Energy Development Company Limited (“**Rosan Clean Energy**”), a 51% directly owned subsidiary and an investment holding company, for a consideration of approximately HK\$5,000 to an independent third party. The disposal was completed on 26 November 2018, since then, the Group has no equity interest in and control over Rosan Clean Energy. Gain on disposal of this subsidiary of approximately HK\$62,000 was recognised as other income and gains in the consolidated income statement (note 6).
- (c) During the year ended 31 December 2019, a non-controlling shareholder of Tairun injected RMB300,000 (equivalent to approximately HK\$335,000) (2018: RMB4,000,000 (equivalent to approximately HK\$4,757,000)) to Tairun.

14. 於附屬公司之投資(續)

附註：(續)

- (b) 截至二零一八年十二月三十一日止年度，本集團出售51%直接擁有附屬公司融信清潔能源發展有限公司(「融信清潔能源」)(為一間投資控股公司)之全部股權予一名獨立第三方，代價為約5,000港元。出售事項已於二零一八年十一月二十六日完成，自此，本集團對融信清潔能源並無股權及控制權。出售該附屬公司之得益約62,000港元已於綜合收益表確認為其他收入及得益(附註6)。
- (c) 截至二零一九年十二月三十一日止年度，一名泰潤非控股股東向泰潤注資人民幣300,000元(相當於約335,000港元)(二零一八年：人民幣4,000,000元(相當於約4,757,000港元))。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings and mining structures HK\$'000	Plant and machineries HK\$'000	Mining related machinery and equipment HK\$'000	Furniture, fixtures and equipment and leasehold improvement HK\$'000	Motor vehicles HK\$'000	Aluminium boundary wall moulds HK\$'000	CIP HK\$'000	Total HK\$'000
		樓宇及煤礦 建築物 千港元	廠房及機器 千港元	採礦相關 機器及設備 千港元	傢俬、 裝置、設備 及租賃物業 裝修 千港元	汽車 千港元	鋁製 圍欄模具 千港元	在建工程 千港元	總計 千港元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	197,003	5,594	33,840	2,696	-	-	-	239,133
Additions	添置	3,352	7,532	5,660	729	473	-	14,867	32,613
Additions through acquisition of subsidiaries (note 40)	透過收購附屬公司添置 (附註40)	108,289	86,669	-	443	2,670	-	9,329	207,400
Transfer in/(out)	轉入/(轉出)	12,596	9,035	-	-	-	-	(21,631)	-
Disposal	出售	-	-	-	-	(150)	-	-	(150)
Impairment loss (note 20)	減值虧損(附註20)	(4,193)	(790)	(665)	(12)	(33)	-	-	(5,693)
Depreciation	折舊	(31,525)	(13,442)	(13,301)	(529)	(535)	-	-	(59,332)
Exchange realignment	匯兌調整	(12,916)	(3,183)	(1,419)	(163)	(75)	-	(28)	(17,784)
Closing net carrying amount	年終賬面淨值	272,606	91,415	24,115	3,164	2,350	-	2,537	396,187
As at 31 December 2018	於二零一八年十二月三十一日								
Cost	成本	634,745	126,964	201,609	12,287	24,354	-	2,537	1,002,496
Accumulated depreciation	累計折舊	(167,963)	(30,535)	(128,316)	(7,233)	(21,663)	-	-	(355,710)
Accumulated impairment loss	累計減值虧損	(194,176)	(5,014)	(49,178)	(1,890)	(341)	-	-	(250,599)
Net carrying amount	賬面淨值	272,606	91,415	24,115	3,164	2,350	-	2,537	396,187
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	272,606	91,415	24,115	3,164	2,350	-	2,537	396,187
Additions	添置	1,146	2,373	3,704	172	762	-	1,923	10,080
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(141,303)	(252)	(11,811)	(3)	(1,619)	-	-	(154,988)
Transfer in/(out)	轉入/(轉出)	136	3,584	-	-	-	-	(3,720)	-
Transfer in from inventories	由存貨轉入	-	-	-	-	-	7,872	-	7,872
Disposal	出售	-	-	-	-	(241)	-	-	(241)
Impairment loss (note 20)	減值虧損(附註20)	(847)	(2)	(145)	-	(1)	-	-	(995)
Depreciation	折舊	(33,818)	(12,817)	(13,956)	(359)	(533)	(565)	-	(62,048)
Exchange realignment	匯兌調整	(4,170)	(1,425)	(537)	(1)	(49)	(100)	(8)	(6,290)
Closing net carrying amount	年終賬面淨值	93,750	82,876	1,370	2,973	669	7,207	732	189,577
As at 31 December 2019	於二零一九年十二月三十一日								
Cost	成本	370,639	106,837	70,575	11,808	1,311	7,763	732	569,665
Accumulated depreciation	累計折舊	(102,908)	(21,940)	(51,820)	(6,990)	(294)	(556)	-	(184,508)
Accumulated impairment loss	累計減值虧損	(173,981)	(2,021)	(17,385)	(1,845)	(348)	-	-	(195,580)
Net carrying amount	賬面淨值	93,750	82,876	1,370	2,973	669	7,207	732	189,577

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

Provision for impairment of approximately HK\$995,000 (2018: approximately HK\$5,693,000) has been made during the year for those property, plant and equipment within the Coal Production CGU (note 20).

At 31 December 2018, the Group entered into 1-year and 3-year agreements with two different financing companies, independent third parties, to transfer the ownership of certain property, plant and equipment with aggregate net carrying amount of approximately HK\$64,639,000, and lease back the respective property, plant and equipment to the Group for 1 to 3 years. Despite the agreements involve a legal form of leases, the Group accounted for the agreements as collateralised loan according with the actual substance of such agreements. Thus, as at 31 December 2018, property, plant and equipment with aggregate net carrying amount of approximately HK\$64,639,000 was considered to be pledged to secure other loans (note 34(b)). On 25 and 26 June 2019, other loan regarding to the 1-year agreements with the financing company was fully settled. On 30 December 2019, the Group disposed of certain subsidiaries together with other loan regarding to the 3-year agreement with the financing company. As of 31 December 2019, there is no property, plant and equipment was considered to be pledged to secure other loans (note 34(b)).

The Group does not have the title certificates for certain items of buildings with an aggregate net carrying amount of approximately HK\$71,448,000 (2018: approximately HK\$105,544,000) as at 31 December 2019. With reference to the legal opinion received by the Group, the directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use the above mentioned properties and therefore the aforesaid matter does not affect the ownership rights of the Group over these assets and hence did not have any significant impact on the Group's consolidated financial position as at 31 December 2019.

One of the subsidiaries of the Company entered into a rental agreement with an independent third party to lease certain of its property, plant and equipment with net carrying amount of approximately HK\$17,672,000 (2018: HK\$19,941,000) and leasehold land for a lease term of 10 years. As the insignificant portion of the leasehold land and building leased out could not be sold separately and significant remaining portion is held for use in production, the respective leasehold land and building are classified and recognised as right-of-use assets (2018: prepaid land lease payment), and building and plant and machineries under property, plant and equipment, respectively.

15. 物業、廠房及設備(續)

於本年度，已於生產煤炭現金產生單位就該等物業、廠房及設備作出減值撥備約995,000港元(二零一八年：約5,693,000港元)(附註20)。

於二零一八年十二月三十一日，本集團與兩家不同融資公司(獨立第三方)訂立一年及三年期協議，轉讓若干物業、廠房及設備的擁有權，賬面淨值總額約為64,639,000港元，並將有關物業、廠房及設備租回本集團1至3年。儘管協議涉及租賃的法律形式，但本集團根據該協議的實際內容將該協議列賬為抵押貸款。因此，於二零一八年十二月三十一日，賬面淨值約為64,639,000港元的物業、廠房及設備被視為抵押以擔保其他貸款(附註34(b))。於二零一九年六月二十五日及二十六日，與融資公司的一年期協議有關的其他貸款已悉數清償。於二零一九年十二月三十日，本集團出售若干附屬公司連同與融資公司訂立的三年期協議。於二零一九年十二月三十一日，概無任何物業、廠房及設備被視為可抵押以為其他貸款提供擔保(附註34(b))。

於二零一九年十二月三十一日，本集團並無擁有總賬面淨值約為71,448,000港元(二零一八年：約105,544,000港元)的若干樓宇項目的房地產權證。經參考本集團獲得的法律意見，本公司董事認為本集團有權合法及有效地佔用和使用上述物業，因此上述事項不影響本集團對該等資產的擁有權，從而對本集團於二零一九年十二月三十一日的綜合財務狀況並無任何重大影響。

本公司其中一間附屬公司與一名獨立第三方訂立一份租賃協議，以租賃其若干物業、廠房及設備以及租賃土地，賬面淨值約為17,672,000港元(二零一八年：19,941,000港元)，租期為10年。由於租賃土地和租出樓宇的非重大部分不能單獨出售，剩餘的重大部分持作用於生產，各自租賃土地權和樓宇被分類並分別確認為使用權資產(二零一八年：預付土地租賃款)，以及樓宇和廠房和物業、廠房和設備下的機械。

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16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃款項

		HK\$'000 千港元
Cost	成本	
At 1 January 2018	於二零一八年一月一日	-
Additions through acquisition of subsidiaries (note 40)	透過收購附屬公司添置 (附註40)	71,530
Exchange realignment	匯兌調整	(2,321)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	69,209
Impact on initial application of HKFRS 16 (note 2(b))	初始應用香港財務報告準則第16號 之影響 (附註2(b))	(69,209)
		<hr/>
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及 二零一九年十二月三十一日	-
		<hr/>
Accumulated amortisation	累計攤銷	
At 1 January 2018	於二零一八年一月一日	-
Amortisation for the year	年內攤銷	1,569
Exchange realignment	匯兌調整	(63)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	1,506
Impact on initial application of HKFRS 16 (note 2(b))	初始應用香港財務報告準則第16號 之影響 (附註2(b))	(1,506)
		<hr/>
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及 二零一九年十二月三十一日	-
		<hr/>
Net carrying amount	賬面淨值	
At 31 December 2018	於二零一八年十二月三十一日	67,703
		<hr/>
At 31 December 2019	於二零一九年十二月三十一日	-
		<hr/>
		2018 HK\$'000 二零一八年 千港元
Current portion	流動部分	1,506
Non-current portion	非流動部分	66,197
		<hr/>
		67,703
		<hr/>

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綜合財務報表附註

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

16. PREPAID LAND LEASE PAYMENTS

(continued)

The balance represented the amount paid to the PRC government authorities for the land use rights of lands situated in the PRC, which are amortised on the straight-line basis over the lease periods of 50 years.

As at 31 December 2018, the land use rights of the Group with net carrying amount of approximately HK\$67,703,000 have been pledged for the bank loans (note 34).

Upon the adoption of HKFRS 16, an opening adjustment as at 1 January 2019 was made to reclassify prepaid land lease payments to right-of-use assets (note 2(b)).

16. 預付土地租賃款項(續)

該結餘指就位於中國的土地之土地使用權已向中國政府機關支付的款項，於50年租期內按直線法攤銷。

於二零一八年十二月三十一日，本集團賬面淨值約67,703,000港元的土地使用權已抵押於銀行貸款(附註34)。

於採納香港財務報告準則第16號後，於二零一九年一月一日作出期初調整，以將預付土地租賃款項重新分類為使用權資產(附註2(b))。

17. RIGHT-OF-USE ASSETS

17. 使用權資產

		HK\$'000 千港元
Cost	成本	
At 1 January 2018 and 31 December 2018	於二零一八年一月一日及 二零一八年十二月三十一日	-
Impact on initial application of HKFRS 16 (note 2(b))	初始應用香港財務報告準則第16號 之影響(附註2(b))	68,912
At 1 January 2019	於二零一九年一月一日	68,912
Addition for the year	年內添置	864
Exchange realignment	匯兌調整	(1,194)
At 31 December 2019	於二零一九年十二月三十一日	68,582
Accumulated depreciation	累計折舊	
At 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年一月一日	-
Depreciation for the year	年內折舊	(2,845)
Exchange realignment	匯兌調整	26
At 31 December 2019	於二零一九年十二月三十一日	(2,819)
Net carrying amount	賬面淨值	
At 31 December 2018	於二零一八年十二月三十一日	-
At 31 December 2019	於二零一九年十二月三十一日	65,763

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17. RIGHT-OF-USE ASSETS (continued)

17. 使用權資產(續)

		31 December 2019 HK\$'000 二零一九年 十二月三十一日 千港元	1 January 2019 HK\$'000 二零一九年 一月一日 千港元	31 December 2018 HK\$'000 二零一八年 十二月三十一日 千港元
Leasehold land in the PRC	於中國的租賃土地	65,112	67,703	-
Leased properties	租賃物業	587	1,126	-
Leased office equipment	租賃辦公室設備	64	83	-
		65,763	68,912	-

Upon the initial application of HKFRS 16 as at 1 January 2019, operating lease commitments related to leased, properties and leased office equipment were remeasured and recognised as adjustments to right-of-use assets and prepaid land lease payments were reclassified as adjustments to right-of-use assets as at the date of initial application (note 2(b)).

As at 31 December 2019, the right-of-use assets of the Group with net carrying amount of approximately HK\$65,112,000 have been pledged for bank loans (note 34).

於二零一九年一月一日初步應用香港財務報告準則第16號後，與租賃物業及租賃辦公室設備有關的經營租賃承擔重新計量，並確認使用權資產調整及於初步應用日期將預付土地租賃付款重新分類為使用權資產調整(附註2(b))。

於二零一九年十二月三十一日，本集團賬面淨值約65,112,000港元的使用權資產已予抵押，以獲得銀行貸款(附註34)。

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18. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Cost	成本		
At 1 January	於一月一日	246,227	259,690
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(241,929)	-
Exchange realignment	匯兌調整	(4,298)	(13,463)
At 31 December	於十二月三十一日	-	246,227
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	(246,227)	(259,690)
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	241,929	-
Exchange realignment	匯兌調整	4,298	13,463
At 31 December	於十二月三十一日	-	(246,227)
Net carrying amount	賬面淨值	-	-

Goodwill arising in prior years related to the acquisitions of CIL and its subsidiaries for the Coal Production CGU and Huirui for the CGU of trading of purchased coal, respectively. Goodwill arise from these acquisitions have been fully impaired in the previous years and the differences between the years solely represents the realignment of exchange differences. On 30 December 2019, the goodwill arising in prior years was disposed of during the disposal of the CIL Group.

18. 商譽

商譽賬面淨值可分析如下：

過往年度產生的商譽分別涉及收購CIL及其附屬公司(就煤炭生產現金產生單位而言)以及輝瑞(就購入煤炭貿易之現金產生單位而言)。因該等收購產生的商譽已於過往年度完全減值，各年度之間的差異完全為匯兌差額調整。於二零一九年十二月三十日，過往年度產生的商譽已於出售CIL集團時處置。

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

19. MINING RIGHTS

19. 採礦權

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Cost	成本		
At 1 January	於一月一日	672,998	709,796
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(187,029)	-
Exchange realignment	匯兌調整	(11,745)	(36,798)
At 31 December	於十二月三十一日	474,224	672,998
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(130,775)	(130,026)
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	68,950	-
Amortisation for the year	年內攤銷	(6,464)	(7,805)
Exchange realignment	匯兌調整	2,371	7,056
At 31 December	於十二月三十一日	(65,918)	(130,775)
Accumulated impairment loss	累計減值虧損		
At 1 January	於一月一日	(248,306)	(253,235)
Impairment loss for the year (note 20)	年內減值虧損(附註20)	(32,926)	(8,544)
Exchange realignment	匯兌調整	4,787	13,473
At 31 December	於十二月三十一日	(276,445)	(248,306)
Net carrying amount	賬面淨值	131,861	293,917

As at 31 December 2018, the Group had 5 coal mining rights in Dengfeng City, Zhengzhou, the PRC. Amongst these mining rights, one coal mine and the related property, plant and equipment, Xiaohe Coal Mine No. 2, had been fully impaired and the Group has decided to close permanently in prior year. During the year ended 31 December 2018, the Group had not applied to renew Xiaohe Coal Mine No. 3, one of its coal mining rights, since the expiry date, taken into account that its productivity is low and scale is small, full impairment was recognised on coal mining rights and the related property, plant and equipment of Xiaohe Coal Mine No. 3 and the Group had decided to close permanently.

於二零一八年十二月三十一日，本集團在中國鄭州登封市有5項採煤權。該等採礦權中，一個煤礦及相關物業、廠房及設備小河二礦已予悉數減值，且本集團於去年決定永久關閉。截至二零一八年十二月三十一日止年度，其中一項煤炭採礦權小河三礦到期後，本集團未申請續期。鑒於其生產效率低、規模小，已就小河三礦的煤炭採礦權及相關物業、廠房及設備確認悉數減值及本集團已決定永久關閉。

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19. MINING RIGHTS (continued)

On 30 December 2019, the Group has disposed of certain subsidiaries as well as the ownership of the coal mining rights, held by Jinfeng and Xingyun. As of 31 December 2019, the Group has one coal mining right remained in Dengfeng City held by Xiangyang.

The remaining coal mining right will expire in June 2029. In the opinion of the directors of the Company, with reference to the legal opinion received by the Group, there should be no legal barrier for the Group to renew such coal mining right and that renewal can be obtained for indefinite times period at minimal cost.

For the year ended 31 December 2019, provision for impairment of coal mining right amounting to approximately HK\$32,926,000 (2018: approximately HK\$8,544,000) has been made by the Group's management in respect of the only one coal mining right held by the Group as at 31 December 2019. Particulars of impairment testing of mining rights are set out in note 20.

As at 31 December 2018, coal mining rights with net carrying amount of approximately HK\$293,917,000 have been pledged to banks to secure the Group's bank loans as included in the asset-backed financing (note 34). During the year ended 31 December 2019, the bank loans, which have been pledged by the coal mining rights, has been fully repaid. As at 31 December 2019, the coal mining right of the Group has not been pledged for any borrowing.

19. 採礦權(續)

於二零一九年十二月三十日，本集團已出售若干附屬公司以及由金豐及興運持有的煤炭採礦權之擁有權。於二零一九年十二月三十一日，本集團於登封市仍擁有一項向陽持有的煤炭採礦權。

餘下煤炭採礦權將於二零二九年六月屆滿。經參考本集團獲得的法律意見，本公司董事認為，本集團續期其採礦權應該不存在法律障礙，且能按極低成本無限取得續期。

截至二零一九年十二月三十一日止年度，本集團管理層已就本集團於二零一九年十二月三十一日持有的唯一一項煤炭採礦權作出煤炭採礦權減值撥備約32,926,000港元(二零一八年：約8,544,000港元)。採礦權減值測試的詳情載於附註20。

於二零一八年十二月三十一日，賬面淨值約為293,917,000港元的煤炭採礦權已抵押予銀行以擔保本集團的銀行貸款(包括在資產支持融資內)(附註34)。於截至二零一九年十二月三十一日止年度，以煤炭採礦權作抵押的銀行貸款已悉數償還。於二零一九年十二月三十一日，本集團的煤炭採礦權並無就任何借款而抵押。

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20. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS

For the purpose of impairment assessment as at 31 December 2019, property, plant and equipment, prepaid land lease payments, right-of-use assets and mining right set out in notes 15, 16, 17 and 19 respectively have been allocated to individual CGUs, (i) Building Materials Business CGU, which represents Xingan; (ii) Coal Production CGU, which in the opinion of the directors of the Company, the coal mine owned by the Group is regarded as a single CGU; and (iii) Boundary Wall Moulds Business CGU, which represents Tairun (2018: (i) Building Materials Business CGU; and (ii) Coal Production CGU).

Building Materials Business CGU

In the opinion of the directors of the Company, there is no impairment indication identified in this CGU as at 31 December 2019 and 2018. There is no impairment of property, plant and equipment and right-of-use assets (2018: prepaid land lease payments) associated with this CGU as at 31 December 2019 and 2018.

Boundary Wall Moulds Business CGU

Boundary Wall Moulds Business CGU suffered operating loss during the year, as a result, the Group assessed the recoverable amount of Boundary Wall Moulds Business CGU as at 31 December 2019. The management of the Company determined that the carrying amount of Boundary Wall Moulds Business CGU does not exceed the recoverable amount of Boundary Wall Moulds Business CGU as at 31 December 2019. In the opinion of the directors of the Company, there is no impairment of property, plant and equipment and right-of-use assets associated with this CGU as at 31 December 2019.

20. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試

就於二零一九年十二月三十一日的減值評估而言，分別於附註15、16、17及19所載的物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權已分配至單獨的現金產生單位，(i)建材業務現金產生單位指興安；(ii)煤炭生產現金產生單位，本公司董事認為，本集團擁有的煤礦被視為單一現金產生單位；及(iii)圍牆模具業務現金產生單位，指泰潤(二零一八年：(i)建材業務現金產生單位；及(ii)煤炭生產現金產生單位)。

建材業務現金產生單位

本公司董事認為，於二零一九年及二零一八年十二月三十一日，該現金產生單位並無可識別的減值跡象。於二零一九年及二零一八年十二月三十一日，該現金產生單位的相關物業、廠房及設備及使用權資產(二零一八年：預付土地租賃款項)並無減值。

圍牆模具業務現金產生單位

於本年度，圍牆模具業務現金產生單位錄得虧損，故此，於二零一九年十二月三十一日，本集團對圍牆模具業務現金產生單位的可收回金額進行評估。本公司管理層確定，於二零一九年十二月三十一日，圍牆模具業務現金產生單位的賬面值並未超過圍牆模具業務現金產生單位的可收回金額。本公司董事認為，於二零一九年十二月三十一日，該現金產生單位相關的物業、廠房及設備及使用權資產並無減值。

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20. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS (continued)

Coal Production CGU

As the Group depletes its coal reserves, the recoverable amount of Coal Production CGU will also decrease. Also, Coal Production CGU suffered operating loss during these years, as a result, the Group assessed the recoverable amount of Coal Production CGU by using fair value less costs of disposal (2018: fair value less costs of disposal), which was based on income approach using a cash flow projection covering a detailed five-year budget plan, followed by an extrapolation of discounted cash flows, by reference to the actual selling price and the average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences. In determining the recoverable amount of Coal Production CGU, the directors of the Company have taken account of the coal reserves of the mines after deducting the cumulative amounts of coal already extracted and sold.

The recoverable amount of Coal Production CGU is less than the carrying amount of Coal Production CGU as at 31 December 2019. As a result, the Group made an impairment loss of approximately HK\$995,000 (2018: approximately HK\$5,693,000) and approximately HK\$32,926,000 (2018: approximately HK\$8,544,000) on property, plant and equipment and mining right respectively associated with Coal Production CGU (notes 15 and 19 respectively) during the year. The impairment loss is allocated to net carrying amounts of property, plant and equipment and mining right associated with Coal Production CGU.

20. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試(續)

煤炭生產現金產生單位

隨著本集團耗用其煤儲量，煤炭生產現金產生單位之可收回金額亦會減少。此外，於該等年度煤炭生產現金產生單位面對經營虧損，故本集團根據收入法以按照公平值減出售成本（二零一八年：公平值減出售成本），其參考中國類似熱能之煤炭之實際售價及平均市場價格（並作出必要調整以反映差別），基於收入法並使用涵蓋一項詳盡之五年預算計劃的現金流預測，然後就折現現金流量作出推算而釐定。於釐定煤炭生產現金產生單位之可收回金額時，本公司董事已考慮到煤礦之煤儲量，並減去已開採及出售之累計煤量。

煤炭生產現金產生單位的可收回金額低於二零一九年十二月三十一日煤炭生產現金產生單位的賬面值。因此，年內本集團就與煤炭生產現金產生單位有關的物業、廠房及設備及採礦權（分別見附註15及19）作出減值虧損分別約995,000港元（二零一八年：約5,693,000港元）及約32,926,000港元（二零一八年：約8,544,000港元）。減值虧損分配至與煤炭生產現金產生單位有關的物業、廠房及設備及採礦權的賬面淨值。

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20. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS (continued)

Coal Production CGU (continued)

Fair value hierarchy

An independent valuation was performed by the valuer, Asset Appraisal Limited (2018: Asset Appraisal Limited), to determine the fair value less costs of disposal of the Coal Production CGU as at 31 December 2019. The impairment losses are included in consolidated income statement. The fair value measurement of Coal Production CGU is classified as a Level 3 (2018: Level 3) fair value measurement.

Valuation processes of the Group

Coal Production CGU was valued as at 31 December 2019 and 2018 by independent professionally qualified valuer, Asset Appraisal Limited, who have among their staff fellows of the Hong Kong Institute of Surveyors and have recent experience in the valuation of mining industries.

The Group's finance department, which directly reports to the chief financial officer, reviewed the valuations performed by the independent valuer for financial reporting purposes, which is determined based on the cash flow projection prepared by the management. The finance department holds discussions with the independent valuer on the valuation assumptions and valuation results.

Management's key assumptions were used in the determination of recoverable amount of Coal Production CGU for the years ended 31 December 2019 and 2018. The following described each key assumption on which management has based its cash flow projections to undertake impairment testing of Coal Production CGU.

Net profit margins – Management determined net profit margin based on past experience in this market and its expectations for market development.

Discount rate – The discount rate reflects specific risks relating to the mining industry.

20. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試(續)

煤炭生產現金產生單位(續)

公平值級別

估值師中誠達資產評估顧問有限公司(二零一八年：中誠達資產評估顧問有限公司)已進行一次獨立估值，以釐定煤炭生產現金產生單位於二零一九年十二月三十一日之公平值減出售成本。減值虧損已計入綜合收益表內。煤炭生產現金產生單位的公平值計量分類為第三級(二零一八年：第三級)公平值計量。

本集團之估值程序

本集團之煤炭生產現金產生單位於二零一九年及二零一八年十二月三十一日由獨立專業合資格估值師中誠達資產評估顧問有限公司進行估值，該公司職員為香港測量師學會成員，且具備採礦行業評估之近期經驗。

就財務報告目的而言，本集團之財務部門(直接向財務總監匯報)審閱獨立估值師進行之估值(基於管理層編製的現金流預測釐定)。財務部就估值假設及估值結果與獨立估值師進行討論。

釐定截至二零一九年及二零一八年十二月三十一日止年度煤炭生產現金產生單位之可收回金額時，管理層已採用主要假設。下文描述管理層在進行煤炭生產現金產生單位減值測試時對其現金流量預測採用之各項主要假設。

淨利潤率 – 管理層按過往市場經驗及其對市場發展之預期釐定淨利潤率。

折現率 – 折現率反映有關煤礦業之特定風險。

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20. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS, RIGHT-OF-USE ASSETS AND MINING RIGHTS (continued)

Coal Production CGU (continued)

Valuation processes of the Group (continued)

Selling price - Forecast selling price of coal are based on the actual selling price and average market coal price with similar heating power in the PRC with adjustments, where necessary, to reflect the differences.

Sales and production volumes – Estimated production volumes are based on detailed life-of-mine plans and take into account development plans for the mines established by management as part of the long-term planning process. Production volumes are dependent on a number of variables, such as the recoverable quantities, the production profile, the cost of the development of the infrastructure necessary to extract the reserves, the production costs, the contractual duration of mining rights and the selling price of coal.

The discount rate and growth rates on the estimated selling price used to extrapolate in the cash flow projection of Coal Production CGU are shown as below:

20. 物業、廠房及設備、預付土地租賃款項、使用權資產及採礦權之減值測試(續)

煤炭生產現金產生單位(續)

本集團之估值程序(續)

售價－煤炭預測售價基於實際售價及中國類似熱能的平均市場煤炭價格，並在必要時作出調整，以反映差異。

銷量及產量－估計產量基於詳細的礦山壽命計劃，考慮管理層作為長期規劃程序一部分而制定的煤礦發展計劃。產量取決於多項可變因素，如可開採數量、生產狀況、開採儲量所需基礎設施的開發成本、生產成本、採礦權的合約期限及煤炭售價。

煤炭生產現金產生單位之現金流量預測中推斷使用之折現率及增長率如下：

		2019 二零一九年	2018 二零一八年
Growth rate on the estimated selling price of coal	煤炭估計售價的增長率	2.6% Per annum 每年	2.3% Per annum 每年
Growth rate on sales and production volumes of coal	煤炭銷售及生產量增長率	4.2% Per annum 每年	4.3% Per annum 每年
Discount rate	折現率	15.37% Per annum 每年	13.17% Per annum 每年

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21. OTHER INTANGIBLE ASSETS

21. 其他無形資產

		Computer software licence 電腦軟件使用權	
		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Cost	成本		
At 1 January	於一月一日	2,591	1,891
Additions	添置	218	730
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(1,901)	–
Exchange realignment	匯兌調整	(15)	(30)
At 31 December	於十二月三十一日	893	2,591
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(1,968)	(1,891)
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	1,901	–
Amortisation for the year	年內攤銷	(134)	(80)
Exchange realignment	匯兌調整	3	3
At 31 December	於十二月三十一日	(198)	(1,968)
Net carrying amount	賬面淨值	695	623

22. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

22. 於聯營公司之權益及應付一間聯營公司款項

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Interests in associates – Share of net assets	於聯營公司之權益 – 應佔資產淨值	–	100,046
Amount due to an associate	應付一間聯營公司款項	–	(14,640)

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

22. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The particulars of the associates of the Group as at 31 December 2019 and 2018 were as follows:

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Particular of registered capital 註冊資本詳情		Percentage of voting right held by the Group 本集團所持投票權百分比		Attributable equity interests to the Group 本集團應佔之股本權益		Place of operation and principal activities 經營地點及主要業務
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
(1) Beijing Zhaohua Hefu Investment Management Limited* ("Zhaohua Hefu") 北京兆華合富投資管理有限公司 (「兆華合富」)	the PRC, limited liability company 中國·有限責任公司	RMB2,000,000 人民幣 2,000,000元	RMB2,000,000 人民幣 2,000,000元	-	25.00%	-	25.00%	Investment management, asset management and consultation of investment in the PRC 於中國從事投資管理、資產管理及投資諮詢
(2) Beijing Shuoze Zhongfu Investment Centre (Limited Partnership)* (the "Partnership") (Note) 北京碩展中富投資中心 (有限合夥)(「合夥企業」) (附註)	the PRC, limited partnership 中國·有限責任合夥	RMB100,000,000 人民幣 100,000,000元	RMB100,000,000 人民幣 100,000,000元	-	33.33%	-	99.25%	Project investment, investment management, assets management and consultation service in the PRC 於中國從事項目投資、投資管理、資產管理及諮詢服務

* For identification purpose only

Note: Pursuant to the partnership agreements entered into in May 2012 and June 2012, the general partner of the Partnership is Zhaohua Hefu (the "General Partner"), which is an associate of the Group, owns 1% of the equity interest of the Partnership. The General Partner is responsible for management and control of the business of the Partnership through the power to appoint two-third of the committee member of the investment committee while Kaisheng, a subsidiary of the Company and the limited partner of the Partnership, possesses significant influence over the operating and financial policies of the Partnership through the power to appoint the remaining one-third of committee member of the investment committee. As abovementioned, although the Group owned 99.25% equity interest in the Partnership, the Group only possessed significant influence over the operating and financial policies of the Partnership, therefore, the investment has been classified as interests in associates in the consolidated statement of financial position as at 31 December 2018.

On 30 December 2019, the Group disposed of certain subsidiaries (note 41) together with the interests in associates and amount due to an associate which was held by Kaisheng. As of that date, the Group ceased to have significant influence over Zhaohua Hefu and the Partnership.

22. 於聯營公司之權益及應付一間聯營公司款項(續)

本集團於二零一九年及二零一八年十二月三十一日的聯營公司詳情如下：

僅供識別

附註：根據於二零一二年五月及二零一二年六月訂立之合夥協議，合夥企業之普通合夥人為兆華合富（「普通合夥人」），其為本集團之聯營公司並擁有合夥企業1%股權。普通合夥人須透過委任投資委員會三分之二成員的權力負責管理及監控合夥企業之業務，而凱盛（本公司之附屬公司及合夥企業之有限合夥人）則通過委任投資委員會餘下三分之一成員的權力對合夥企業之經營及財務政策產生重大影響力。如上所述，儘管本集團擁有合夥企業99.25%股權，本集團僅對合夥企業之經營及財務政策擁有重大影響力，故此，投資於二零一八年十二月三十一日於綜合財務狀況表內歸類為於聯營公司之權益。

於二零一九年十二月三十日，本集團已出售若干附屬公司（附註41）連同凱盛持有之於聯營公司之權益及應付聯營公司之款項。於該日，本集團不再對兆華合富及合夥企業具有重大影響力。

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22. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

The following illustrates the summarised financial information of the Group's material associate as at 31 December 2018, the Partnership, extracted from its management accounts which have been adjusted to ensure consistency in accounting policies adopted by the Group.

22. 於聯營公司之權益及應付一間聯營公司款項(續)

以下為本集團重大聯營公司(即合夥企業)於二零一八年十二月三十一日之財務資料概要, 乃摘錄自其管理賬目(已作調整以確保與本集團採納之會計政策一致)。

		HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日	
Non-current assets	非流動資產	24,452
Current assets	流動資產	83,608
Current liabilities	流動負債	(10,255)
Net assets	資產淨額	97,805
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Revenue	收益	-
Loss for the year	年內虧損	(13,366)
OCI for the year	年內其他全面收益	10,857
Total comprehensive loss for the year	年內全面虧損總額	(2,509)

Note: The Partnership was disposed of together with the CIL Group and was not an associate of the Group as at 31 December 2019. Therefore, the financial information of the Partnership for the year ended 31 December 2019 is not presented.

附註: 於二零一九年十二月三十一日, 合夥企業連同CIL集團已出售及並非本集團之聯營公司。因此, 並未呈列合夥企業於截至二零一九年十二月三十一日止年度之財務資料。

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

22. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associates recognised in the consolidated financial statements as at 31 December 2018:

		HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	97,805
Group's interest in the associate	本集團於聯營公司之權益	99.25%
Carrying amount of the Group's interest in the associate	本集團於聯營公司之權益之賬面值	97,071

The financial information of Zhaohua Hefu, an immaterial associate of the Group as at 31 December 2018, is set out below:

		HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
The Group's share of profit for the year	本集團應佔年內溢利	438
The Group's share of other comprehensive loss for the year	本集團應佔年內全面虧損總額	(91)
The Group's share of total comprehensive income for the year	本集團應佔年內其他全面收益總額	347

Note: Zhaohua Hefu was disposed of together with the CIL Group and was not an associate of the Group as at 31 December 2019. Therefore, the financial information of Zhaohua Hefu for the year ended 31 December 2019 is not presented.

22. 於聯營公司之權益及應付一間聯營公司款項(續)

以上概述的財務資料與於二零一八年十二月三十一日綜合財務報表所確認於聯營公司的權益賬面值的對賬如下：

於二零一八年十二月三十一日，有關兆華合富(為本集團之不重要聯營公司)之財務資料載列如下：

附註：於二零一九年十二月三十一日，兆華合富連同CIL集團已出售及並非本集團之聯營公司。因此，並未呈列兆華合富於截至二零一九年十二月三十一日止年度之財務資料。

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23. INTEREST IN A JOINT VENTURE

23. 於一間合營企業之權益

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Share of net assets	應佔資產淨值	-	5,973

The particulars of the joint venture of the Group as at 31 December 2019 and 2018 were set out as below:

於二零一九年及二零一八年十二月三十一日，本集團合營企業之詳情如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Particulars of registered capital 註冊資本詳情		Percentage of issued capital held by the Group 本集團所持已發行股本百分比		Place of operation and principal activities 經營地點及主要業務
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Henan Chalco Li Chuang Resources Company Limited [#] ("Henan Chalco") (note) 河南中鋁立創礦業有限公司 〔河南中鋁〕(附註)	PRC, other limited liability company 中國·其他有限責任公司	RMB10,000,000 人民幣 10,000,000元	RMB10,000,000 人民幣 10,000,000元	-	51%	Sale of alumina in the PRC 於中國銷售氧化铝

[#] For identification purpose only

[#] 僅供識別

Note: Although the Group owned 51% equity interest in Henan Chalco, the Group and the other shareholder of Henan Chalco had joint control over Henan Chalco and none of the participating parties had unilateral control over the economic activity pursuant to the joint venture agreement entered into in July 2012. Therefore, the Group classified the investment in Henan Chalco as a joint venture as at 31 December 2018.

附註：儘管本集團擁有河南中鋁51%權益，但本集團及河南中鋁之其他股東對河南中鋁有共同控制權，根據二零一二年七月訂立之合營協議，概無參與方就經濟活動有單方面控制權。因此，於二零一八年十二月三十一日，本集團將河南中鋁之投資分類為合營企業。

On 30 December 2019, the Group disposed of certain subsidiaries (note 41) together with the interest in a joint venture which was held by Jinfeng. As of that date, the Group ceased to have joint control over Henan Chalco.

於二零一九年十二月三十日，本集團已出售若干附屬公司(附註41)連同金豐持有之於一間合營企業之權益。於該日，本集團不再對河南中鋁具有共同控制權。

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23. INTEREST IN A JOINT VENTURE (continued)

Set out below is the summarised financial information for Henan Chalco which was accounted for using the equity method:

		HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日	
Cash and cash equivalents	現金及現金等值項目	7,810
Other current assets	其他流動資產	3,901
		<hr/>
Current assets	流動資產	11,711
		<hr/>
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Interest income	利息收入	101
		<hr/>
Profit for the year	年內溢利	99
Other comprehensive loss for the year	年內其他全面虧損	(639)
		<hr/>
Total comprehensive loss for the year	年內全面虧損總額	(540)
		<hr/>

Note: Henan Chalco was disposed of together with the CIL Group and was not a joint venture of the Group as at 31 December 2019. Therefore, the financial information of Henan Chalco for the year ended 31 December 2019 is not presented.

附註：於二零一九年十二月三十一日，河南中鋁連同CIL集團已出售及並非本集團之合營企業。因此，並未呈列河南中鋁於截至二零一九年十二月三十一日止年度之財務資料。

There were no contingent liability or other commitments relating the Group's interest in its joint venture.

本集團並無就其於合營企業之權益產生任何或然負債或其他承諾。

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements as at 31 December 2018:

以上概述的財務資料與於二零一八年十二月三十一日綜合財務報表所確認於一間合營企業的權益賬面值的對賬如下：

		HK\$'000 千港元
Net assets of the joint venture	合營企業資產淨額	11,711
Group's interest in the joint venture	本集團於合營企業之權益	51%
		<hr/>
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益之賬面值	5,973
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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

24. 按公平值計入其他全面收益的金融資產

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Non-current	非流動		
Financial assets at FVTOCI	按公平值計入其他全面收益的金融資產		
– Unlisted equity securities in the PRC, Beijing Baiyitong Technology Co., Ltd.* (北京佰鎰通科技有限公司)	– 於中國非上市股本證券·北京佰鎰通科技有限公司	–	682

The above unlisted equity securities was designated as financial assets at fair value through other comprehensive income (non-recycling) as the investment was held for long-term strategic purposes.

For the details of the fair value measurement as at 31 December 2018 are set out in note 45(f).

On 30 December 2019, the Group disposed of the CIL Group together with the financial assets at FVTOCI.

No dividends were received on this investment during the year (2018: Nil).

* For identification purpose only

上述非上市股本證券被指定為按公平值計入其他全面收益(不可劃轉)·原因為該投資為持作長期戰略目的。

於二零一八年十二月三十一日之公平值計量之詳情載於附註45(f)。

於二零一九年十二月三十日·本集團已出售CIL集團連同按公平值計入其他全面收益之金融資產。

年內並無就該投資收取任何股息(二零一八年：無)。

僅供識別

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25. INVENTORIES

25. 存貨

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Coal	煤	2,440	2,999
Building materials	建材		
– Raw materials	– 原材料	4,492	5,327
– Finished goods	– 製成品	6,961	13,762
Spare parts and consumables	零件及耗材	2,244	2,761
		16,137	24,849

As at 31 December 2019, provision for inventories amounting to approximately HK\$1,711,000 (2018: approximately HK\$2,021,000) were made against those inventories which aged over one year (2018: one year).

於二零一九年十二月三十一日，就賬齡超過一年(二零一八年：一年)的該等存貨計提存貨撥備約1,711,000港元(二零一八年：約2,021,000港元)。

26. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS

26. 應收賬款及票據及合約資產

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Accounts receivable	應收賬款	124,035	254,529
Bills receivable	應收票據	2,293	259,433
		126,328	513,962
Less: Allowance for credit losses (note 45(a))	減：信貸虧損撥備(附註45(a))	(30,938)	(61,313)
Accounts and bills receivables, net of loss allowance (note (a))	應收賬款及票據，扣除虧損撥備 (附註(a))	95,390	452,649
Contract assets	合約資產	2,267	2,371
Less: Allowance for credit losses (note 45(a))	減：信貸虧損撥備(附註45(a))	(1,408)	(451)
Contract assets, net of loss allowance (note (b))	合約資產，扣除虧損撥備 (附註(b))	859	1,920
Total	總計	96,249	454,569

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26. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Notes:

(a) Accounts and bills receivables

During the year ended 31 December 2019, the Group discounted part of its trade debtors with full recourse to a financial institution. In the event of default by the debtors, the Group is obliged to pay the financial institution the amount in default. During the year ended 31 December 2019, interest was charged at a range from 3.30% to 4.79% (2018: 3.30% to 4.57%) per annum on the proceeds received from the financial institution until the day the debtors pay. During the year ended 31 December 2019, all the discounted trade debts were settled and, as at 31 December 2019, the Group did not have any discounted trade debtors with full recourse to a financial institution. The Group was therefore exposed to the risks of credit losses and late payment in respect of the discounted debts as at 31 December 2018.

The discounting transactions did not meet the requirements in HKFRS 9 for derecognition of financial assets as the Group retained substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 December 2018, trade debts of approximately HK\$205,500,000 continued to be recognised in the Group's consolidated financial statements even though they have been legally transferred to the financial institution. The proceeds of the discounting transactions were included in borrowings as asset-backed financing (note 34) until the trade debts were collected or the Group settled any losses suffered by the financial institution. At 31 December 2018, the asset-backed financial liability amounted to approximately HK\$153,400,000. Because the trade debts have been transferred to the financial institution legally, the Group did not have the authority to determine the disposition of the trade debts.

The Group's sales are billed to customers according to the terms of the relevant contracts. Normally, credit periods for Coal Business ranging from 30 to 180 days (2018: 30 to 180 days) are allowed to certain customers. While relatively longer credit period will be granted to customers of Building Materials Business depending on the terms of the relevant contracts.

26. 應收賬款及票據及合約資產 (續)

附註：

(a) 應收賬款及票據

於截至二零一九年十二月三十一日止年度，本集團將其具有追索權的應收賬款部分貼現予一家金融機構。如債務人違約，本集團有義務向該金融機構支付違約金額。截至二零一九年十二月三十一日止年度，利息就從該金融機構收到的款項按介乎每年3.30%至4.79%（二零一八年：3.3%至4.57%）收取，直至債務人還款為止。截至二零一九年十二月三十一日止年度，所有已貼現貿易債務已獲悉數償還，及於二零一九年十二月三十一日，本集團並無任何貼現至一家金融機構具有全部追索權的應收賬款。因此，本集團於二零一八年十二月三十一日就已貼現債務面臨信貸損失及逾期風險。

貼現交易不符合香港財務報告準則第9號終止確認金融資產的規定，原因是本集團保留已貼現應收賬款的絕大部分風險及回報。於二零一八年十二月三十一日，應收賬款約205,500,000港元繼續於本集團綜合財務報表中確認，儘管在法律上已轉讓予該金融機構。貼現交易所獲款項作為資產支持融資計入借貸（附註34），直到應收賬款已收回或本集團結算該金融機構受到的任何損失為止。於二零一八年十二月三十一日，資產支持金融負債約為153,400,000港元。由於應收賬款已合法轉讓予該金融機構，本集團不再有權決定應收賬款的狀況。

本集團根據有關合約條款向客戶開具銷售發票。就煤炭業務向若干客戶授予之信貸期一般介乎30日至180日（二零一八年：30日至180日）。而視乎相關合約的期限授予建材業務客戶之信貸期相對較長。

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26. ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

Notes: (continued)

(b) Contract assets

Typical payment terms which impact on the amount of contract assets recognised are as follows:

- **Building materials contracts**
Certain of the Group's building materials contracts include payment schedules which require stage payments depends on when the respective constructions' milestones are reached. For major building materials contracts, the Group general receives certain deposits payable up front, which is negotiated on a case by case basis with customers, and this has resulted in a contract liability at early stages of the projects. However, for major building materials contracts the Group also typically agrees to a retention period for 1% to 16% (2018: 1% to 16%) of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's product satisfactorily passing inspection.

Details of impairment assessment of accounts and bills receivables and contract assets for the years ended 31 December 2019 and 2018 are set out in note 45(a).

The ageing analysis of the accounts and bills receivables and contract assets of the Group, net of loss allowance, based on the due dates is as follows:

26. 應收賬款及票據及合約資產 (續)

附註：(續)

(b) 合約資產

對經確認合約資產金額構成影響的一般支付條款如下：

- **建材合約**
本集團的若干建材合約包括建築期間要求分階段付款的付款進度(視乎達致各建築里程碑的時間)。就主要建材合約而言，本集團一般收取若干先期應付按金，乃通過逐個項目與客戶磋商而定，及由此導致於項目初期產生合約負債。然而，對於主要建材合約，本集團亦通常同意就1%至16%(二零一八年：1%至16%)的合約價值設有一個保留期。由於本集團對該尾款權利取決於本集團的產品滿意地通過檢驗，因此該金額計入合約資產直至保質期結束。

截至二零一九年及二零一八年十二月三十一日止年度的應收賬款及票據及合約資產減值評估詳情載於附註45(a)。

本集團於到期日期應收賬款及票據及合約資產(扣除虧損撥備)之賬齡分析如下：

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current	流動	13,070	295,396
Past due for less than 3 months	逾期少於三個月	49,240	85,354
Past due for more than 3 months but less than 6 months	逾期三個月以上但少於六個月	22,804	47,297
Past due for more than 6 months but less than 1 year	逾期六個月以上但少於一年	11,135	26,522
		96,249	454,569

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款項
Deposits	按金
Other receivables	其他應收款項
Provision for impairment (note 45(a))	減值撥備 (附註45(a))

Details of impairment assessment of deposits and other receivables for the years ended 31 December 2019 and 2018 are set out in note 45(a).

28. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Pledged and restricted bank deposits

As at 31 December 2018, the effective interest rates of the pledged bank deposits are at 0.31% per annum. As at 31 December 2018, pledged bank deposits are used to secured bills payables (note 29) and letter of credit (note 34(b)) of the Group. As at 31 December 2019, no bank deposits were pledged.

No bank deposits (2018: approximately HK\$1,621,000) were restricted for use in relation to the administrative proceedings.

27. 預付款項、按金及其他應收款項

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
4,206	10,107
4,538	11,775
12,661	8,127
21,405	30,009
(1,420)	(5,529)
19,985	24,480

截至二零一九年及二零一八年十二月三十一日止年度的按金及其他應收款項減值評估詳情載於附註45(a)。

28. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料

(a) 已抵押及受限制的銀行存款

於二零一八年十二月三十一日，已抵押銀行存款的實際利率為每年0.31%。於二零一八年十二月三十一日，已抵押銀行存款用於擔保本集團的應付票據(附註29)及信用證(附註34(b))。於二零一九年十二月三十一日，概無抵押任何銀行存款。

概無銀行存款(二零一八年：約1,621,000港元)因行政程序令其使用受到限制。

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28. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Cash and cash equivalents

As at 31 December 2019, included in cash and cash equivalents of the Group is approximately HK\$15,023,000 (2018: approximately HK\$33,377,000) of bank balances denominated in RMB placed with the banks in the PRC. RMB is not a freely convertible currency; however, under the PRC'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 the banks authorised to conduct foreign exchange business in the PRC.

(c) Reconciliation of liabilities from financing activities

The table below details changes in the Group's major liabilities from financing activities, including both cash and non-cash changes.

28. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料(續)

(b) 現金及現金等值項目

於二零一九年十二月三十一日，本集團現金及現金等值項目包括以人民幣列賬並存放於國內銀行之銀行結餘約15,023,000港元(二零一八年：約33,377,000港元)。人民幣並非可自由匯兌之貨幣；然而，根據中國之外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准許透過中國獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

(c) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的主要負債變動，包括現金流量及非現金流量導致的變動。

	Bank and other loans (note 34) HK\$'000	Lease liabilities (note 33) HK\$'000	Amounts due to and loans from shareholders (note 30) HK\$'000	Amounts due to related parties included in other payables and accruals (note 31) HK\$'000	Advance from certain parties included in other payables and accruals (note 31) HK\$'000	Amount due to an associate (note 22) HK\$'000	Total HK\$'000
	銀行及其他貸款 (附註34) 千港元	租賃負債 (附註33) 千港元	應付股東款項及來自股東貸款 (附註30) 千港元	計入其他應付款項及應計費用之應付其他關連方款項 (附註31) 千港元	應付款項及應計費用之若干人士 (附註31) 千港元	應付一間聯營公司款項 (附註22) 千港元	總計 千港元
At 1 January 2018	646,900	-	41,097	7,099	22,814	99,589	817,499
Changes from financing cash flows:							
Proceeds from bank loans	207,618	-	-	-	-	-	207,618
Repayments of bank loans	(182,704)	-	-	-	-	-	(182,704)
Proceeds from other loans	201,975	-	-	-	-	-	201,975
Repayments of other loans	(37,584)	-	-	-	-	-	(37,584)
Proceeds from loans from shareholders	-	-	94,800	-	-	-	94,800
Repayments of loans from shareholders	-	-	(29,660)	-	-	-	(29,660)
Repayment to shareholders	-	-	(31,962)	-	-	-	(31,962)
Repayments to related parties, net	-	-	-	(109,669)	-	-	(109,669)
Repayment to an associate	-	-	-	-	-	(79,785)	(79,785)
Repayment to certain parties included in other payables, net	-	-	-	-	(15,828)	-	(15,828)
Total changes from financing cash flows	189,305	-	33,178	(109,669)	(15,828)	(79,785)	17,201

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28. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Reconciliation of liabilities from financing activities (continued)

28. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料(續)

(c) 融資活動所產生的負債對賬(續)

		Bank and other loans (note 34) HK\$'000	Lease liabilities (note 33) HK\$'000	Amounts due to and from shareholders (note 30) HK\$'000	Amounts due to related parties included in other payables and accruals (note 31) HK\$'000	Advance from certain parties included in other payables and accruals (note 31) HK\$'000	Amount due to an associate (note 22) HK\$'000	Total HK\$'000
		銀行及其他貸款 (附註34) 千港元	租賃負債 (附註33) 千港元	應付股東款項及來自股東貸款 (附註30) 千港元	計入其他應付款項及應計費用之應付其他關連方款項 (附註31) 千港元	應付款項及應計費用之若干人士之墊款 (附註31) 千港元	應付一間聯營公司款項 (附註22) 千港元	總計 千港元
Other changes:	其他變動:							
Exchange realignment	匯兌調整	(42,701)	-	(2,214)	(330)	-	(5,164)	(50,409)
Addition through acquisition of subsidiaries (note 40)	透過收購附屬公司添置(附註40)	47,060	-	-	103,070	-	-	150,130
Discount at inception of loans from shareholders	來自股東貸款之初始折現值	-	-	(17,185)	-	-	-	(17,185)
Unwinding of imputed interest on loans from shareholders	來自股東貸款估算利息回撥	-	-	8,750	-	-	-	8,750
Total other changes	其他變動總額	4,359	-	(10,649)	102,740	-	(5,164)	91,286
At 31 December 2018	於二零一八年十二月三十一日	840,564	-	63,626	170	6,986	14,640	925,986
Impact on initial application of HKFRS 16 (note 2(b))	初始應用香港財務報告準則第16號之影響(附註2(b))	-	1,209	-	-	-	-	1,209
At 1 January 2019	於二零一九年一月一日	840,564	1,209	63,626	170	6,986	14,640	927,195
Changes from financing cash flows:	融資現金流的變動:							
Proceeds from bank loans	銀行貸款之所得款項	859,145	-	-	-	-	-	859,145
Repayments of bank loans	償還銀行貸款	(827,857)	-	-	-	-	-	(827,857)
Proceeds from other loans	其他貸款所得款項	5,671	-	-	-	-	-	5,671
Repayments of other loans	償還其他貸款	(196,738)	-	-	-	-	-	(196,738)
Capital element of lease rentals paid	已付租賃租金之資本部分	-	(1,402)	-	-	-	-	(1,402)
Interest element of lease rentals paid	已付租賃租金之利息部分	-	(67)	-	-	-	-	(67)
Advance from related parties, net	來自關連人士之墊款,淨額	-	-	-	79,393	-	-	79,393
Advance from shareholders	股東墊款	-	-	26,636	-	-	-	26,636
Advance from certain parties included in other payables, net	若干人士之墊款(計入其他應付款項),淨額	-	-	-	-	17,176	-	17,176
Total changes from financing cash flows	融資現金流量產生的變動總額	(159,779)	(1,469)	26,636	79,393	17,176	-	(38,043)

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28. PLEDGED AND RESTRICTED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Reconciliation of liabilities from financing activities (continued)

	Bank and other loans (note 34) HK\$'000	Lease liabilities (note 33) HK\$'000	Amounts due to and loans from shareholders (note 30) HK\$'000	Amounts due to related parties included in other payables and accruals (note 31) HK\$'000	Advance from certain parties included in other payables and accruals (note 31) HK\$'000	Amount due to an associate (note 22) HK\$'000	Total HK\$'000
	銀行及其他貸款 (附註34) 千港元	租賃負債 (附註33) 千港元	應付股東款項及來自股東貸款 (附註30) 千港元	計入其他應付款項及應計費用之應付其他關連方款項 (附註31) 千港元	計入其他應付款項及應計費用之若干人士之墊款 (附註31) 千港元	應付一間聯營公司款項 (附註22) 千港元	總計 千港元
Other changes:							
Exchange realignment	(12,467)	(6)	(1,547)	(48)	-	(255)	(14,323)
Addition of lease liabilities	-	864	-	-	-	-	864
Interest expenses on leases liabilities	-	67	-	-	-	-	67
Disposal of subsidiaries (note 41)	(521,304)	-	(33,887)	(3,048)	-	(14,385)	(572,624)
Consideration in relation to disposal of the CIL Group (note 41)	-	-	(2)	-	-	-	(2)
Unwinding of imputed interest on loans from shareholders	-	-	3,746	-	-	-	3,746
Total other changes	(533,771)	925	(31,690)	(3,096)	-	(14,640)	(582,272)
At 31 December 2019	147,014	665	58,572	76,467	24,162	-	306,880

28. 已抵押及受限制的銀行存款、現金及現金等值項目及其他現金流量資料(續)

(c) 融資活動所產生的負債對賬(續)

29. ACCOUNTS AND BILLS PAYABLES

Accounts payable	應付賬款
Bills payable	應付票據

29. 應付賬款及票據

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
32,456	50,349
-	607,783
32,456	658,132

As at 31 December 2018, the bills payable was mainly issued to the Henan Coal Jiatusuo Trading Company Limited* (河南嘉拓煤炭運銷有限公司), major supplier under the "trading of purchased coal" operation (the "Major Supplier").

於二零一八年十二月三十一日，應付票據主要發行予河南嘉拓煤炭運銷有限公司，其為「購入煤炭貿易」業務的主要供應商(「主要供應商」)。

* For identification purpose only

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29. ACCOUNTS AND BILLS PAYABLES

(continued)

The Group was granted by its certain suppliers with credit periods normally ranging from 30 to 90 days (2018: 30 to 90 days). As of the end of the reporting period, the ageing analysis of accounts payable of the Group presented based on the invoice dates was as follows:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
0 – 90 days	0至90日	19,999	21,493
91 – 180 days	91至180日	4,309	3,779
181 – 365 days	181至365日	3,635	19,299
Over 365 days	超過365日	4,513	5,778
		32,456	50,349

As at 31 December 2019, the Group has no bills payable (2018: approximately HK\$485,851,000) secured by the pledged bank deposits of the Group (2018: approximately HK\$461,487,000) (note 28(a)).

As at 31 December 2019, the Group has no bills payable (2018: approximately HK\$152,387,000) were guaranteed by Henan Zhongfu Industrial Company Limited[#] (河南中孚實業股份有限公司) (“**Henan Zhongfu**”) or its subsidiaries (collectively referred to as “**Zhongfu Group**”), the major customer under the “trading of purchased coal” operation (the “**Major Customer**”).

[#] For identification purpose only

29. 應付賬款及票據(續)

若干供應商向本集團授予一般介乎30至90日(二零一八年:30至90日)之賒賬期。於報告期末,按發票日期呈報之本集團應付賬款之賬齡分析如下:

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
0 – 90 days	19,999	21,493
91 – 180 days	4,309	3,779
181 – 365 days	3,635	19,299
Over 365 days	4,513	5,778
	32,456	50,349

於二零一九年十二月三十一日,本集團並無應付票據(二零一八年:約485,851,000港元)以本集團已抵押銀行存款(二零一八年:約461,487,000港元)作為抵押(附註28(a))。

於二零一九年十二月三十一日,本集團並無應付票據(二零一八年:約152,387,000港元)由河南中孚實業股份有限公司(「河南中孚」)或其附屬公司(統稱「中孚集團」)(為「購入煤炭貿易」業務的主要客戶(「主要客戶」))擔保。

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30. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS

30. 應付股東款項及來自股東貸款

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current	流動		
Amounts due to shareholders (note (a))	應付股東款項 (附註(a))	1,337	9,135
Non-current	非流動		
Loans from shareholders (note (b))	來自股東貸款 (附註(b))	57,235	54,491
		58,572	63,626

Notes:

(a) Current portion of amounts due to shareholders

The balance of current portion of amounts due to shareholders included the followings:

- (i) As at 31 December 2019, balance amounting to approximately HK\$1,337,000 (2018: HK\$7,838,000) was advanced from Mr. Bao; and
- (ii) As at 31 December 2018, the balance amounting to approximately HK\$1,297,000 was advanced from Mr. Yang Hua, a shareholder of the Company, who was also a then Executive Director till 8 February 2018 and chief executive of the Company till 31 December 2018. The balance was disposed of during the disposal of the CIL Group.

These balances are unsecured, interest-free and repayable on demand.

附註：

(a) 應付股東款項之流動部分

應付股東款項的流動部分餘額包括以下各項：

- (i) 於二零一九年十二月三十一日，約1,337,000港元（二零一八年：7,838,000港元）的餘額由包先生提供；及
- (ii) 於二零一八年十二月三十一日，楊華先生（為本公司股東，於二零一八年二月八日前亦為本公司當時之執行董事及於二零一八年十二月三十一日止為本公司行政總裁）提供的餘額約1,297,000港元。餘額已於出售CIL集團期間出售。

該等餘額為無抵押、免息及須按要
求償還。

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30. AMOUNTS DUE TO AND LOANS FROM SHAREHOLDERS (continued)

Notes: (continued)

(b) Non-current portion of loans from shareholders

On 14 February 2018, the Group entered into loan agreements with Mr. Bao, Mr. Zhang Xinzhi (“Mr. Zhang”) and Mr. Li, all of them are shareholders of the Company in which Mr. Li is also an Executive Director since 15 June 2018 and Mr. Bao was appointed as an Executive Director subsequent to the year end date. Pursuant to the loan agreements, these shareholders agreed to provide unsecured and interest-free loan with an aggregate amount of RMB600,000,000 (equivalent to approximately HK\$671,172,000) for a term of three years to the Group. The loans are repayable in full or by instalment to further negotiations, within 36 months of the drawdown date. During the year ended 31 December 2018, aggregate loans amounting to RMB80,000,000 (equivalent to approximately HK\$94,800,000) have been advanced from Mr. Bao, Mr. Zhang and Mr. Li, these loans will be repayable in full within 36 months since the drawdown date. As detailed in note 3.1, such loans were transferred to and taken up by Xiangyang from a then subsidiary. The effective interest rate at 6.90% per annum for imputed interest expense for these interest-free loans is determined based on the cost-of-funds of the Group per annum. Movement has shown as below:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	於一月一日	54,491	-
Proceeds from shareholders' loans	股東貸款所得款項	-	94,800
Discount at inception (note (i))	初始折現值 (附註(i))	-	(17,185)
Early settlement by the Group (note (ii))	本集團提早結算 (附註(ii))	-	(29,660)
Unwinding of imputed interest (note 7)	估算利息回撥 (附註7)	3,746	8,750
Exchange realignment	匯兌調整	(1,002)	(2,214)
At 31 December	於十二月三十一日	57,235	54,491

Notes:

- (i) The discount of the loans from shareholders at inception was recognised as deemed capital contribution from shareholders as other reserves in the equity of the Group (note 38(a)(iii)).
- (ii) During the year, the Group did not voluntarily repay (2018: RMB25,000,000 (equivalent to approximately HK\$29,660,000)) to the shareholders.

30. 應付股東款項及來自股東貸款 (續)

附註：(續)

(b) 來自股東貸款之非流動部分

於二零一八年二月十四日，本集團與包先生、張信志先生（「張先生」）及李先生（自二零一八年六月十五日起均為本公司股東，李先生亦為執行董事，包先生於年結日後獲委任為執行董事）訂立貸款協議。根據貸款協議，該等股東同意向本集團提供總額人民幣600,000,000元（相當於約671,172,000港元）的無抵押免息貸款，為期三年。貸款須於提取日期起36個月內全部償還或分期償還（須進一步磋商）。截至二零一八年十二月三十一日止年度，貸款總額人民幣80,000,000元（相當於約94,800,000港元）的貸款由包先生、張先生及李先生提供，該等貸款須於提取日期起36個月內悉數償還。如附註3.1所詳述，該等貸款自當時的附屬公司轉讓予向陽，並由其承擔。該等免息貸款的估算利息開支之實際年利率6.90%乃基於本集團每年的資金成本釐定。變動列於下文：

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	54,491	-
Proceeds from shareholders' loans	-	94,800
Discount at inception (note (i))	-	(17,185)
Early settlement by the Group (note (ii))	-	(29,660)
Unwinding of imputed interest (note 7)	3,746	8,750
Exchange realignment	(1,002)	(2,214)
At 31 December	57,235	54,491

附註：

- (i) 於股東貸款之初的折讓確認為視作股東出資，作為本集團權益中的其他儲備（附註38(a)(iii)）。
- (ii) 年內，本集團概無自願向股東償還款項（二零一八年：人民幣25,000,000元（相當於約29,660,000港元））。

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31. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED

Current	流動
Accruals	應計費用
Other payables (note (a))	其他應付款項(附註(a))
Contract liabilities (note (b))	合約負債(附註(b))
Deferred income (note 35)	遞延收入(附註35)
Non-current	非流動
Deposit received (note (c))	已收按金(附註(c))

31. 其他應付款項、應計費用及已收按金

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
114,905	293,640
230,709	243,774
17,261	13,247
772	786
363,647	551,447
2,299	2,165
365,946	553,612

Notes:

- (a) The balances of other payables as of 31 December 2019 included the followings:
- (i) The balance amounting to approximately HK\$1,038,000 (2018: approximately HK\$170,000) was advanced from a family member of Mr. Bao;
 - (ii) The balance amounting to approximately HK\$22,372,000 (2018: nil) was advanced from a non-controlling interest holder of one of the subsidiaries of the Company;
 - (iii) The balance amounting to approximately HK\$75,429,000 (2018: nil) was advanced from Henan Minan Guotai Investment Holdings Development Co. Ltd,[#] (河南民安國泰投資控股發展有限公司) which is beneficially owned and controlled by Mr. Zhang;
 - (iv) The balance amounting to approximately HK\$1,790,000 (2018: HK\$6,986,000) was advanced from an individual. In the opinion of the directors of the Company, the individual is an independent third party; and

[#] For identification purpose only

附註:

- (a) 截至二零一九年十二月三十一日，其他應收款項餘額包括以下各項：
- (i) 約1,038,000港元(二零一八：約170,000港元)的餘額由包先生的一名家庭成員提供；
 - (ii) 約22,372,000港元(二零一八年：無)的餘額由本公司一間附屬公司之非控股權益持有人提供；
 - (iii) 約75,429,000港元(二零一八年：無)的餘額由河南民安國泰投資控股發展有限公司(由張先生實益擁有及控制)提供；
 - (iv) 約1,790,000港元(二零一八年：6,986,000港元)的餘額由一名人士提供。本公司董事認為，該人士為獨立第三方；及

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31. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes: (continued)

(a) (continued)

- (v) The remaining balances of approximately HK\$130,080,000 (2018: approximately HK\$236,618,000) mainly comprises accrued coal mines related to removal and relocation expenses, payables to suppliers for acquisition of property, plant and equipment and certain miscellaneous expenses payables.

These balances are unsecured, interest-free and repayable on demand or within one year.

- (b) At 31 December 2019, contract liabilities represent receipts in advance from customers, which the Group is required to refund to the customers if the customers cancel the orders. However, the Group does not expect to refund any of the advance payments. The Group does not separately presented this item on the consolidated statement of financial position as, in the opinion of directors of the Company, the amount involved was not material.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:–

- **Coal business contracts**
When the Group receives a deposit before the customers obtain the coal from the predetermined location, this will give rise to contract liabilities, until the revenue recognised exceeds the amount of the deposit. The Group typically receives certain deposit on acceptance of coal sales orders, which is negotiated on a case by case basis with customers.
- **Building materials contracts**
For major building materials contracts, the Group generally receives certain deposit from customers when they sign the building materials contracts, which is negotiated on a case by case basis with customers. These deposits are recognised as a contract liability until the revenue recognised exceeds the amount of the deposit.

31. 其他應付款項、應計費用及已收按金(續)

附註：(續)

(a) (續)

- (v) 餘額約130,080,000港元(二零一八年：約236,618,000港元)主要包括就應計煤礦相關拆除及搬遷開支、收購物業、廠房及設備應付供應商款項及若干應付雜項開支。

該等餘額為無抵押、免息及須按要求償還或於一年內償還。

- (b) 於二零一九年十二月三十一日，預收客戶款項為合約負債及本集團須於客戶取消訂單時退還予客戶。然而，本集團預期並無退還任何預收款項。由於本公司董事認為，所涉金額並不重大，故本集團並未於綜合財務狀況表內單獨呈列該項目。

對已確認合約負債金額構成已更新的一般付款條款載列如下：–

- **煤炭業務合約**
當本集團於客戶自預定地點收到煤炭前收到按金時，這將產生合約負債，直至已確認收入超過按金款項。本集團通常會於接受煤炭銷售訂單時收取若干按金，會根據具體情況與客戶協商。
- **建材合約**
就主要建材合約而言，本集團一般客戶簽訂建材合約時收取若干按金，且按個案基準與客戶磋商。該等按金於確認收益超過按金金額之前確認為合約負債。

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31. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes: (continued)

(b) (continued)

Movements in contract liabilities

		合約負債的變動	
		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	於一月一日	13,247	43,253
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	計入年初合約負債的年內確認收入產生的合約負債減少	(2,620)	(36,470)
Increase of receipts in advance from customers	客戶預收款項增加	36,820	1,575
Addition through acquisition of subsidiaries	透過收購附屬公司添置	-	7,131
Disposal of subsidiaries	出售附屬公司	(29,483)	-
Exchange realignment	匯兌調整	(703)	(2,242)
At 31 December	於十二月三十一日	17,261	13,247

(c) One of the subsidiaries of the Company entered into a rental agreement with an independent third party to lease its certain property, plant and equipment for a lease term of 10 years during the year ended 31 December 2018. Pursuant to the rental agreement, the independent third party paid RMB4,000,000 (equivalent to approximately HK\$4,554,000) to that subsidiary as a deposit. The deposit is refundable at the end of the lease term. The effective interest rate at 7.91% for imputed interest expense for this deposit is determined based on the cost-of-funds of that subsidiary per annum.

31. 其他應付款項、應計費用及已收按金(續)

附註：(續)

(b) (續)

合約負債的變動

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	於一月一日	13,247	43,253
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	計入年初合約負債的年內確認收入產生的合約負債減少	(2,620)	(36,470)
Increase of receipts in advance from customers	客戶預收款項增加	36,820	1,575
Addition through acquisition of subsidiaries	透過收購附屬公司添置	-	7,131
Disposal of subsidiaries	出售附屬公司	(29,483)	-
Exchange realignment	匯兌調整	(703)	(2,242)
At 31 December	於十二月三十一日	17,261	13,247

(c) 截至二零一八年十二月三十一日止年度，本公司一間附屬公司與一名獨立第三方訂立租賃協議，以出租其若干物業、廠房及設備，租期為10年。根據租賃協議，獨立第三方已向該附屬公司支付人民幣4,000,000元（相當於約4,554,000港元），作為按金。該按金可於租期結束時退還。該按金的估算利息開支的實際利率7.91%基於該附屬公司每年的資金成本釐定。

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31. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED (continued)

Notes: (continued)

(c) (continued)

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	於一月一日	2,165	-
Deposit received	已收按金	-	4,554
Discount at inception (note 6)	初始折現值 (附註6)	-	(2,458)
Unwinding of imputed interest (note 7)	估算利息回撥 (附註7)	174	72
Exchange realignment	匯兌調整	(40)	(3)
At 31 December	於十二月三十一日	2,299	2,165

31. 其他應付款項、應計費用及已收按金 (續)

附註：(續)

(c) (續)

32. PROVISION FOR RECLAMATION OBLIGATIONS

At 1 January	於一月一日	100,164	99,480
Provision made during the year (note 8)	年內撥備 (附註8)	4,556	6,087
Disposal of subsidiaries (note 41)	出售附屬公司 (附註41)	(78,908)	-
Exchange realignment	匯兌調整	(1,811)	(5,403)
At 31 December	於十二月三十一日	24,001	100,164

Provision for land restoration, environmental restoration and safety costs pursuant to the relevant PRC regulations and current mining activities are determined by management based on their best estimates. However, the estimate of the associated costs may be subject to change in the near term in view of the effect of land and the environment from current mining activities becomes apparent in future periods. The amounts provided in relation to restoration and safety costs are reviewed regularly based upon the facts and circumstances available at the time and the provisions are updated accordingly.

32. 開墾費用撥備

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
At 1 January	於一月一日	100,164	99,480
Provision made during the year (note 8)	年內撥備 (附註8)	4,556	6,087
Disposal of subsidiaries (note 41)	出售附屬公司 (附註41)	(78,908)	-
Exchange realignment	匯兌調整	(1,811)	(5,403)
At 31 December	於十二月三十一日	24,001	100,164

根據相關中國規例及現時採礦業務所作之土地復原、環境復原及安全成本之撥備由管理層按最佳估計而釐訂。然而，鑒於現時之採礦活動對土地及環境影響之程度於未來期間變得明顯，相關成本之估計在短期內或會有變動。有關復原及安全成本之撥備金額按當時所知事實及情況定期進行撥備，並相應地更新撥備。

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33. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

		31 December 2019 二零一九年十二月三十一日		1 January 2019 (note) 二零一九年一月一日 (附註)		31 December 2018 (note) 二零一八年十二月三十一日 (附註)	
		Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元	Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元	Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元
Within 1 year	一年內	622	634	980	1,015	-	-
After 1 year but within 2 years	一年後但於兩年內	21	23	185	188	-	-
After 2 years but within 5 years	兩年後但於五年內	22	23	44	46	-	-
		665	680	1,209	1,249	-	-
Less: total future interest expenses	減：未來利息開支總額		(15)		(40)		-
Present value of lease liabilities	租賃負債現值		665		1,209		-

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2(b).

33. 租賃負債

下表顯示於當前及過往報告期以及過渡至香港財務報告準則第16號日期本集團租賃負債之剩餘合約到期日：

		31 December 2019 二零一九年十二月三十一日		1 January 2019 (note) 二零一九年一月一日 (附註)		31 December 2018 (note) 二零一八年十二月三十一日 (附註)	
		Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元	Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元	Present value of the minimum lease payments HK\$'000 最低租賃 付款現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元
Within 1 year	一年內	622	634	980	1,015	-	-
After 1 year but within 2 years	一年後但於兩年內	21	23	185	188	-	-
After 2 years but within 5 years	兩年後但於五年內	22	23	44	46	-	-
		665	680	1,209	1,249	-	-
Less: total future interest expenses	減：未來利息開支總額		(15)		(40)		-
Present value of lease liabilities	租賃負債現值		665		1,209		-

附註：

本集團透過採用經修訂追溯法已首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘以就先前根據香港會計準則第17號分類為經營租賃的有關租賃確認租賃負債。於二零一八年十二月三十一日的比較資料並無重列。有關過渡至香港財務報告準則第16號的影響之進一步詳情載於附註2(b)。

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33. LEASE LIABILITIES (continued)

Amounts included in the consolidated statement of cash flows for leases comprise the following:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current	流動		
Within operating cash flows	屬於經營現金流量	-	1,593
Within financing cash flows	屬於融資現金流量	1,469	-
		1,469	1,593

Note:

As explained in the note 2(b), the adoption of HKFRS 16 introduces a change in classification of cash flows of rentals paid on leases. The comparative amounts have not been restated.

33. 租賃負債(續)

計入綜合現金流量表之租賃金額包括以下各項：

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current	流動		
Within operating cash flows	屬於經營現金流量	-	1,593
Within financing cash flows	屬於融資現金流量	1,469	-
		1,469	1,593

附註：

如附註2(b)所述，採納香港財務報告準則第16號導致租賃已付租金的現金流量分類變動。比較金融並未重列。

34. BANK AND OTHER LOANS

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Current	流動		
Bank loans (note (a))	銀行貸款 (附註(a))	147,014	563,257
Other loans (note (b))	其他貸款 (附註(b))	-	198,943
		147,014	762,200
Non-current	非流動		
Bank loans (note (a))	銀行貸款 (附註(a))	-	51,232
Other loans (note (b))	其他貸款 (附註(b))	-	27,132
		-	78,364
		147,014	840,564

34. 銀行及其他貸款

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34. BANK AND OTHER LOANS (continued)

Detail annual effective contractual interest rate and maturity is as below:

34. 銀行及其他貸款(續)

詳細的實際合約年利率和到期日如下：

		2019 二零一九年			2018 二零一八年		
		Annual effective contractual interest rate (%) 實際合約 年利率(%)	Maturity 到期	HK\$'000 千港元	Annual effective contractual interest rate (%) 實際合約 年利率(%)	Maturity 到期	HK\$'000 千港元
Current	流動						
Secured	有抵押	-	-	-	3.30% - 4.57%	on demand 須按 要求	153,400
Secured	有抵押	6.50% - 12.52%	2020 二零二零年	145,420	5.87% - 8.00%	2019 二零一九年	295,715
Unsecured	無抵押	13.21%	on demand 須按 要求	1,594	4.85% - 10.43%	on demand 須按 要求	170,774
Unsecured	無抵押	-	-	-	1.20% - 12.80%	2019 二零一九年	142,311
				147,014			762,200
Non-current	非流動						
Secured	有抵押	-	-	-	5.87% - 8.00%	2020 - 2021 二零二零年 至二零二一年	78,364
				147,014			840,564

Notes:

- (a) As at 31 December 2019, bank loans were secured by (i) certain of the Group's right-of-use assets, (ii) buildings located in the PRC which are owned by Henan Mintai Real Estate Company Limited# (河南民泰置業有限公司) ("Henan Mintai"), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang; and (iii) bill receivables owned by a subsidiary of CIL, a company which was disposed of on 30 December 2019 (note 41). Those bank loans were also guaranteed by (i) Mr. Zhang, a substantial shareholder of the Company, (ii) Henan Minan Real Estate Development Company Limited# (河南民安房地產開發有限公司) ("Henan Minan"), an entity incorporated in the PRC which is beneficially owned and controlled by Mr. Zhang, (iii) Henan Mintai, or (iv) Major Supplier.

For identification purpose only

附註：

- (a) 於二零一九年十二月三十一日，銀行貸款以(i)本集團之若干使用權資產，(ii)位於中國的樓宇(由河南民泰置業有限公司(「河南民泰」，一間於中國註冊成立的實體，由張先生實益擁有及控制)擁有)；及(iii)CIL(已於二零一九年十二月三十日出售(附註41))之一間附屬擁有之應收票據抵押。該等銀行貸款以(i)本公司之主要股東張先生，(ii)河南民安房地產開發有限公司(「河南民安」(一間於中國註冊成立的實體，由張先生實益擁有及控制))，(iii)河南民泰或(iv)主要供應商擔保。

僅供識別

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34. BANK AND OTHER LOANS (continued)

Notes: (continued)

- (a) As at 31 December 2018, bank loans were secured by (i) certain accounts receivable, (ii) all mining rights, (iii) all prepaid land lease payments, or (iv) certain bill receivables. Those bank loans were also guaranteed by (i) Major Customer, (ii) Mr. Bao, (iii) the spouse of Mr. Bao, (iv) Major Supplier, (v) Mr. Zhang, an/or (vi) Henan Minan.
- (b) On 25 and 26 June 2018, the Group entered into agreements with a financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain machinery and equipment under production of building materials (the “**Machinery and Equipment I**”) to the financing company as disclosed in note 15, at an aggregate consideration of approximately RMB169,660,000 (equivalent to approximately HK\$193,140,000) and lease back the Machinery and Equipment I for a period of 1 year, subject to the terms and conditions of the agreements. The transaction was completed in June 2018. The financing company will return the ownership of the Machinery and Equipment I to the Group if all the rental fee has been settled fully. Despite the agreements involve a legal form of a lease, the Group accounted for the agreements as collateralised loan according with the actual substance of such agreements. This loan was secured by stand by letter of credit issued by a bank for RMB170,000,000 (equivalent to approximately HK\$193,543,000). During the year ended 31 December 2019, such other loan was fully settled.

On 6 July 2017, the Group entered into an agreement with another financing company, an independent third party, pursuant to which the Group has agreed to transfer the ownership of certain mining machinery and equipment (the “**Machinery and Equipment II**”) to the financing company as disclosed in note 15, at a consideration of RMB30,000,000 (equivalent to approximately HK\$34,155,000) and lease back the Machinery and Equipment II for a period of 3 years, subject to the terms and conditions of the agreement. The transaction was completed in July 2017. Upon discharging all the Group’s obligations under the agreement, the financing company will return the ownership of the Machinery and Equipment II to the Group for a nominal amount of RMB1. Despite the agreement involves a legal form of a lease, the Group accounted for the agreement as collateralised loan according with the actual substance of such agreement. On 30 December 2019, the Group disposed of certain subsidiaries together with such other loan and ceased to have obligation on such other loan.

34. 銀行及其他貸款(續)

附註：(續)

- (a) 於二零一八年十二月三十一日，銀行貸款以(i)若干應收賬款，(ii)所有探礦權，(iii)所有預付土地租賃款項，或(iv)若干應收票據抵押。該等銀行貸款以(i)主要客戶，(ii)包先生，(iii)包先生之配偶，(iv)主要供應商，(v)張先生及／或(vi)河南民安擔保。
- (b) 於二零一八年六月二十五日及二十六日，本集團與一間融資公司(為獨立第三方)訂立協議，據此，本集團已同意將若干生產建材的機器及設備(「**機器及設備一**」)的所有權轉讓予該融資公司(如附註15所披露)，總代價為約人民幣169,660,000元(相當於約193,140,000港元)，並租回機器及設備一，期限一年(受限於該協議的條款及條件)。該交易於二零一八年六月完成。倘所有租賃費用已悉數結清，融資公司將機器及設備一的擁有權歸還予本集團。儘管該協議涉及租賃的法律形式，但本集團根據該等協議的實質將該協議列賬為抵押貸款。該貸款以銀行簽發的人民幣170,000,000元(相當於約193,543,000港元)之備用信用證作抵押。截至二零一九年十二月三十一日止年度，有關其他貸款已悉數結付。

於二零一七年七月六日，本集團與另一間融資公司(為獨立第三方)訂立一份協議，據此，本集團已同意將若干探礦機器及設備(「**機器及設備二**」)的所有權轉讓予該融資公司(如附註15所披露)，代價為人民幣30,000,000元(相當於約34,155,000港元)，並租回機器及設備二，期限三年(受限於該協議的條款及條件)。該交易於二零一七年七月完成。在本集團於該協議項下所有義務履行後，該融資公司將以人民幣1元的名義金額將機器及設備二的擁有權歸還予本集團。儘管協議涉及租賃的法律形式，但本集團根據該協議的實際內容將該協議列賬為抵押貸款。於二零一九年十二月三十日，本集團已出售若干附屬公司連同該等其他條款，且不再對該等其他條款具有任何責任。

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35. DEFERRED INCOME

Net carrying amount at 1 January	於一月一日之賬面淨值
Additions through acquisition of subsidiaries (note 40)	透過收購附屬公司添置 (附註40)
Amortisation for the year	年內攤銷
Exchange realignment	匯兌調整
Net carrying amount at 31 December	於十二月三十一日之賬面淨值
Less: current portion (included in other payables and accruals (note 31))	減：流動部分 (計入其他應付款項及應計費用 (附註31))
Non-current portion	非流動部分

The Group received government subsidies for capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

36. DEFERRED TAX

As at 31 December 2019, all tax losses and deductible temporary differences of the Group have no expiry dates under the current tax legislation except for the tax losses amounting to approximately HK\$110,649,000 (2018: approximately HK\$349,624,000) incurred by one subsidiary (2018: three subsidiaries) in the PRC, which will expire after 5 years from the year in which the losses were incurred. The Group has taxable losses arising in Hong Kong of approximately HK\$818,000 (2018: approximately HK\$1,080,000). The unused tax losses are subject to the approval by the respective local tax authorities. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profits streams.

35. 遞延收入

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
3,928	–
–	5,164
(783)	(1,115)
(57)	(121)
3,088	3,928
(772)	(786)
2,316	3,142

本集團就所產生的有關廠房及機器的資本開支收取政府補貼。該款項已於各資產的估計可使用年期內遞延及攤銷。

36. 遞延稅項

於二零一九年十二月三十一日，根據現時稅務條例，本集團所有稅項虧損及可扣減暫時性差異並無屆滿期，一家中國附屬公司(二零一八年：三家附屬公司)產生的金額約110,649,000港元(二零一八年：約349,624,000港元)的稅項虧損除外，其將於虧損產生年度起計五年後屆滿。本集團於香港產生應課稅虧損約818,000港元(二零一八年：約1,080,000港元)。未動用稅項虧損須獲各當地稅務部門批准。由於未能預計未來溢利來源，因此並無就該等虧損確認遞延稅項資產。

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36. DEFERRED TAX (continued)

Movement in deferred tax liabilities/(assets) during the year is as follows:

36. 遞延稅項(續)

年內遞延稅項負債/(資產)之變動如下:

		Impairment of mining rights and property, plant and equipment HK\$'000	Amortisation allowance on mining rights for tax purpose in excess of related amortisation for accounting purpose HK\$'000	Fair value adjustments on property, plant and right-of-use assets (2018: equipment, prepaid land lease payments) and inventories arising from the acquisition of subsidiaries HK\$'000	ECL on accounts and bills receivables and contract assets HK\$'000	Others HK\$'000	Total HK\$'000
		採礦權及物業、廠房及設備減值 千港元	就稅務用途而言的採礦權攤銷撥備(超過就會計用途而言的相關攤銷) 千港元	就物業、廠房及設備及使用權資產(二零一八年:設備、預付土地租賃付款)及因收購附屬公司而產生之存貨之公平值調整 千港元	就應收賬款及票據及合約資產之預期信貸虧損 千港元	其他 千港元	總計 千港元
At 1 January 2018	於二零一八年一月一日	(31,908)	31,908	-	-	-	-
Additions through acquisition of subsidiaries (note 40)	透過收購附屬公司添置(附註40)	-	-	2,719	-	400	3,119
Charged/(credited) to profit or loss (note 9)	借記/(貸記)入損益(附註9)	1,005	(1,005)	(509)	(2,406)	279	(2,636)
Exchange realignment	匯兌調整	1,614	(1,614)	(67)	97	(24)	6
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	(29,289)	29,289	2,143	(2,309)	655	489
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	25,263	(25,263)	-	-	-	-
(Credited)/charged to profit or loss (note 9)	(貸記)/借記入損益(附註9)	-	-	(82)	(3,874)	277	(3,679)
Exchange realignment	匯兌調整	4,026	(4,026)	(36)	94	(16)	42
At 31 December 2019	於二零一九年十二月三十一日	-	-	2,025	(6,089)	916	(3,148)

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36. DEFERRED TAX (continued)

As at 31 December 2019, deferred tax liabilities amounted to approximately HK\$2,519,000 (2018: approximately HK\$2,488,000) in respect of the aggregate amount of temporary differences of approximately HK\$25,190,000 (2018: approximately HK\$24,877,000) associated with the undistributed earnings of certain of the Group's subsidiaries have not been recognised. No deferred tax liabilities have been recognised in respect of the differences because it is considered that the Group's subsidiaries in the PRC will not pay any dividend to their overseas holding companies in the foreseeable future and the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not reverse in the foreseeable future.

36. 遞延稅項(續)

於二零一九年十二月三十一日，並未就本集團若干附屬公司未分配盈利相關之暫時性差異總額約25,190,000港元(二零一八年：約24,877,000港元)確認遞延稅項負債約2,519,000港元(二零一八年：約2,488,000港元)。未就差異確認遞延稅項負債乃由於本集團於中國之附屬公司被視為於可見將來不會向海外控股公司支付任何股息，且本集團可控制該等附屬公司之股息政策，且該等差異或不會於可見之將來撥回。

37. SHARE CAPITAL

37. 股本

Ordinary shares of HK\$0.1 each		Number of shares	
每股面值0.1港元之普通股		'000	HK\$'000
		股份數目	千港元
		千股	千港元
Authorised:	法定：		
At 1 January 2018,	於二零一八年一月一日、		
31 December 2018,	二零一八年十二月三十一日、		
1 January 2019 and	二零一九年一月一日及		
31 December 2019	二零一九年十二月三十一日	30,000,000	3,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018	於二零一八年一月一日	712,674	71,267
Shares issued in consideration for the acquisition of subsidiaries (note (a))	因收購附屬公司而發行代價股份 (附註(a))	127,500	12,750
Issuance of shares pursuant to the subscriptions (note (b))	根據認購事項發行股份 (附註(b))	200,000	20,000
At 31 December 2018,	於二零一八年十二月三十一日、		
1 January 2019 and	二零一九年一月一日及		
31 December 2019	二零一九年十二月三十一日	1,040,174	104,017

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37. SHARE CAPITAL (continued)

Notes:

- (a) Pursuant to the SPA (as defined in note 40) in relation to the acquisition of the entire equity interest in Goal Getter, the Company had issued 127,500,000 new ordinary shares at a market price of HK\$0.151 at the date of issuance for settlement of the consideration. The fair value of the consideration at the date of acquisition was approximately to HK\$19,253,000, out of which approximately HK\$12,750,000 and HK\$6,503,000 were recorded in share capital and share premium account respectively. Further details are set out in the note 40.
- (b) Pursuant to the two subscription agreements dated 31 October 2017 entered into between 1) the Company and Retop International Investment Limited, a company which is wholly owned by Mr. Bao, a substantial shareholder of the Company during the years and was appointed as an Executive Director subsequent to 31 December 2019; and 2) the Company and Mr. Li, an Executive Director and a shareholder of the Company, respectively (the “**Subscription Agreements**”), in which Retop International Investment Limited and Mr. Li had conditionally agreed to subscribe for and the Company had conditionally agreed to allot and issue of an aggregate of 100,000,000 new ordinary shares to Retop International Investment Limited and an aggregate of 100,000,000 new ordinary shares to Mr. Li at the subscription price of HK\$0.20 per share respectively. Part of the proceeds of HK\$20,000,000 were received before 31 December 2017 and recognised as other reserves as at 31 December 2017 (note 38(a)(iii)). The remaining proceeds of HK\$20,000,000 were received on 3 January 2018.

The proceeds of HK\$40,000,000 over the nominal value of HK\$20,000,000 was credited to the share premium account. All of the conditions precedent set out in the Subscription Agreements had been fulfilled and the subscriptions were completed on 3 January 2018. For details, please refer to the announcements of the Company dated 13 October 2017, 18 October 2017 and 3 January 2018, and the circular of the Company dated 28 November 2017.

37. 股本(續)

附註：

- (a) 根據有關收購志達全部股本權益之買賣協議(定義見附註40)，本公司已於發行日期按市價0.151港元發行127,500,000股新普通股，用以結算代價。於收購日期代價之公平值約19,253,000港元，其中約12,750,000港元及約6,503,000港元分別記錄於股本及股份溢價賬目。進一步詳情載於附註40。
- (b) 根據1)本公司與瑞拓國際投資有限公司(由包先生(年內為本公司主要股東及於二零一九年十二月三十一日後獲委任為執行董事)全資擁有)；及2)本公司與李先生(本公司執行董事及股東)分別訂立的日期為二零一七年十月三十一日的兩份認購協議(「認購協議」)，瑞拓國際投資有限公司與李先生已有條件同意認購而本公司已有條件同意分別配發及發行合共100,000,000股新普通股予瑞拓國際投資有限公司及合共100,000,000股新普通股予李先生，認購價為每股0.20港元。部分所得款項20,000,000港元於二零一七年十二月三十一日前收到並於二零一七年十二月三十一日確認為其他儲備(附註38(a)(iii))。餘下所得款項20,000,000港元已於二零一八年一月三日收到。

所得款項40,000,000港元超出面值20,000,000港元的部分已計入股份溢價賬。認購協議所載所有先決條件已達成，認購事項於二零一八年一月三日完成。詳情請參閱本公司日期為二零一七年十月十三日、二零一七年十月十八日及二零一八年一月三日之公告以及本公司日期為二零一七年十一月二十八日之通函。

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綜合財務報表附註

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

38. DEFICIT IN RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

(i) Share premium

Share premium account of the Group includes the premium arising from issue of shares of the Company at a premium.

(ii) Capital redemption reserve

Capital redemption reserve arose from the purchase of the Company's share for cancellation and represents a transfer from the Company's retained profits equivalent to the nominal value of the shares purchased for cancellation.

(iii) Other reserves

Production maintenance fee and safety fund

Pursuant to regulations in the PRC, certain subsidiaries of the Group were required to make a transfer of production maintenance fee and safety fund to other reserves based on fixed amounts per tonne of raw coal mined (net of usage). According to the relevant regulations, production maintenance fee, safety fund and other expense of similar nature are required to be charged to cost of production and credited to reserve. Accordingly, the related funds are appropriated from accumulated losses. The reserve can be utilised for improvements of safety on production.

38. 儲備虧絀

(a) 本集團

本集團於本年度及過往年度之儲備及其變動於綜合財務報表之綜合權益變動表內呈報。

(i) 股份溢價

本公司按溢價發行股份產生之溢價計入本集團之股份溢價賬。

(ii) 資本贖回準備金

因購回本公司股份作註銷而產生之資本贖回儲備，乃轉撥自本公司之保留溢利，數額相當於購回作註銷之股份之面值。

(iii) 其他儲備

生產維簡費及安全基金

根據中國法規，本集團若干附屬公司須按已開採原煤每噸固定金額(扣除使用)，將生產維簡費及安全基金轉撥至其他儲備。根據相關規例，須就維簡費、安全基金及其他類似性質之費用計入生產成本及儲備內。因此，有關基金已自累計虧損作出分配。該儲備可用於改善生產安全。

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綜合財務報表附註

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

38. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(iii) Other reserves (continued)

Fair value reserve (non-recycling)

The Group and its associate designated their equity securities at FVTOCI (non-recycling), as the investment is held for strategic purposes.

The fair value reserve (non-recycling) includes accumulated gains and losses arising on the revaluation of financial assets at FVTOCI of the Group and its associate that have been recognised in OCI. On 30 December 2019, the Group disposed of certain subsidiaries together with the interests in associates and these equity securities at FVTOCI. The balance of fair value reserve was transferred to accumulated losses upon the disposal.

Cash advanced for the subscription of ordinary shares of the Company

Deposit of approximately HK\$20,000,000 was received before 31 December 2017 from Retop International Investment Limited, an entity indirectly wholly-owned by Mr. Bao, for the subscription of ordinary shares of the Company which was completed on 3 January 2018. Substantive conditions including approval from shareholders of the Company were satisfied before 31 December 2017 and hence the amount was recognised in equity under other reserves as at 31 December 2017. The deposit was transferred to "share capital" and "share premium" when the relevant shares were issued on 3 January 2018 (note 37(b)).

38. 儲備虧絀(續)

(a) 本集團(續)

(iii) 其他儲備(續)

公平值儲備(不可劃轉)

本集團及其聯營公司指定其股本證券按公平值計入其他全面收益(不可劃轉),因為該投資為持作長期戰略目的。

公平值儲備(不可劃轉)包括本集團及其聯營公司按公平值計入其他全面收益重新評估金融資產所產生的累計收益及虧損,該等金融資產已於其他綜合收益中確認。於二零一九年十二月三十日,本集團已出售若干附屬公司連同於聯營公司之權益及該等按公平值計入其他全面收益之股本證券。公平值儲備之結餘已於出售後轉撥至累計虧損。

認購本公司普通股之預付現金

按金約20,000,000港元乃於二零一七年十二月三十一日前就認購本公司普通股(於二零一八年一月三日完成)從瑞拓國際投資有限公司(包先生間接全資擁有的實體)收取。實質性條件(包括本公司股東批准)已於二零一七年十二月三十一日前達成,因此該款項根據於二零一七年十二月三十一日的其他儲備於權益確認。按金將在相關股份於二零一八年一月三日發行時轉入「股本」及「股份溢價」(附註37(b))。

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

38. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(iii) Other reserves (continued)

Deemed capital contribution from shareholders

During the year ended 31 December 2018, loans of aggregated amount of RMB80,000,000 (equivalent to approximately HK\$99,480,000) were advanced from the shareholders of the Company. These shareholders' loans are unsecured, interest-free and will be repayable in full within 36 months since the drawdown date. These shareholders' loans are discounted as detailed in note 30(b). The difference between the principal amount and discounted amount at the drawdown date was deemed as capital contribution from the shareholders to the Company and recognised in other reserves.

During the year ended 31 December 2019, the Group entered into the share purchase agreement to dispose of its entire equity interest in the CIL Group at a consideration of US\$200 (equivalent to approximately HK\$2,000) to Right Success Investments Limited, a limited liability company incorporated in the BVI wholly-owned by Mr. Bao, who is a substantial shareholder of the Company during the years and was appointed as an Executive Director subsequent to 31 December 2019. The amount of approximately HK\$184,319,000 was recognised as deemed capital contribution from the shareholder and recognised under other reserves (note 41).

38. 儲備虧絀(續)

(a) 本集團(續)

(iii) 其他儲備(續)

視作股東出資

截至二零一八年十二月三十一日止年度，本公司股東已提供合共金額人民幣80,000,000元(相當於約99,480,000港元)的貸款。該等股東貸款均為無抵押、免息，並將自提取日期起36個月內悉數償還。該等股東貸款折讓詳見附註30(b)。提取日期的本金額與現值金額之間差額被視作股東對本公司的注資並於其他儲備中確認。

截至二零一九年十二月三十一日止年度，本集團訂立股份購買協議，以向Right Success Investments Limited(一間於英屬處女群島註冊成立之有限公司，由包先生(年內為本公司主要股東及於二零一九年十二月三十一日後獲委任為執行董事)全資擁有)出售其於CIL集團之全部股權，代價為200美元(相當於約2,000港元)。金額約184,319,000港元確認為視作股東出資及於其他儲備項下確認(附註41)。

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

38. DEFICIT IN RESERVES (continued)

(a) Group (continued)

(iv) Contributed surplus

Contributed surplus of the Group arose as a result of (i) the Group reorganisation in 1997 and represents the difference between the nominal value of the Company's shares issued under the reorganisation scheme and the nominal value of the aggregate share capital of the subsidiaries then acquired; (ii) the Group reorganisation in 2007 and represents the reduction of capital of HK\$64,137,000 pursuant to a special resolution passed on 1 November 2007; and (iii) the Group reorganisation in 2012 and represents the reduction of capital of HK\$641,407,000 pursuant to a special resolution.

(v) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.6.

(vi) Capital reserve

The capital reserve arose from the capitalisation of retained profits of a PRC subsidiary.

(vii) Statutory reserve fund

In accordance with the relevant PRC regulations, the Group's PRC subsidiaries are required, at the discretion of their directors, to appropriate a certain percentage of their profit after tax, if any, to the statutory reserve fund for the future development and capital expenditure on staff welfare facilities purposes.

38. 儲備虧絀(續)

(a) 本集團(續)

(iv) 繳入盈餘

本集團之繳入盈餘乃源於(i)於一九九七年進行之集團重組，乃指根據重組計劃本公司之已發行股份面值與所收購附屬公司之股本總面值之差額；(ii)於二零零七年進行之本集團重組，乃指根據二零零七年十一月一日通過之特別決議案減少股本64,137,000港元；及(iii)於二零一二年進行之本集團重組，乃指根據特別決議案減少股本641,407,000港元。

(v) 匯兌波動儲備

匯率波動儲備包括因換算海外業務財務報表而產生的所有匯兌差額。該儲備根據附註3.6所載的會計政策處理。

(vi) 資本儲備

資本儲備乃由於一間中國附屬公司的保留溢利資本化而產生。

(vii) 法定公積金

根據相關中國法規，本集團於中國之附屬公司須在董事酌情要求情況下，將其稅後溢利(如有)之若干比例撥備為法定公積金以作日後發展之用，及資本開支以作員工福利設施之用。

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38. DEFICIT IN RESERVES (continued)

(b) Company

		Share premium HK\$'000 股份溢價 千港元	Capital redemption reserve HK\$'000 資本贖回 儲備 千港元	Other reserve HK\$'000 其他儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Deficit in reserves HK\$'000 儲備虧絀 千港元
At 1 January 2018	於二零一八年一月一日	235,334	50	20,000	(330,333)	(74,949)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(26,936)	(26,936)
Shares issued in consideration for the acquisition of subsidiaries (notes 37(a) and 40)	因收購附屬公司而發行代價股份 (附註37(a)及40)	6,503	-	-	-	6,503
Issuance of shares pursuant to the subscriptions (notes 37(b) and 38(a)(iii))	根據認購事項發行股份 (附註37(b)及38(a)(iii))	20,000	-	(20,000)	-	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	261,837	50	-	(357,269)	(95,382)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(11,397)	(11,397)
At 31 December 2019	於二零一九年十二月三十一日	261,837	50	-	(368,666)	(106,779)

38. 儲備虧絀(續)

(b) 公司

39. NON-CONTROLLING INTERESTS

As at 31 December 2018, Jinfeng, a 90% owned subsidiary of the Company, and Xingan, a 51% owned subsidiary of the Company, have material non-controlling interests ("NCI"). On 30 December 2019, NCI of Jinfeng and its certain subsidiaries have been disposed of. As at 31 December 2019, Xiangyang, a 90% owned subsidiary of the Company, and Xingan have material NCI. The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

39. 非控股權益

於二零一八年十二月三十一日，本公司擁有90%之附屬公司金豐及本公司擁有51%之附屬公司興安擁有重大非控股權益(「非控股權益」)。於二零一九年十二月三十一日，金豐及其若干附屬公司之非控股權益已予出售。於二零一九年十二月三十一日，向陽(本公司擁有90%權益之附屬公司)及興安擁有重大非控股權益。所有其他並非由本集團擁有100%權益之附屬公司之非控股權益被視為不重大。

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

39. NON-CONTROLLING INTERESTS (continued)

(a) Xiangyang

Summarised financial information in relation to Xiangyang for the year ended 31 December 2019, before intra-group eliminations, is presented below:

		HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日	
NCI percentage	非控股權益百分比	10%
Current assets	流動資產	56,337
Non-current assets	非流動資產	135,846
Current liabilities	流動負債	(473,880)
Non-current liabilities	非流動負債	(57,235)
Net liabilities	負債淨值	(338,932)
Accumulated balance of NCI	非控股權益之累計結餘	(33,893)
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度	
Revenue	收益	96,709
Loss for the year	年內虧損	(65,050)
Loss allocated to NCI	分配至非控股權益之虧損	(6,505)
Cash flows from operating activities	經營活動之現金流量	623
Cash flows from investing activities	投資活動之現金流量	(1,355)
Cash flows from financing activities	融資活動之現金流量	1,616
Net cash inflows	現金流入淨額	884

As Xiangyang was one of the subsidiaries of Jinfeng and its financial information for the year ended 31 December 2018, before intra-group eliminations, is presented in note 39(c). After the reorganisation before the disposal of the CIL Group, Xiangyang is no longer a subsidiary of Jinfeng. Therefore, the financial information of Xiangyang for the year ended 31 December 2019 is separately disclosed.

39. 非控股權益(續)

(a) 向陽

有關向陽截至二零一九年十二月三十一日止年度之財務資料(於集團內部公司間對銷前)概述如下:

		HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日	
NCI percentage	非控股權益百分比	10%
Current assets	流動資產	56,337
Non-current assets	非流動資產	135,846
Current liabilities	流動負債	(473,880)
Non-current liabilities	非流動負債	(57,235)
Net liabilities	負債淨值	(338,932)
Accumulated balance of NCI	非控股權益之累計結餘	(33,893)
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度	
Revenue	收益	96,709
Loss for the year	年內虧損	(65,050)
Loss allocated to NCI	分配至非控股權益之虧損	(6,505)
Cash flows from operating activities	經營活動之現金流量	623
Cash flows from investing activities	投資活動之現金流量	(1,355)
Cash flows from financing activities	融資活動之現金流量	1,616
Net cash inflows	現金流入淨額	884

由於向陽為金豐之附屬公司及其於截至二零一八年十二月三十一日止年度之財務資料(集團內部公司間對銷前)呈列於附註39(c)。於重組之後出售CIL集團之前，向陽不再為金豐之附屬公司。因此，向陽於截至二零一九年十二月三十一日止年度之財務資料單獨披露。

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

39. NON-CONTROLLING INTERESTS (continued)

(b) Xingan

Summarised financial information in relation to Xingan from 3 January 2018 (date of acquisition of Xingan) to 31 December 2018 and for the year ended 31 December 2019, before intra-group eliminations, is presented below:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
As at 31 December	於十二月三十一日		
NCI percentage	非控股權益百分比	49%	49%
Current assets	流動資產	89,242	297,805
Non-current assets	非流動資產	243,294	262,871
Current liabilities	流動負債	(281,480)	(452,287)
Non-current liabilities	非流動負債	(6,961)	(59,417)
Net assets	資產淨額	44,095	48,972
Accumulated balance of NCI	非控股權益之累計結餘	21,607	23,996
For the year/period ended 31 December	截至十二月三十一日 止年度／期間		
Revenue	收益	225,761	198,008
(Loss)/profit for the year/period	年內／期內(虧損)／溢利	(4,077)	8,536
(Loss)/profit allocated to NCI	分配至非控股權益之 (虧損)／溢利	(1,998)	4,182
Cash flows from operating activities	經營活動之現金流量	(5,086)	(78,347)
Cash flows from investing activities	投資活動之現金流量	(2,861)	(17,919)
Cash flows from financing activities	融資活動之現金流量	(187,429)	275,390
Net cash (outflows)/infows	現金(流出)／流入淨額	(195,376)	179,124

39. 非控股權益(續)

(b) 興安

有關興安自二零一八年一月三日(收購興安日期)至二零一八年十二月三十一日及截至二零一九年十二月三十一日止年度之財務資料(於集團內部公司間對銷前)概述如下:

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39. NON-CONTROLLING INTERESTS (continued)

(c) Jinfeng and its subsidiaries

Summarised financial information in relation to Jinfeng and its subsidiaries for the year ended 31 December 2018, before intra-group eliminations, is presented below:

		HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日	
NCI percentage	非控股權益百分比	10%
Current assets	流動資產	992,393
Non-current assets	非流動資產	596,199
Current liabilities	流動負債	(2,337,946)
Non-current liabilities	非流動負債	(41,772)
Net liabilities	負債淨值	(791,126)
Accumulated balance of NCI	非控股權益之累計結餘	(82,839)
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Revenue	收益	751,057
Loss for the year	年內虧損	(132,559)
Loss allocated to NCI	分配至非控股權益之虧損	(13,117)
Cash flows from operating activities	經營活動之現金流量	81,373
Cash flows from investing activities	投資活動之現金流量	(10,768)
Cash flows from financing activities	融資活動之現金流量	(214,899)
Net cash outflows	現金流出淨額	(144,294)

As at 31 December 2019, there is no NCI of Jinfeng and its subsidiaries, which was disposed of together with the CIL Group. The financial information of Jinfeng and its subsidiaries for the year ended 31 December 2019 is not presented.

39. 非控股權益(續)

(c) 金豐及其附屬公司

截至二零一八年十二月三十一日止年度有關金豐及其附屬公司之財務資料(於集團內部公司間對銷前)概述如下:

		HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日	
NCI percentage	非控股權益百分比	10%
Current assets	流動資產	992,393
Non-current assets	非流動資產	596,199
Current liabilities	流動負債	(2,337,946)
Non-current liabilities	非流動負債	(41,772)
Net liabilities	負債淨值	(791,126)
Accumulated balance of NCI	非控股權益之累計結餘	(82,839)
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Revenue	收益	751,057
Loss for the year	年內虧損	(132,559)
Loss allocated to NCI	分配至非控股權益之虧損	(13,117)
Cash flows from operating activities	經營活動之現金流量	81,373
Cash flows from investing activities	投資活動之現金流量	(10,768)
Cash flows from financing activities	融資活動之現金流量	(214,899)
Net cash outflows	現金流出淨額	(144,294)

於二零一九年十二月三十一日，並無金豐及其附屬公司(已連同CIL集團出售)之非控股權益。金豐及其附屬公司於截至二零一九年十二月三十一日止年度之財務資料並無呈列。

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綜合財務報表附註

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

40. ACQUISITION OF SUBSIDIARIES

Pursuant to the sale and purchase agreement (“SPA”) dated 13 October 2017 entered into between the Company and an independent third party, the Group acquired all the equity interest in Goal Getter, together with its subsidiaries (collectively the “Goal Getter Group”) (the “Acquisition”). The nominal consideration for the Acquisition of HK\$25,500,000 was settled in form of the allotment and issue of an aggregate of 127,500,000 new ordinary shares of the Company.

The Goal Getter Group is principally engaged in production and sale of building materials, of which all of its operations are carried out by Xingan, a subsidiary which 51% is held by the Goal Getter Group.

The directors of the Company considered that the Acquisition allows the Group to explore a new income stream, diversify the Group’s business segments to engage in the production and sale of building materials and improve the Group’s revenue and results.

The Acquisition was completed on 3 January 2018. The fair value of consideration of approximately HK\$19,253,000 for 127,500,000 new ordinary shares of the Company at the issue date was determined by reference to the closing market price of the shares of the Company at HK\$0.151 per share at the issue date which was also the date of completion of the Acquisition on 3 January 2018.

40. 收購附屬公司

根據本公司與一名獨立第三方訂立的一份日期為二零一七年十月十三日之買賣協議(「買賣協議」)，本集團已收購收購志達(連同其附屬公司統稱「志達集團」)的全部股權(「收購事項」)。收購事項之名義代價25,500,000港元，已以配發及發行合共127,500,000股本公司新普通股的方式結算。

志達集團主要從事建材生產及銷售，其所有業務均由興安(由志達集團持有51%權益之附屬公司)進行。

本公司董事認為，收購事項可令本集團探索新收入增長，使本集團從事建材的生產及銷售業務分部多元化，並改善本集團的收益及業績。

收購事項於二零一八年一月三日完成。127,500,000股本公司新普通股於發行日期的代價公平值約19,253,000港元參考本公司股份於發行日期(亦為收購事項完成日期二零一八年一月三日)的收市價每股0.151港元釐定。

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綜合財務報表附註

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

40. ACQUISITION OF SUBSIDIARIES (continued)

40. 收購附屬公司(續)

		As at 3 January 2018 HK\$'000 於二零一八年 一月一日 千港元
Assets acquired and liabilities assumed at the date of the Acquisition are as follows:	於收購日期，所收購資產及所承擔負債如下：	
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	207,400
Prepaid land lease payments (note 16)	預付土地租賃款項(附註16)	71,530
Inventories	存貨	9,682
Accounts and bills receivables and contract assets, net (note (a))	應收賬款及票據及合約資產淨額(附註(a))	49,448
Prepayments, deposits and other receivables (note (b))	預付款項、按金及其他應收款項(附註(b))	10,041
Cash and cash equivalents	現金及現金等值項目	19,586
Accounts and bills payables	應付賬款及票據	(62,709)
Other payables and accruals	其他應付款項及應計費用	(104,034)
Amount due to a related party	應付一名關連人士款項	(103,070)
Bank and other loans	銀行及其他貸款	(47,060)
Deferred income (note 35)	遞延收入(附註35)	(5,164)
Deferred tax liabilities (note 36)	遞延稅項負債(附註36)	(3,119)
		<hr/>
Total identifiable net assets at fair value	可識別資產淨值總額，按公平值	42,531
Non-controlling interests (note (c))	非控股權益(附註(c))	(20,649)
Bargain purchase arising from the Acquisition (note (d))	收購事項產生之議價購買(附註(d))	(2,629)
		<hr/>
		19,253
		<hr/>
Fair value of consideration shares	代價股份之公平值	19,253
		<hr/>
Acquisition-related costs (included in administrative expenses for the year ended 31 December 2018)	與收購事項有關的成本(計入截至二零一八年十二月三十一日止年度的行政開支)	3,112
		<hr/>
Analysis of net cash inflows arising on the Acquisition:	於收購事項後產生的現金流量淨額分析：	
Consideration paid by cash	以現金支付的代價	-
less: Cash and cash equivalents acquired	減：已獲得現金及現金等價物	19,586
		<hr/>
		19,586
		<hr/>

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綜合財務報表附註

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

40. ACQUISITION OF SUBSIDIARIES (continued)

Notes:

- (a) The gross contractual undiscounted balances amounted to approximately HK\$56,133,000. The fair values of these accounts and bills receivables and contract assets at the acquisition date were estimated to be approximately HK\$49,448,000, based on an assessment of the expected credit risks of the balances. The fair values include allowance of expected credit loss of approximately HK\$6,685,000, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted with forward-looking information that is available without undue cost or effort.
- (b) The gross contractual undiscounted balances of deposits and other receivables amounted to HK\$4,581,000. The fair values of these deposits and other receivables at the acquisition date were estimated to be HK\$4,581,000, based on an assessment of the expected credit risks of the balances, which is estimated based on the estimated credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort.
- (c) The non-controlling interests which represent 49% equity interest in Xingan recognised at the acquisition date were measured at the non-controlling interests' proportionate share of the identifiable net assets of Xingan at the acquisition date.
- (d) The nominal consideration and the nominal issue price for the Acquisition of HK\$0.2 per consideration share were determined after an arm's length negotiation made between the Group and independent third party at the time when the agreement was entered into. The major contributing factor to the gain on bargain purchase arising from the Acquisition was the effect arising from the nominal issue price determined at premium compare to the market price at the agreement date and acquisition date.

The acquired business contributed revenue of approximately HK\$198,008,000 and net profit of approximately HK\$7,829,000 for the period from 3 January 2018 to 31 December 2018. If the acquisition had occurred on 1 January 2018, there are no material difference in the consolidated revenue and consolidated loss of the Group for the year ended 31 December 2018.

40. 收購附屬公司(續)

附註：

- (a) 合約未折現結餘總額約為56,133,000港元。根據對結餘預期信貸風險的評估，該等應收賬款及票據及合約資產於收購日期的公平值估計約為49,448,000港元。公平值包括預期信貸虧損撥備約6,685,000港元，其根據債務人預期年期的估計信貸風險估計，並以可獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (b) 按金及其他應收款項的合約未折現結餘總額為4,581,000港元。根據對結餘預期信貸風險的評估，該等按金及其他應收款項於收購日期的公平值估計為4,581,000港元，其根據債務人預期年期的估計信貸風險估計，並以可獲得無須不必要的成本或努力的前瞻性資料作出調整。
- (c) 於收購日期確認為興安49%股權的非控股權益乃於收購日期按非控股權益於興安可識別資產淨值的股份比例計量。
- (d) 收購事項的名義代價及名義發行價每股代價股份0.2港元乃於訂立協議時本集團與獨立第三方公平磋商後釐定。收購事項所產生的議價購買收益的主要促成因素為以溢價釐定的名義發行價格與協議日期及收購日期的市場價格相比所產生的影響。

於二零一八年一月三日至二零一八年十二月三十一日期間，收購業務貢獻收益約198,008,000港元及淨利潤約7,829,000港元。倘收購事項於二零一八年一月一日發生，則本集團截至二零一八年十二月三十一日止年度的綜合收益及綜合虧損並無重大差異。

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綜合財務報表附註

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

41. DISPOSAL OF SUBSIDIARIES

On 3 May 2019, the Group entered into the share purchase agreement (including three supplemental agreements) to dispose of its entire equity interest in CIL and its subsidiaries after reorganisation (collectively known as the CIL Group), with a consideration of US\$200 (equivalent to approximately HK\$2,000) to Right Success Investments Limited, a limited liability company incorporated in the BVI with its entire issued share capital owned by Mr. Bao, being the substantial shareholder of the Company during the year. All the conditions precedent set out in the share purchase agreement had been fulfilled and the disposal was completed on 30 December 2019. For details, please refer to the announcements of the Company dated 3 May 2019, 27 May 2019, 28 June 2019, 30 July 2019, 5 August 2019, 30 August 2019, 16 September 2019, 30 September 2019, 31 October 2019, 14 November 2019, 25 November 2019, 12 December 2019 and 30 December 2019, and the circular of the Company dated 25 November 2019.

41. 出售附屬公司

於二零一九年五月三日，本集團訂立購股協議（包括三份補充協議），以出售其於CIL及其附屬公司（重組後）（統稱為CIL集團）之全部股權予Right Success Investments Limited（一間於英屬處女群島註冊成立的有限公司，其全部已發行股本由本公司於年內之主要股東包先生擁有），代價為200美元（相當於約2,000港元）。購股協議所載的所有先決條件已達成及出售事項於二零一九年十二月三十日完成。有關詳情，請參閱本公司日期為二零一九年五月三日、二零一九年五月二十七日、二零一九年六月二十八日、二零一九年七月三十日、二零一九年八月五日、二零一九年八月三十日、二零一九年九月十六日、二零一九年九月三十日、二零一九年十月三十一日、二零一九年十一月十四日、二零一九年十一月二十五日、二零一九年十二月十二日及二零一九年十二月三十日之公告以及本公司日期為二零一九年十一月二十五日之通函。

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綜合財務報表附註

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

41. DISPOSAL OF SUBSIDIARIES (continued)

The net carrying amounts of assets/(liabilities) of the CIL Group as at the completion date of the disposal are as follows:

41. 出售附屬公司(續)

於出售事項完成日期，CIL集團資產／(負債)之賬面淨值如下：

		HK\$'000 千港元
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	154,988
Goodwill (note 18)	商譽(附註18)	-
Mining rights (note 19)	採礦權(附註19)	118,079
Other intangible assets (note 21)	其他無形資產(附註21)	-
Interests in associates	於聯營公司之權益	77,198
Interest in a joint venture	於一間合營企業之權益	5,892
Financial assets at FVTOCI (note 45(f))	按公平值計入其他全面收益的金融資產 (附註45(f))	670
Inventories	存貨	1,103
Accounts and bills receivables	應收賬款及票據	481,222
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	367,218
Tax recoverable	可收回稅款	2,475
Pledged and restricted bank deposits	已抵押及受限制的銀行存款	225,321
Cash and cash equivalents	現金及現金等值項目	22,541
Accounts and bills payables	應付賬款及票據	(358,522)
Amount due to an associate	應付一間聯營公司款項	(14,385)
Amounts due to shareholders	應付股東款項	(33,887)
Other payables and accruals	其他應付款項及應計費用	(648,379)
Provision for reclamation obligations (note 32)	開墾費用撥備(附註32)	(78,908)
Bank and other loans	銀行及其他貸款	(521,304)
Deferred tax liabilities (note 36)	遞延稅項負債(附註36)	-
Net liabilities disposed of	已出售負債淨額	(198,678)
Non-controlling interests	非控股權益	72,933
Cumulative exchange differences recognised in respect of the net liabilities of the disposed subsidiaries	就已出售附屬公司之負債淨額確認之累 計匯兌差額	(60,483)
Direct expenses in relation to the disposal	就出售事項之直接開支	1,911
Consideration offset with amount due to a shareholder	以應付股東款項抵銷代價	(2)
Deemed capital contribution from a substantial shareholder (note)	一名主要股東視作注資(附註)	(184,319)
Net cash outflow arising on disposal	出售事項產生之現金流出淨額	
Direct expenses paid	已付直接開支	(1,911)
Cash and cash equivalents disposed of	所出售之現金及現金等值項目	(22,541)
Net cash outflow arising on disposal	出售事項產生之現金流出淨額	(24,452)

Note:

The deemed capital contribution by Mr. Bao was recognised under "other reserves" in the consolidated statement of changes in equity for the year ended 31 December 2019.

附註：

截至二零一九年十二月三十一日止年度，包先生之視作出資於綜合權益變動表內「其他儲備」項下確認。

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綜合財務報表附註

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

42. COMMITMENTS

(a) Capital commitment

As at 31 December 2019, the Group had the following capital commitments:

Capital expenditure contracted but not provided for: 已訂約但未撥備的資本開支：

Acquisition of property, plant and equipment 收購物業、廠房及設備

In addition, registered capital of Tairun is RMB20,000,000, of which RMB10,300,000 (2018: RMB10,000,000) has been paid-up as at 31 December 2019. The Group committed at 31 December 2019 to further invest in Tairun, an indirectly owned subsidiary in which the Group has 60% equity interest, amounting to RMB6,000,000 (equivalent to approximately HK\$6,712,000) (2018: RMB6,000,000 (equivalent to approximately HK\$6,831,000)).

(b) Operating lease commitments

The Group as lessee

At 31 December 2018, the Group had minimum outstanding commitments under non-cancellable operating leases in respect of land and properties which fall due as follows:—

Within one year
In the second to fifth years inclusive

一年內
第二至第五年(包括首尾兩年)

42. 承諾

(a) 資本承諾

於二零一九年十二月三十一日，本集團有以下資本承諾：

2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
103	4,091

此外，泰潤的註冊資本為人民幣20,000,000元，其中人民幣10,300,000元(二零一八年：人民幣10,000,000元)於二零一九年十二月三十一日已繳足。本集團於二零一九年十二月三十一日承諾進一步投資於本集團間接擁有60%股權的附屬公司泰潤，金額為人民幣6,000,000元(相當於約6,712,000港元)(二零一八年：人民幣6,000,000元(相當於約6,831,000港元))。

(b) 經營租賃承諾

本集團作為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃有關已到期土地及物業之最低未償還承擔情況如下：—

	2018 HK\$'000 二零一八年 千港元
Within one year	1,022
In the second to fifth years inclusive	177
	1,199

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綜合財務報表附註

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

42. COMMITMENTS (continued)

(b) Operating lease commitments (continued)

The Group as lessee (continued)

The Group leases certain properties under operating leases. The leases run for an initial period of one to ten years, without option to renew the lease term at expiry date. None of the lease includes contingent rentals.

The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (note 2(b)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 3.13, and the details regarding the Group's future lease payments are disclosed in note 33.

As at 31 December 2019, total future minimum lease receivables under non-cancellable operating leases in respect of certain right-of-use assets (2018: prepaid land lease payments) and property, plant and equipment by the Group are as follows:

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Within one year	一年內	3,483	3,462
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	13,932	13,847
After five years	五年後	12,772	16,155
		30,187	33,464

The Group leases its properties and aluminum boundary wall moulds under operating leases. The lease runs for an initial period from one year to ten years (2018: ten years), without option to renew the lease term at expiry date. The lease does not include contingent rentals.

42. 承諾(續)

(b) 經營租賃承諾(續)

本集團作為承租人(續)

本集團根據經營租約租賃若干物業。租約之經營期初步為期一至十年，於屆滿日不可選擇續約。租約概無或然租金。

本集團已採用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整二零一九年一月一日的期初結餘，以確認與該等租賃相關的租賃負債(附註2(b))。自二零一九年一月一日起，未來租賃付款根據附註3.13所載之政策於綜合財務狀況表確認為租賃負債，有關本集團未來租金付款的詳情於附註33披露。

於二零一九年十二月三十一日，本集團就若干使用權資產(二零一八年：預付土地租賃款項)及物業、廠房及設備的不可撤銷經營租賃的未來最低租賃應收款項總額如下：

本集團根據經營租賃租賃其物業及鋁製圍牆模具。租約之經營期初步為期一至十年(二零一八年：十年)，於屆滿日不可選擇續租。租約並無包括或然租金。

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綜合財務報表附註

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43. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

(a) Compensation of key management personnel

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Short-term benefits: Fees, salaries, allowances and other benefits in kind	短期福利： 袍金、薪金、津貼及其他實物利益 4,757	5,567
Post-employment benefits: Retirement benefit scheme contributions	離職後福利： 退休福利計劃供款 14	36
	4,771	5,603

(b) Financing arrangement

Details of amount advanced from and interest-free loans advanced from shareholders and family member of Mr. Bao are disclosed in notes 30 and 31.

Details of guarantees provided by Mr. Zhang and companies controlled by him, Mr. Bao and his spouse are disclosed in the note 34.

(c) Disposal of subsidiaries

Details of the disposal of subsidiaries to a company wholly-owned and controlled by Mr. Bao are disclosed in the note 41.

43. 關連人士交易

除綜合財務報表其他部份所披露之交易及結餘外，本集團與關連人士於年內有以下重大交易：

(a) 主要管理人員之酬金

	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Short-term benefits: Fees, salaries, allowances and other benefits in kind	短期福利： 袍金、薪金、津貼及其他實物利益 4,757	5,567
Post-employment benefits: Retirement benefit scheme contributions	離職後福利： 退休福利計劃供款 14	36
	4,771	5,603

(b) 融資安排

股東及包先生的家庭成員提供的款項提供的墊款及免息貸款詳情於附註30及31披露。

由張先生及其所控制的公司、包先生及其配偶提供之擔保詳情於附註34披露。

(c) 出售附屬公司

出售附屬公司予包先生全資擁有及控制之公司之詳情於附註41披露。

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44. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities recognised as at 31 December 2019 and 2018 are categorised as follows. See notes 3.14 and 3.15 for explanations about how the category of financial instruments affects their subsequent measurement.

44. 按類別細分之金融資產及金融負債概要

本集團於二零一九年及二零一八年十二月三十一日確認之金融資產及負債賬面值亦可按下列方式進行分類。有關金融工具分類如何影響其後計量之解釋，請參閱附註3.14及3.15。

		2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
Financial assets	金融資產		
Financial assets at FVTOCI	按公平值計入其他全面收益之金融資產	-	682
Financial assets at amortised cost	按攤銷成本計量之金融資產		
- Accounts and bills receivables and contract assets	- 應收賬款及票據及合約資產	96,249	454,569
- Deposits and other receivables	- 按金及其他應收款項	15,779	14,373
- Pledged and restricted bank deposits	- 已抵押及受限制的銀行存款	-	656,651
- Cash and cash equivalents	- 現金及現金等值項目	15,904	35,789
		127,932	1,162,064
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計量之金融負債		
- Accounts and bills payables	- 應付賬款及票據	32,456	658,132
- Amount due to an associate	- 應付一間聯營公司款項	-	14,640
- Amounts due to and loans from shareholders	- 應付股東款項及來自股東貸款	58,572	63,626
- Other payables, accruals and deposit received	- 其他應付款項、應計費用及已收按金	334,934	527,906
- Lease liabilities	- 租賃負債	665	-
- Bank and other loans	- 銀行及其他貸款	147,014	840,564
		573,641	2,104,868

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks which results from both its operating and investing activities. The Group does not have written risk management policies and guidelines. However, the directors of the Company meet periodically to analyse and formulate strategies to manage the Group's exposure to market risks, including changes in interest rates and currency exchange rates. Generally, the Group introduces conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not issue derivative financial instruments for trading purposes.

(a) Credit risk and impairment assessment

Risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

Carrying amounts of the financial assets presented in consolidated statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances.

The credit risk on pledged and restricted bank deposits and cash and cash equivalents is also limited because the Group's pledged and restricted bank deposits and cash and cash equivalents are all deposited with major banks located in Hong Kong and the PRC.

45. 財務風險管理及金融工具之公平值

本集團之業務及投資活動面對多項財務風險。本集團並無書面之風險管理政策及指引。然而，本公司董事會定期舉行會議，分析及制訂政策以管理本集團所面對之市場風險，包括利率變動及匯率變動。一般而言，本集團就其風險管理推行保守策略。本集團所面對之市場風險維持於低水平，並無應用任何衍生或其他工具以作對沖。本集團並無發行衍生金融工具以作買賣。

(a) 信用風險與減值評估

風險管理

信貸風險指金融工具之交易方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團之信貸風險主要來自於其一般業務過程及其投資活動中授予客戶之信貸。金融資產的賬面金額為信貸風險的最大風險。

呈列於綜合財務狀況表之金融資產之賬面值已扣除減值虧損(如有)。為了最大程度地降低信貸風險，本集團嚴格挑選交易方、對債務人之財務狀況持續進行信貸評估、緊密監查應收賬款之賬齡、並採取跟進措施收回逾期欠款餘額。

已抵押及受限制的銀行存款及現金及現金等值項目之信貸風險有限，原因為本集團全部已抵押及受限制的銀行存款及現金及現金等值項目均全部存放於香港及中國之主要銀行。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Risk management (continued)

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a certain concentration of credit risk as 21.1% (2018: 20.7%) of the Group's accounts receivable was due from a major customer of the Group.

The Group does not hold any collaterals or other credit enhancements over accounts and bills receivables, contract assets and deposits and other receivables.

The Group does not provide any financial guarantee at the end of the reporting period which would expose the Group to credit risk.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- accounts and bills receivables and contract assets arising from contracts with customers; and
- deposits and other receivables.

While pledged and restricted bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

風險管理 (續)

本集團已自過往年度起採納信貸政策，而本集團認為信貸政策一直有效將本集團之信貸風險限制至理想水平。

本集團之信貸風險主要受每個客戶之個別情況所影響。於報告期末，本集團有若干信貸風險集中之情況，原因為本集團一名主要客戶佔應收賬款之21.1%（二零一八年：20.7%）。

本集團並無就應收賬款及票據、合約資產及按金及其他應收款項持有任何抵押或其他信貸增強措施。

於報告期末，本集團並無提供任何令本集團承受信貸風險的財務擔保。

金融資產減值

本集團擁有兩類受預期信貸虧損模式影響的金融資產：

- 與客戶合約產生的應收賬款和票據及合約資產；及
- 按金及其他應收款項。

雖已抵押及受限制的銀行存款及現金及現金等值項目亦須遵守香港財務報告準則第9號的減值要求，但識別減值虧損並不重大。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets

The Group applies HKFRS 9 and measures expected credit losses based on a lifetime expected loss allowance for all accounts and bills receivables and contract assets.

To measure the expected credit losses, accounts and bills receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to balance under the retention period and have substantially the same risk characteristics as the accounts receivable for the same types of contracts. The Group has therefore concluded that the expected loss rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate, which reflect the credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The Group has identified the default risk forecast for energy industry in the PRC to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產

本集團應用香港財務報告準則第9號，並就所有應收賬款及票據及合約資產根據全期預期虧損撥備計量預期信貸虧損。

為計量預期信貸虧損，應收賬款及票據及合約資產已根據共享信貸風險特徵及逾期天數進行分組。合約資產與保質期內的餘額有關，並且與相同類型合約的應收賬款具有大致相同的風險特徵。因此，本集團的結論為，應收賬款的預期虧損率為合約資產虧損率的合理近似值。

估計預期信貸虧損率乃根據本集團在債務人的預期年期內就各分組的市場借貸利率估計，減無風險利率(反映債務人的信貸風險)及無須不當成本或努力所獲得經調整前瞻性資料之估計。管理層定期審查分組，以確保更新有關特定債務人的相關資料。本集團已將中國能源行業的違約風險預測確定為最相關因素，並據此根據該等因素的預期變動調整歷史虧損率。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

On that basis, the loss allowance as at 31 December 2018 and 2019 was determined as follows for accounts and bills receivables:

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

按此基準，於二零一八年及二零一九年十二月三十一日，就應收賬款及票據釐定之虧損撥備如下：

		Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		預期虧損率	賬面總額	虧損撥備	賬面淨額
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Ageing based on the invoice date	基於發票日期之賬齡				
As at 31 December 2019	於二零一九年十二月三十一日				
0 – 90 days	0至90日	2%	62,773	(972)	61,801
91 – 80 days	91至180日	2%	23,090	(489)	22,601
181 – 365 days	181至365日	8%	11,879	(891)	10,988
Over 365 days	超過365日	100%	28,586	(28,586)	–
			126,328	(30,938)	95,390
As at 31 December 2018	於二零一八年十二月三十一日				
0 – 90 days	0至90日	2%	213,353	(4,127)	209,226
91 – 80 days	91至180日	2%	224,489	(5,388)	219,101
181 – 365 days	181至365日	8%	26,304	(1,982)	24,322
Over 365 days	超過365日	100%	49,816	(49,816)	–
			513,962	(61,313)	452,649

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets
(continued)

On that basis, the loss allowance as at 31 December 2018 and 2019 was determined as follows for contract assets:

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產
(續)

根據該基準，於二零一八年及二零一九年十二月三十一日就合約資產釐定之虧損撥備如下：

		Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		預期虧損率	HK\$'000 賬面總額 千港元	HK\$'000 虧損撥備 千港元	HK\$'000 賬面淨額 千港元
Ageing based on the invoice date	基於發票日期之賬齡				
As at 31 December 2019	於二零一九年十二月三十一日				
0 – 90 days	0至90日	1%	325	(4)	321
91 – 80 days	91至180日	5%	302	(16)	286
181 – 365 days	181至365日	9%	277	(25)	252
Over 365 days	超過365日	100%	1,363	(1,363)	–
			2,267	(1,408)	859
As at 31 December 2018	於二零一八年十二月三十一日				
0 – 90 days	0至90日	1%	203	(3)	200
91 – 80 days	91至180日	2%	428	(9)	419
181 – 365 days	181至365日	5%	1,375	(74)	1,301
Over 365 days	超過365日	100%	365	(365)	–
			2,371	(451)	1,920

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

The movements of loss allowances for accounts and bills receivables and contract assets are as follows:

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

應收賬款及票據及合約資產之虧損撥備變動載列如下：

		Accounts and bills receivables HK\$'000 應收賬款及票據 千港元	Contract assets HK\$'000 合約資產 千港元
At 1 January 2018	於二零一八年一月一日	47,942	–
Additions through acquisition of subsidiaries	透過收購附屬公司添置	6,685	–
Increase in loss allowance recognised in profit or loss during the year	年內於損益確認之虧損撥備增加	9,156	470
Exchange realignment	匯兌調整	(2,470)	(19)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	61,313	451
Increase in loss allowance recognised in profit or loss during the year	年內於損益確認之虧損撥備增加	16,173	978
Disposal of subsidiaries	出售附屬公司	(45,456)	–
Exchange realignment	匯兌調整	(1,092)	(21)
At 31 December 2019	於二零一九年十二月三十一日	30,938	1,408

On 30 December 2019, the Group disposed of certain subsidiaries together with loss allowances for accounts and bills receivables of approximately HK\$45,456,000 (2018: Nil) contributed to the decrease in loss allowances for accounts and bills receivables during the year ended 31 December 2019.

於二零一九年十二月三十日，本集團已出售若干附屬公司連同應收賬款及票據之虧損撥備約45,456,000港元（二零一八年：無），從而導致截止二零一九年十二月三十一日止年度應收賬款及票據之虧損撥備減少。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment

(continued)

Impairment of financial assets (continued)

Accounts and bills receivables and contract assets (continued)

Accounts and bills receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 year past due.

Impairment losses on accounts and bills receivables and contract assets are included in net impairment loss on financial and contract assets under the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

ECL for other financial assets at amortised cost, including deposits and other receivables, are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

To measure the expected credit losses, deposits and other receivables have been grouped based on shared credit risk characteristics. The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate plus certain credit risk premium, which reflect the credit risk of the debtors, over the expected life of the debtors within 1 year and are adjusted forward-looking information that is available without undue cost or effort.

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

應收賬款及票據及合約資產(續)

於應收賬款及票據以及合約資產並無合理的收回預期時，予以撇銷。並無合理的收回預期指標包括(其中包括)債務人未能與本集團訂立還款計劃，以及未能於逾期超過一年的期間內合約付款。

應收賬款及票據及合約資產的減值虧損計入綜合收益表的金融及合約資產減值虧損淨額。原先被抵銷之款項其後收回，計入相同項目對賬。

其他按攤銷成本列賬之金融資產

按攤銷成本計量的其他金融資產(包括按金及其他應收款項)的預期信貸虧損按12個月預期信貸虧損進行評估，因為自首次確認以來信貸風險並無顯著增加。

為計量預期信貸虧損，已根據共享信貸風險特徵就按金及其他應收款項進行分組。估計預期信貸虧損率為根據本集團在債務人的一年預期年期內就各分組的市場借貸利率估計，減無風險利率加若干信貸風險溢價(反映債務人的信貸風險)及無須不當成本或努力所獲得經調整前瞻性資料之估計。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Credit risk and impairment assessment (continued)

Impairment of financial assets (continued)

Other financial assets at amortised cost
(continued)

The loss allowance for other financial assets at amortised cost as at 31 December 2018 and 2019 as follows:

		Deposits and other receivables HK\$'000 按金及 其他應收 款項 千港元
At 1 January 2018	於二零一八年一月一日	79,094
Written off	撇銷	(73,263)
Exchange realignment	匯兌調整	(302)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	5,529
Increase in loss allowance recognised in profit or loss during the year	年內於損益確認之虧損撥備增加	1,439
Disposal of subsidiaries	出售附屬公司	(5,436)
Exchange realignment	匯兌調整	(112)
At 31 December 2019	於二零一九年十二月三十一日	1,420

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

The interest rates and terms of repayment of the Group's bank and other loans are disclosed in note 34. The Group's exposures to fair value interest rate risk and cash flow interest rate risk on financial liabilities are minimal. The directors of the Company consider the Group's exposures to cash flow interest rate risk on bank and other loans and bank balances as follows:

45. 財務風險管理及金融工具之公平值(續)

(a) 信用風險與減值評估(續)

金融資產減值(續)

其他按攤銷成本列賬之金融資產(續)

於二零一八年及二零一九年十二月三十一日，按攤銷成本列賬之其他金融資產之虧損撥備載列如下：

(b) 利率風險

利率風險指金融工具之公平值或現金流量會因市場利率改變而出現波動之風險。以浮息及定息計息之金融工具分別使本集團面臨現金流量利率風險及公平值利率風險。

本集團銀行及其他貸款利率及還款條款披露於附註34。本集團承受之有關金融負債之公平值利率風險及現金流量利率風險微乎其微。本公司董事認為本集團承受之有關銀行及其他貸款以及銀行結餘之現金流量利率風險如下：

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Interest rate risk (continued)

Sensitivity analysis

The following table illustrates the sensitivity of the Group's loss after income tax and accumulated losses to a possible change in interest rates of +/-0.5% (2018: +/-0.5%), with effect from the beginning of the year. The calculations are based on the Group's bank and other loans less bank balances held at the reporting date. All other variables are held constant.

31 December 2019

+0.5%
-0.5%

二零一九年十二月三十一日

+0.5%
-0.5%

Increase/
(decrease)
in loss after
income tax
and
accumulated
losses
HK\$'000
扣除所得稅
及累計虧損
後增加/(減少)
千港元

109
(109)

31 December 2018

+0.5%
-0.5%

二零一八年十二月三十一日

+0.5%
-0.5%

1,066
(1,066)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the period until the next annual reporting date.

The sensitivity analysis included in the consolidated financial statements of the year ended 31 December 2018 has been prepared on the same basis.

The Group manages interest rate risk by monitoring its interest rate profile regularly. The Group adopts a policy of ensuring that most of its borrowings are on a fixed rate basis. The policies to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

45. 財務風險管理及金融工具之公平值(續)

(b) 利率風險(續)

敏感度分析

下表闡述自年初起，本集團除所得稅後虧損及累計虧損對利率可能出現+/-0.5%（二零一八年：+/-0.5%）變動之敏感度，此乃根據本集團於報告日期持有之銀行及其他貸款減銀行結餘計算。所有其他可變因素保持不變。

利率之上述假設變動乃經觀察現行市場情況後視為合理地可能出現之變動，並為管理層對截至下一個年度報告日期止期間利率之合理可能變動之評估。

截至二零一八年十二月三十一日止年度之綜合財務報表所載之敏感度分析乃基於相同基準編製。

本集團透過定期監察利率組合管理其利率風險。本集團採納一項政策，確保其多數借款均基於固定利率基準。此項利率風險管理政策自上年度起由本集團沿用，且被認為行之有效。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(c) Foreign currency risk

The sales and purchases of the Group are predominantly in RMB which is the functional currency of the related group entities. The directors of the Company therefore are of the opinion that the Group's sensitivity to the changes in foreign currencies are low and the Group and Company do not hedge their foreign currency risk.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its financial obligations, and also in respect of its cash flow management.

The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. As at 31 December 2019, the Group had net current liabilities of approximately HK\$412,721,000 (2018: approximately HK\$888,441,000) and a capital deficiency of approximately HK\$83,570,000 (2018: approximately HK\$163,467,000). The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and from the measures adopted by the directors of the Company as detailed in note 3.1 to meet its debt obligations.

The liquidity policies have been followed by the Group since prior years and are considered as effective in managing liquidity risks.

45. 財務風險管理及金融工具之公平值(續)

(c) 外匯風險

本集團之買賣主要以相關集團實體之功能貨幣人民幣進行。因此，本公司董事認為，本集團對外匯變動之敏感度偏低，因此本集團及本公司並無對沖其外匯風險。

(d) 流動資金風險

流動資金風險乃與本集團未能以交付現金或其他金融資產結算而履行金融負債相關責任之風險有關。本集團就清償其財務責任及現金流量管理而承受流動資金風險。

本集團之目標為保證有充足資金支付金融負債之相關承擔。本公司按持續基準密切監控現金流量。本集團將於必要時變現資產以籌集資金。於二零一九年十二月三十一日，本集團之流動負債淨額約為412,721,000港元(二零一八年：約888,441,000港元)及資本虧絀約為83,570,000港元(二零一八年：約163,467,000港元)。本集團之流動資金主要取決於其從經營及本公司董事為履行債務義務而採取之措施(詳情載於附註3.1)獲得充足現金流入的能力。

該流動資金政策於過往年度一直由本集團沿用，且被認為在管理流動資金風險方面行之有效。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(d) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

		Within 6		Over	Over	Total		Carrying amount
		months or on demand	6-12 months	1 year but within 2 years	2 years but within 5 years	Over 5 years	undiscounted amount	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		六個月內或按要求	六至十二個月	超過一年但兩年內	超過兩年但五年內	超過五年	金額總計	貼現
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2019	於二零一九年十二月三十一日							
Accounts and bills payables	應付賬款及票據	32,456	-	-	-	-	32,456	-
Amounts due to and loans from shareholders	應付股東款項及來自股東貸款	1,337	-	61,524	-	-	62,861	(4,289)
Other payables, accruals and deposit received	其他應付款項、應計費用及已收按金	332,635	-	-	-	4,474	337,109	(2,175)
Lease liabilities	租賃負債	400	234	23	23	-	680	(15)
Bank and other loans	銀行及其他貸款	50,459	101,942	-	-	-	152,401	(5,387)
		417,287	102,176	61,547	23	4,474	585,507	(11,866)
								573,641
At 31 December 2018	於二零一八年十二月三十一日							
Accounts and bills payables	應付賬款及票據	658,132	-	-	-	-	658,132	-
Amount due to an associate	應付一間聯營公司款項	14,640	-	-	-	-	14,640	-
Amounts due to and loans from shareholders	應付股東款項及應收股東貸款	9,135	-	-	65,140	-	74,275	(10,649)
Other payables, accruals and deposit received	其他應付款項、應計費用及已收按金	525,741	-	-	-	4,554	530,295	(2,389)
Bank and other loans	銀行及其他貸款	771,958	3,000	93,579	-	-	868,537	(27,973)
		1,979,606	3,000	93,579	65,140	4,554	2,145,879	(41,011)
								2,104,868

45. 財務風險管理及金融工具之公平值(續)

(d) 流動資金風險(續)

下表以合約未折現付款基準概述本集團金融負債之到期情況：

(e) Business risk

The Group's principal activities include production and sales of coal and trading of purchased coal in the PRC. The Group's financial performance are influenced by the changes in prices of coal, as well as by the Group's ability to maintain or renew all requisite certificates, permits and business licences from relevant regulatory authorities in the PRC which is required for the Group to operate in production and sales of coal in the PRC.

(e) 業務風險

本集團之主要業務為於中國生產及銷售煤炭以及從事購入煤炭貿易。本集團之財務業績受煤價變動及本集團與中國有關監管當局維持或續期本集團於中國生產及銷售煤炭時所需的所有證書、許可證及營業執照之能力影響。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in HKFRS 13 *Fair Value Measurement* with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

As at 31 December 2018, financial assets at FVTOCI is measured at fair value and is classified as a Level 3 fair value measurement. The fair values of unlisted equity investments have been estimated using market approach based on market price to net assets ratio and adjusted for the lack of marketability, which are the significant unobservable inputs. The market price to net assets ratio and the discount for lack of marketability applied to this valuation technique are 2.19 and 15.9%.

The valuation requires the directors of the Company to make estimates about the market price to net assets ratio and the discount for lack of marketability. The directors of the Company 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 OCI, are reasonable.

45. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值

下表列示以香港財務報告準則第13號「公平值計量」所界定的公平值架構之三個層級按公平值計量的本集團金融工具的賬面值，各金融工具的公平值乃按對該公平值計量屬重大之最底層的資料投入。界定的層級如下：—

第1級：公平值計量使用相同金融工具於活躍市場之報價(未作調整)。

第2級：公平值計量使用第2級資料輸入(即可觀察資料輸入未達到第1級，並且未使用重要的難以觀察資料輸入)。難以觀察資料輸入為無法獲得市場數據的資料輸入。

第3級：公平值計量使用重要的難以觀察資料輸入。

於二零一八年十二月三十一日，按公平值計入其他全面收益的金融資產按公平值計量，並歸類為第3級公平值計量。非上市股本投資的公平值採用基於市場價格與淨資產比率的市場法估算，並根據缺乏市場流動性進行調整，其為重要的不可觀察的資料投入。適用於該估值技術的市場價格與淨資產比率以及缺乏市場流動性之折讓分別為2.19和15.9%。

估值要求本公司董事估計市場價格與淨資產比率及缺乏市場流動性之折讓。本公司董事認為，估值技術產生的估計公平值(記錄於綜合財務狀況表內)及公平值的相關變動(記錄於其他全面收益中)屬合理。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

(continued)

Should the market price to net assets ratio increase or decrease by 5%, the fair value of the financial assets at FVTOCI would be increased or decreased by approximately HK\$47,000. Should the discount for lack of marketability increase or decrease by 1%, the fair value of the financial assets at FVTOCI would be decreased or increased by approximately HK\$9,000.

The movements during the year in the balance of level 3 fair value measurement is as follows:

45. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值(續)

倘市場價格與淨資產比率增加或減少5%，則按公平值計入其他全面收益的金融資產公平值將增加或減少約47,000港元。倘缺乏市場流動性的折讓增加或減少1%，則按公平值計入其他全面收益的金融資產公平值將減少或增加約9,000港元。

第3級公平值計量結餘之年內變動如下：

		Financial assets at FVTOCI HK\$'000 按公平值 計入其他 全面收益之 金融資產 千港元
At 1 January 2018	於二零一八年一月一日	710
Total gain recognised in OCI as change in the fair value of equity investments at FVTOCI included in consolidated statement of comprehensive income	於其他全面收益確認為計入綜合全面收益表之按公平值計入其他全面收入之權益投資公平值變動之收益總額	8
Exchange realignment	匯兌調整	(36)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	682
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(670)
Exchange realignment	匯兌調整	(12)
At 31 December 2019	於二零一九年十二月三十一日	-

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

年內，第一層級與第二層級之間並無轉移公平值計量，且金融資產及金融負債均未轉入或轉出第三層級(二零一八年：無)。本集團的政策為確認公平值層級間於報告期末其發生的轉移。

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45. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(f) Fair values of financial instruments

(continued)

Financial instruments not measured at fair value

Financial instruments not measured at fair value include accounts and bills receivables, contract assets, deposits and other receivables, pledged and restricted bank deposits, cash and cash equivalents, accounts and bills payables, other payables and accruals, deposit received, amounts due to and loans from shareholders, amount due to an associate, lease liabilities and bank and other loans.

As at 31 December 2019, all financial instruments measured at amortised costs are carried at amounts not materially different from their fair values, except the amounts due to and loans from shareholders amounting to approximately HK\$58,572,000 (2018: approximately HK\$63,626,000). In the opinion of the directors of the Company, the fair value of the balance has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

46. CAPITAL MANAGEMENT

The Group's primary objectives managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk by securing access to finance at a reasonable cost. The Group's overall strategy remains unchanged from that of prior year.

The capital structure of the Group consists of net debt, which included outstanding borrowings of approximately HK\$248,980,000 as disclosed in note 3.1, net of cash and cash equivalents and equity attributable to equity shareholders of the Company, comprising share capital and deficit in reserves, as disclosed in notes 28(b), 37 and 38, respectively.

45. 財務風險管理及金融工具之公平值(續)

(f) 金融工具之公平值(續)

並非按公平值計量之金融工具

並非按公平值計量之金融工具包括應收賬款及票據、合約資產、按金及其他應收款、已抵押及受限制的銀行存款、現金和現金等價物、應付賬款及票據、其他應付款和應計費用、已收按金、應付股東款項及來自股東貸款、應付一間聯營公司款項、租賃負債及銀行和其他貸款。

於二零一九年十二月三十一日，按攤銷成本計量的所有金融工具按與其公平值並無重大差異的金額列賬，惟應付股東款項及來自股東貸款約為58,572,000港元(二零一八年：約63,626,000港元)除外。本公司董事認為，受關係影響，無法合理釐定該等結餘的預期現金流時間，因此尚未釐定結餘的公平值。

46. 資本管理

本集團管理資本的主要目標是保護本集團持續經營的能力，令本集團可透過與風險水平相稱的產品及服務定價及以合理成本取得融資，繼續為股東提供回報及令其他持份者受益。本集團的整體策略與上一年度相比維持不變。

本集團之資本架構由債務淨額(包括附註3.1披露的未償還借款約248,980,000港元)，扣除現金及現金等值項目與本公司股東應佔權益(包括附註28(b)、37及38分別披露的股本及儲備虧絀)組成。

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46. CAPITAL MANAGEMENT (continued)

The Group actively and reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

47. EVENT AFTER THE REPORTING PERIOD

The outbreak of the novel coronavirus (“COVID-19”)

Since January 2020, the outbreak of COVID-19 in the PRC and the subsequent related-quarantine measures imposed by the government of the PRC have had a negative impact not only on most industries but also on the operations of the Group, as the Group’s core operations and all the customers are situated in the PRC. The Group has delayed its production and manufacturing activities due to the mandatory quarantine measures imposed by the government in an effort to control the spread of the epidemic. Up to the date of issue of these consolidated financial statements, the Group has gradually resumed the production and operation under the progressive relaxing of government restrictions. The temporary shutting down of the Group’s coal mine and building materials production plant would have significant influence to revenue and result of the Group in the first half of the year ending 31 December 2020.

48. COMPARATIVE AMOUNTS

Repayment to cash advance provided by certain parties, net, which were previously included in “increase in other payables and accruals” under cash flows from operating activities, were represented as single line item under cash flows from financing activities in the consolidated statement of cash flows during the year ended 31 December 2018, in order to conform with the current year’s presentation and disclosures.

46. 資本管理(續)

本集團積極檢討及管理資本架構，以維持更高借款水平可能實現的更高股東回報與穩健現金狀況可提供的優勢及安全之間的平衡，並根據經濟狀況的變動調整資本架構。

47. 報告期後事項

新型冠狀病毒爆發(「COVID-19」)

由於本集團的核心業務及所有客戶均位於中國，故自二零二零年一月起於中國爆發的COVID-19及其後中國政府採取的隔離措施不僅對大多數產業造成負面影響，亦對本集團之營運造成負面影響。本集團已因政府為控制疫情傳播而採取的強制性隔離措施推遲其生產及製造活動。直至該等綜合財務報表發佈日期，隨著政府限制放寬，本集團已逐步恢復生產及經營。本集團煤礦及建材生產廠房的暫時關閉將對本集團於截至二零二零年十二月三十一日止年度上半年之收益及業績造成重大影響。

48. 比較金額

償還先前計入經營活動之現金流量項下「其他應付款項及應計費用增加」之若干人士提供之現金墊款淨額於截至二零一八年十二月三十一日止年度之綜合現金流量表內之融資活動之現金流量項下列作單獨項目，以與本年度之呈列及披露相符。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

49. 公司級財務狀況表

有關本公司於報告期末財務狀況表的資料如下：

		Note 附註	2019 HK\$'000 二零一九年 千港元	2018 HK\$'000 二零一八年 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資		19,253	19,253
Current assets	流動資產			
Prepayments	預付款項		19	334
Cash and cash equivalents	現金及現金等值項目		722	439
			741	773
Current liabilities	流動負債			
Other payables	其他應付款項		20,856	11,391
Amount due to a subsidiary	應付一間附屬公司款項		1,900	–
			22,756	11,391
Net current liabilities	流動負債淨值		(22,015)	(10,618)
Net (liabilities)/assets	(負債)/資產淨值		(2,762)	8,635
EQUITY	股本權益			
Share capital	股本		104,017	104,017
Deficit in reserves	儲備虧絀	38(b)	(106,779)	(95,382)
(Capital deficiency)/total equity	(資本虧絀)/權益總額		(2,762)	8,635

Approved and authorised for issue by the Board of Directors on 13 May 2020 and are signed on its behalf by:

經董事會於二零二零年五月十三日批准及授權刊發，並由以下人士代表董事會簽署：

Bao Hongkai
包洪凱
Director
董事

Dong Cunling
董存嶺
Director
董事



ROSAN RESOURCES HOLDINGS LIMITED

融信資源控股有限公司