

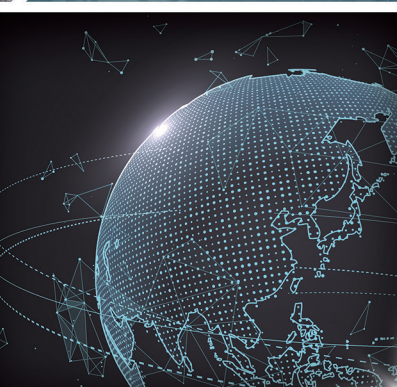
Bay Area Gold Group Limited

灣區黃金集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock code 股份代號 : 1194



2020

INTERIM REPORT
中期報告



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CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board, I am glad to present to our shareholders the interim report of the Group for the six months ended 30 June 2020.

From the prospective of global environment, COVID-19 pandemic has been the main influence on the gold market since the beginning of the 2020. The market lockdown and a squeeze on income severely weakened consumer demand while provided support for gold investment. The record inflows into gold-backed exchange-traded funds offset the weak consumer performance. Gold had a remarkable performance, with the gold price increased by approximately 17%, in the first half of 2020.

The Group continued to focus on mine development and reserving converted exploration business during the year under review. During the reporting period, the Group's revenue increased by 88% to HK\$629 million (2019: HK\$335 million). The increase in revenue is mainly arisen from the increase in trading of metals and minerals and increase in gold price during the reporting period. Whist the Group's total gold production slightly reduced by 3% during the first half of 2020 as the production was affected by the lockdown and restrictions measures in the PRC caused by the pandemic. Nevertheless, the Group from time to time continued with its effort on exploration, organic expansion and cost control in an environmentally friendly manner.

In the fluctuating economic environment, the Group has maintained one investment fund in our financial services segment.

尊敬的各位股東：

本人謹代表董事會欣然向股東匯報本集團截至二零二零年六月三十日止六個月的中期報告。

遠觀全球環境，自二零二零年初，新冠疫情大流行成為黃金市場的主要影響因素。市場封鎖及收入緊縮重挫黃金消費需求，同時為黃金投資帶來支持。創紀錄的黃金交易所交易基金流入抵銷了黃金需求的疲軟。二零二零年上半年，黃金表現突出，金價上升約17%。

本集團於回顧年度內繼續專注於礦場開發及儲量轉換勘探業務。於報告期間，本集團的收益增加88%至629百萬港元（二零一九年：335百萬港元）。收益增加主要因報告期間金屬及礦產貿易增加以及金價上漲。本集團總黃金產量於二零二零年上半年微跌3%，產量受到因為應對大流行而於中國實施多項封鎖及限制措施所影響。然而，本集團不時繼續貫徹安全環保的原則，致力開拓、內部擴充及控制成本。

面對波動的經濟環境，本集團在金融服務分部維持一項投資基金。

Looking forward to the second half of 2020, COVID-19 pandemic, with additional waves of infections will fuel economic recession fears. With the economic and geopolitical uncertainties, lofty stock valuations and ultra low-rate environment, investors will continue to flock to gold as a popular safe-haven asset to retain their investment value in uncertainties. All these would be supportive for the gold price. In response, the Group will make effort to enhance its exploration and mining activities by improving the technology as well as identifying suitable exploration and mining methods.

In view of the on-going geopolitical uncertainty and the slow economic recovery hit by the spiking virus cases, the financial market will remain volatile in the second half of the year. In an environment of fast changing threats and opportunities, we will adopt a prudent and balanced approach to control the risk and costs management.

On behalf of the Board, I finally would like to thank our shareholders, business partners, customers and all staff of the Group for their continued support and encouragement.

Mr. Yi Shuhao
Chairman

Hong Kong, 28 August 2020

展望二零二零年下半年，新冠疫情大流行反復肆虐，將會加劇人們對經濟衰退的恐懼。鑑於經濟及地緣政治不穩定，股票估值過高及超低利率環境，投資者將會繼續集中黃金投資，發揮安全港資產的作用，以致面對不明朗因素時可保留投資價值。上述所有因素均成為金價的支持力點。相應地，本集團將致力透過改善技術及物色合適開拓及採礦方法增加勘探及開採活動。

鑑於持續地緣政治不穩定及感染個案上升導致經濟復甦緩慢，金融市場於本年度下半年將仍波動。在瞬息萬變的挑戰和機會之中，我們會貫徹審慎平衡的方法控制風險及成本管理。

最後，本人謹代表董事會向各位股東、業務夥伴、客戶及本集團全體員工致意，感謝他們對本集團的持續支持和鼓勵。

易淑浩先生
主席

香港，二零二零年八月二十八日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2020

(Expressed in Hong Kong dollars)

截至二零二零年六月三十日止六個月

(以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
	Notes 附註		
Revenue	收益	4(a) 628,637	335,195
Cost of sales	銷售成本	6(b) (551,517)	(244,829)
Gross profit	毛利	77,120	90,366
Other income	其他收入	5 1,694	1,079
Other losses	其他虧損	5 (2,247)	(281,237)
Selling and distribution costs	銷售及分銷成本	(5,001)	(4,546)
Administrative expenses	行政費用	(52,032)	(96,718)
Profit/(loss) from operations	經營溢利／(虧損)	19,534	(291,056)
Finance costs	財務成本	6(a) (134,684)	(169,847)
Share of profit of an associate	應佔聯營公司溢利	951	956
Loss before tax	除稅前虧損	6 (114,199)	(459,947)
Income tax credit	所得稅抵免	7 2,832	5,396
Loss for the period attributable to owners of the Company	本公司擁有人應佔 本期虧損	(111,367)	(454,551)
		HK cents 港仙	HK cents 港仙 (Restated) (經重列)
Loss per share	每股虧損	9	
Basic	基本	(37.49)	(155.75)
Diluted	攤薄	(37.49)	(155.75)

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 June 2020

(Expressed in Hong Kong dollars)

截至二零二零年六月三十日止六個月

(以港元列示)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Loss for the period	本期虧損	(111,367)	(454,551)
Other comprehensive (expense)/income	其他全面(開支)/收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	(96,261)	(5,434)
<i>Items that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>		
Fair value gain on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	透過其他全面收益按公平值列賬(「透過其他全面收益按公平值列賬」)之股本工具投資之公平值收益	53,200	61,412
Other comprehensive (expense)/income for the period, net of tax	本期其他全面(開支)/收益，除稅後	(43,061)	55,978
Total comprehensive expense for the period attributable to owners of the Company	本公司擁有人應佔本期全面開支總額	(154,428)	(398,573)

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2020

於二零二零年六月三十日

(Expressed in Hong Kong dollars)

(以港元列示)

		Notes 附註	At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	10	5,765,344	5,860,716
Fixed assets	固定資產	11	4,967,384	5,032,015
Right-of-use assets	使用權資產	11	35,517	39,731
Deposits paid for gold mining rights and exploration rights	就金礦採礦權及探礦權所付按金		139,306	142,088
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	透過其他全面收益按公平值列賬(透過其他全面收益按公平值列賬)		348,426	293,964
Investment in an associate	之股本工具投資		12,943	12,241
Trade, loans and other receivables, deposits and prepayments	於聯營公司之投資 應收賬款、貸款及 其他應收款項、 按金及預付款項	12	109,690	111,880
Pledged deposits	已抵押存款	18	–	44,752
Deposits paid for fixed assets	就固定資產所付按金		91,867	87,853
Other deposits	其他按金		991	1,006
Total non-current assets	非流動資產總額		11,471,468	11,626,246
Current assets	流動資產			
Inventories	存貨		172,853	137,688
Trade, loans and other receivables, deposits and prepayments	應收賬款、貸款及 其他應收款項、 按金及預付款項	12	308,241	259,720
Pledged deposits	已抵押存款	18	16,454	61,534
Client trust bank balances	客戶信託銀行結餘	13	2,067	2,355
Cash and bank balances	現金及銀行結餘	13	51,645	68,473
Total current assets	流動資產總額		551,260	529,770
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款項	14	1,129,731	945,586
Contract liabilities	合同負債	14	57,181	38,698
Bank and other borrowings	銀行及其他貸款	15	1,835,051	2,063,686
Lease liabilities	租賃負債		2,796	4,166
Tax payable	應付稅項		4,293	4,654
Total current liabilities	流動負債總額		3,029,052	3,056,790

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2020
於二零二零年六月三十日
(Expressed in Hong Kong dollars)
(以港元列示)

			At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		Notes 附註		
Net current liabilities	流動負債淨值		(2,477,792)	(2,527,020)
Total assets less current liabilities	總資產減流動負債		8,993,676	9,099,226
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他貸款	15	1,268,614	1,177,603
Derivative financial instruments	衍生金融工具	16	17,555	55,802
Convertible bonds	可換股債券	16	278,529	272,391
Lease liabilities	租賃負債		1,122	3,570
Deferred tax liabilities	遞延稅項負債		550,412	558,576
Total non-current liabilities	非流動負債總額		2,116,232	2,067,942
NET ASSETS	資產淨值		6,877,444	7,031,284
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	17	5,942	5,936
Reserves	儲備		6,871,502	7,025,348
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔權益總額		6,877,444	7,031,284

Approved and authorised for issue by the board of directors on 28 August 2020 and are signed on its behalf by:

經董事會於二零二零年八月二十八日核准並許可發出，並由以下人士代表簽署：

Mr. Yi Shuhao

易淑浩先生

Chairman and Chief Executive Officer

主席及行政總裁

Mr. Zhang Lirui

張利銳先生

Executive Director

執行董事

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars)

(以港元列示)

Unaudited	未經審核								
At 1 January 2020 (audited)	於二零二零年一月一日 (經審核)	5,936	739,733	7,857,194	159,442	47,675	(375,510)	(1,403,186)	7,031,284
Loss for the period	本期虧損	—	—	—	—	—	—	(111,367)	(111,367)
Other comprehensive income/(expenses) for the period	本期其他全面收益／(開支)	—	—	—	—	53,200	(96,261)	—	(43,061)
Total comprehensive income/(expenses) for the period	本期全面收益／(開支) 總額	—	—	—	—	53,200	(96,261)	(111,367)	(154,428)
Shares issued upon conversion of convertible bonds (note 16)	轉換可換股債券後發行的股份 (附註16)	6	582	—	—	—	—	—	588
Appropriation of safety production fund	撥付安全生產基金	—	—	—	3,785	—	—	(3,785)	—
Utilisation of safety production fund	動用安全生產基金	—	—	—	(5,451)	—	—	5,451	—
At 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	5,942	740,315	7,857,194	157,776	100,875	(471,771)	(1,512,887)	6,877,444

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars)

(以港元列示)

		Share capital	Share premium	Contributed surplus	Statutory reserves	FVTOCI reserves 透過其他全面 收益按公平值 列賬儲備	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total equity 權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 17)								
		(附註17)								
Unaudited	未經審核									
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	583,692	728,663	7,279,339	151,271	29,408	30,348	(283,862)	(794,031)	7,724,828
Loss for the period	本期虧損	—	—	—	—	—	—	—	(454,551)	(454,551)
Other comprehensive income/(expense)	本期其他全面收益/(開支)									
for the period		—	—	—	—	61,412	—	(5,434)	—	55,978
Total comprehensive income/(expense)	本期全面收益/(開支)總額	—	—	—	—	61,412	—	(5,434)	(454,551)	(398,573)
Capital reorganisation	股本重組	(577,855)	—	577,855	—	—	—	—	—	—
Lapse of share options	購股權失效	—	—	—	—	—	(276)	—	276	—
Appropriation of safety production fund	撥付安全生產基金	—	—	—	4,446	—	—	—	(4,446)	—
Utilisation of safety production fund	動用安全生產基金	—	—	—	(880)	—	—	—	880	—
Appropriation of statutory surplus	撥付法定盈餘儲備									
reserve		—	—	—	1,618	—	—	—	(1,618)	—
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	<u>5,837</u>	<u>728,663</u>	<u>7,857,194</u>	<u>156,455</u>	<u>90,820</u>	<u>30,072</u>	<u>(289,296)</u>	<u>(1,253,490)</u>	<u>7,326,255</u>

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars)

(以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
	Note 附註		
Cash generated from operations	經營活動產生之現金	204,930	148,705
Income tax paid	已付所得稅	(589)	(3,014)
Net cash generated from operating activities	經營活動產生之現金淨額	204,341	145,691
Investing activities	投資活動		
Payment for purchase of fixed assets	購置固定資產付款	(76,739)	(85,591)
Proceeds from disposal of fixed assets	出售固定資產之所得款項	3,102	—
Increase in deposits paid for fixed assets	就固定資產所付按金增加	(9,748)	(717)
Decrease/(increase) in restricted deposit	受限制的貨幣資金減少／(增加)	5,766	(4,588)
Other cash flows arising from investing activities	投資活動產生之其他現金流量	491	7,930
Net cash used in investing activities	投資活動所用之現金淨額	(77,128)	(82,966)
Financing activities	融資活動		
Net proceeds from new bank and other borrowings	新增銀行及其他貸款之所得款項淨額	22,873	236,685
Repayment of bank and other borrowings	償還銀行及其他貸款	(145,389)	(122,102)
Payments of lease liabilities	支付租賃負債	(1,750)	(3,876)
Decrease in pledged deposits	已抵押存款減少	88,632	—
Finance costs paid	已付財務成本	(104,430)	(150,364)
Net cash used in financing activities	融資活動所用現金淨額	(140,064)	(39,657)

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars)

(以港元列示)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
Note 附註		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(12,851)	23,068
Cash and cash equivalents at 1 January	於一月一日之現金及 現金等價物	31,287	47,999
Effect of foreign exchange rate changes	匯率變動之影響	2,460	(76)
Cash and cash equivalents at 30 June	於六月三十日之現金及 現金等價物	20,896	70,991

The notes on pages 12 to 66 are an integral part of these interim condensed consolidated financial statements.

第12至第66頁之附註屬本中期簡明綜合財務報表之綜合部分。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有列明者外，所有款項以港元列示)

1. GENERAL INFORMATION

Bay Area Gold Group Limited (formerly known as Munsun Capital Group Limited) (the “Company”) was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The address of its registered office and principal place of business are disclosed in the corporate information section of the interim report. The Company and its subsidiaries (collectively the “Group”) are principally engaged in mining and processing of gold ores and sale of gold products in The People’s Republic of China (the “PRC”), trading of metals and minerals in the PRC, and provision of financial services business in Hong Kong and the PRC, including asset management, securities brokerage, financing and advisory services.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Company have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

1. 一般資料

灣區黃金集團有限公司（前稱麥盛資本集團有限公司）（「本公司」）為一間於開曼群島註冊成立並於百慕達存續之有限公司。其註冊辦事處地址及主要營業地點於中期報告公司資料一節中披露。本公司及其附屬公司（統稱「本集團」）主要於中華人民共和國（「中國」）從事金礦開採、加工及黃金產品銷售，於中國買賣金屬及礦產，以及在香港及中國從事提供金融服務業務，包括資產管理、證券經紀、融資及諮詢服務。

2. 編製基準

本公司之中期簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號（「香港會計準則第34號」）*中期財務報告*，以及香港聯合交易所有限公司《證券上市規則》（「上市規則」）附錄十六之適用披露規定而編製。

2. BASIS OF PREPARATION (continued)

In preparing the interim condensed consolidated financial statements, the Company's directors have considered the future liquidity of the Group. The Group incurred a loss attributable to owners of the Company of HK\$111,367,000 for the six months ended 30 June 2020 and, as at 30 June 2020, the Group had net current liabilities of HK\$2,477,792,000. These conditions indicate that the existence of a material uncertainty which may cast a doubt on the Group's ability to continue as a going concern. Nevertheless, the Company's directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) A shareholder of the Company, Liu Shiwei, has agreed to provide continuing financial support as necessary to enable the Group to meet its liabilities as and when they fall due in the foreseeable future.
- (ii) Based on the cash flow forecast prepared by the Group's management for the twelve months ending 30 June 2021, the Group will be able to generate adequate cash flows from its continuing operations and to obtain sufficient fundings to meet the debts of the Group as and when they fall due in the foreseeable future. Based on the past records, the directors of the Company are of the view that substantially all of the Group's borrowings outstanding at 30 June 2020, including bank and other borrowings and convertible bonds, will be renewed upon maturity with the existing terms and conditions and no repayments of these borrowings will be demanded by the contracting parties within twelve months ending 30 June 2021.

Accordingly, the Company's directors are of the opinion that it is appropriate to prepare the interim condensed consolidated financial statements for the six months ended 30 June 2020 on a going concern basis. The interim condensed consolidated financial statements have not reflected any effects of adjustments, should the Group be unable to operate as a going concern.

2. 編製基準 (續)

於編製中期簡明綜合財務報表時，本公司之董事已對本集團之未來流動資金作出考慮。本集團於截至二零二零年六月三十日止六個月產生本公司擁有人應佔虧損111,367,000港元，及本集團於二零二零年六月三十日之流動負債淨值為2,477,792,000港元。該等情況顯示重大不確定性之存在，從而可能令本集團之持續經營能力備受質疑。然而，考慮下述事項後，本公司之董事認為本集團將可應付其未來營運資金及財務所需：

- (i) 本公司股東柳士威已同意於有需要時候會提供持續財務支援，讓本集團能償付其於可見未來到期之負債。
- (ii) 基於本集團管理層編製之截至二零二一年六月三十日止十二個月之現金流量預測，本集團將可從其持續經營項目中產生足夠之現金流量及獲取足夠資金，以應付本集團於可見未來到期之債務。根據過往記錄，本公司董事認為本集團於二零二零年六月三十日未償還的絕大部份借款（包括銀行及其他貸款及可換股債券）將於到期時按現有條款及條件重續，且截至二零二一年六月三十日止十二個月內概無訂約方要求償還該等貸款。

因此，本公司之董事認為按持續經營基準編製截至二零二零年六月三十日止六個月之中期簡明綜合財務報表乃屬合適。倘本集團未能按持續經營基準繼續經營，本中期簡明綜合財務報表並無反映任何該等調整之影響。

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3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3 Definition of a Business

Amendments to HKFRS 9, Interest Rate Benchmark Reform
HKAS 39 and HKFRS 7

Amendments to HKAS Definition of Material
1 and HKAS 8

Amendment to HKFRS 16 COVID-19 Related Rent
Concessions

3. 主要會計政策

除若干金融工具（按重估金額或公平值（如適用）計量）外，中期簡明綜合財務報表乃按歷史成本法編製。

除應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）對會計政策所帶來的變動外，截至二零二零年六月三十日止六個月之中期簡明綜合財務報表所採用會計政策及計算方法與本集團截至二零一九年十二月三十一日止年度之年度財務報表所呈列者相同。

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團就編製其簡明綜合財務報表已首次應用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則，該等新訂及經修訂準則於二零二零年一月一日或之後開始之年度期間強制生效：

香港財務報告準則第3號 業務的定義
（修訂）

香港財務報告準則 利率基準改革
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）

香港會計準則第1號及 重大的定義
香港會計準則第8號
（修訂）

香港財務報告準則 新冠病毒疫情
第16號（修訂） 相關租金減免

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3. PRINCIPAL ACCOUNTING POLICIES

(continued)

Application of new and amendments to HKFRSs (continued)

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 主要會計政策 (續)

應用新訂及經修訂香港財務報告準則 (續)

於本期內應用新訂及經修訂香港財務報告準則對本集團於本期間及先前期間之財務狀況及表現及／或該等簡明綜合財務報表所披露者概無重大影響。

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截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有列明者外，所有款項以港元列示)

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents sales value of gold products and other by-products to customers (net of value added tax, returns and discounts) under the Gold Mining Operation (as defined below), sales value of metals and minerals under the Trading of Metals and Minerals operation (as defined below) and management and performance fees, securities commission and brokerage fee income under the Financial Services Operation (as defined below). The revenue for the reporting period is analysed as follows:

4. 收益及分部資料

(a) 收益

收益指金礦開採業務（定義如下）下之出售黃金產品及其他副產品予客戶之銷售價值（減增值稅、退貨及折扣）、金屬及礦產貿易業務（定義如下）下之出售金屬及礦產之銷售價值以及金融服務業務（定義如下）下之管理及表現費用、證券買賣佣金及經紀費用收入。報告期間收益分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from contracts with customers arising from Gold Mining Operation	金礦開採業務客戶合約收益		
Sale of	銷售		
– Gold products	– 黃金產品	321,646	276,296
– Other by-products	– 其他副產品	17,169	29,466
		338,815	305,762
Revenue from contracts with customers arising from Trading of Metals and Minerals	金屬及礦產貿易客戶合約收益	288,788	24,849
Revenue from contracts with customers arising from Financial Services Operation	金融服務業務客戶合約收益	1,034	4,584
		628,637	335,195
Timing of revenue recognition:	收益確認時間：		
Recognised at point in time	於時間點確認	627,603	330,611
Recognised over time	隨時間確認	1,034	4,584
		628,637	335,195

4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (i) mining and processing of gold ores and sales of gold products and other by-products (the "Gold Mining Operation");
- (ii) purchase and sales of metals and minerals (the "Trading of Metals and Minerals"); and
- (iii) provision of financial services including asset management, securities brokerage, financing and advisory services (the "Financial Services Operation").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income and finance costs are excluded from such measurement.

Segment liabilities exclude bank and other borrowings, convertible bonds and related derivative financial instruments and other unallocated corporate liabilities as these liabilities are managed on a group basis.

More than 90% of the Group's revenue was derived from activities in the PRC and its principal assets were located in the PRC during the reporting period. Accordingly, no analysis by geographical information is provided.

4. 收益及分部資料 (續)**(b) 分部資料**

就管理目的而言，本集團根據其產品及服務，組織其業務單位，並擁有以下三個可報告經營分部：

- (i) 金礦開採、加工及黃金產品及其他副產品之銷售（「金礦開採業務」）；
- (ii) 購買和銷售金屬及礦產（「金屬及礦產貿易」）；及
- (iii) 提供金融服務，包括資產管理、證券經紀、融資及諮詢服務（「金融服務業務」）。

管理層監察本集團各經營分部業績以決定如何進行資源分配及評估其表現。分部表現是根據可報告分部利潤或虧損進行評估，該分部利潤為經調整的除稅前溢利或虧損。經調整的除稅前溢利或虧損與本集團的除稅前溢利或虧損計量一致，除利息收入及財務成本不在此計量。

分部負債不包括銀行及其他借貸、可換股債券及相關衍生金融工具及其他未分配企業負債，因為該等負債以集團形式管理。

於報告期內，本集團超過90%之收益來自中國之活動，而其主要資產位於中國。因此，並無提供地區資料分析。

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4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

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

		Six months ended 30 June 2020 截至二零二零年六月三十日止六個月 (Unaudited) (未經審核)				Six months ended 30 June 2019 截至二零一九年六月三十日止六個月 (Unaudited) (未經審核)			
		Gold Mining Operation	Trading of Metals and Minerals	Financial Services Operation	Total	Gold Mining Operation	Trading of Metals and Minerals	Financial Services Operation	Total
		金礦開採業務	金屬及礦產貿易	金融服務業務	總計	金礦開採業務	金屬及礦產貿易	金融服務業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue	分部收入								
Revenue from external customers	來自外部客戶收入	338,815	288,788	1,034	628,637	305,762	24,849	4,584	335,195
Segment profit/(loss)	分部溢利/(虧損)	30,926	308	(11,240)	19,994	(8,741)	50	(281,887)	(290,578)
Reconciliation:	調節項：								
Interest income	利息收入				491				478
Finance costs	財務成本				(134,684)				(169,847)
Loss before tax	除稅前虧損				(114,199)				(459,947)
Other segment information	其他分部資料								
Capital expenditure	資本支出	76,739	—	—	76,739	85,591	—	—	85,591
Depreciation and amortisation	折舊及攤銷	87,963	—	21	87,984	91,921	—	382	92,303
Share of profit of an associate	分佔聯營公司溢利	—	—	951	951	—	—	956	956

4. 收益及分部資料 (續)

(b) 分部資料 (續)

本集團按可報告分部劃分的收入及業績的分析如下：

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4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

The following is an analysis of the Group's assets and liabilities by reportable segments:

		At 30 June 2020				At 31 December 2019			
		於二零二零年六月三十日				於二零一九年十二月三十一日			
		(Unaudited)				(Audited)			
		(未經審核)				(經審核)			
		Gold Mining Operation	Trading of Metals and Minerals	Financial Services	Total	Gold Mining Operation	Trading of Metals and Minerals	Financial Services	Total
		金礦開採業務	金屬及礦產貿易	金融服務業務	總計	金礦開採業務	金屬及礦產貿易	金融服務業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產及								
and total assets	資產合計	11,444,788	78,556	499,384	12,022,728	11,672,411	—	483,605	12,156,016
Segment liabilities	分部負債	1,616,050	78,531	50,954	1,745,535	1,460,001	—	95,249	1,555,250
Reconciliation:	調節項：								
Corporate and other	公司及其他								
unallocated liabilities	未分配負債				3,399,749				3,569,482
Total liabilities	負債合計				5,145,284				5,124,732

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4. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment Information (continued)

Revenue from customer contributing 10% or more of the total revenue of the Group, which are all in the Gold Mining Operation and Trading of Metal and Minerals are as follows:

		Notes 附註
Customer A	客戶甲	(iii)
Customer B	客戶乙	(ii)
Customer C	客戶丙	(i)
Customer D	客戶丁	(iii)
Customer E	客戶戊	(iv)

* The transactions with this customer did not contribute 10% or more of total revenue of the Group for the six months ended 30 June 2020 or 2019.

Notes:

- (i) Revenue from Gold Mining Operation and Trading of Metals and Minerals for the six months ended 30 June 2020 (2019: revenue from Gold Mining Operation).
- (ii) Revenue from Gold Mining Operation for the six months ended 30 June 2020 (2019: revenue from Gold Mining Operation).
- (iii) Revenue from Trading of Metals and Minerals for the six months ended 30 June 2020.
- (iv) Revenue from Gold Mining Operation for the six months ended 30 June 2019.

4. 收益及分部資料(續)

(b) 分部資料(續)

來自貢獻本集團總收益10%或以上之客戶(全部來自金礦開採業務和金屬及礦產貿易)之收益如下:

Six months ended 30 June
截至六月三十日止六個月

2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
130,672	N/A (不適用) *
118,179	77,631
108,394	92,689
106,171	N/A (不適用) *
N/A (不適用) *	95,710

* 於截至二零二零年或二零一九年六月三十日止六個月，與該客戶進行之交易並無佔本集團總收益之10%或以上。

附註:

- (i) 截至二零二零年六月三十日止六個月來自金礦開採業務和金屬及礦產貿易之收益(二零一九年: 來自金礦開採業務之收益)。
- (ii) 截至二零二零年六月三十日止六個月來自金礦開採業務之收益(二零一九年: 來自金礦開採業務之收益)。
- (iii) 截至二零二零年六月三十日止六個月來自金屬及礦產貿易之收益。
- (iv) 截至二零一九年六月三十日止六個月來自金礦開採業務之收益。

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5. OTHER INCOME AND OTHER LOSSES

5. 其他收入及其他虧損

Six months ended 30 June

截至六月三十日止六個月

		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Other income	其他收入		
Bank interest income	銀行利息收入	491	478
Sundry income	雜項收入	1,203	601
		1,694	1,079
Other losses	其他虧損		
Impairment loss on goodwill	商譽減值虧損	—	(273,893)
Exchange loss, net	匯兌虧損淨額	(2,740)	(6,905)
Gain on termination of lease	終止租約收益	55	—
Gain/(loss) on disposal of fixed assets	出售固定資產收益／ (虧損)	438	(439)
		(2,247)	(281,237)

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6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting) the following items:

6. 除稅前虧損

除稅前虧損已扣除／(計入)下列各項：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
(a) Finance costs:	(a) 財務成本：		
Interest on bank and other borrowings	銀行及其他貸款之利息	151,211	157,810
Interest on convertible bonds (note 16)	可換股債券之利息 (附註16)	22,567	12,063
Total interest expenses on financial liabilities	金融負債之利息開支總額	173,778	169,873
Less: Interest capitalised into construction in progress (note 11(c))	減：於在建工程資本化之利息 (附註11(c))	(1,086)	(961)
Interest on lease liabilities	租賃負債利息	172,692	168,912
Fair value gain on derivative financial instruments (note 16)	衍生金融工具公平值收益 (附註16)	139	1,073
		(38,147)	(138)
		134,684	169,847

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6. LOSS BEFORE TAX (continued)

Loss before tax is arrived at after charging/(crediting) the following items: (continued)

6. 除稅前虧損(續)

除稅前虧損已扣除／(計入)下列各項：(續)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
(b) Other items:	(b) 其他項目：		
Cost of inventories sold under Gold Mining Operation (note)	金礦開採業務之已出售存貨成本(附註)	263,037	220,030
Cost of inventories sold under Trading of Metals and Minerals	金屬及礦產貿易之已出售存貨成本	288,480	24,799
Total cost of sales	銷售成本總額	551,517	244,829
Amortisation of intangible assets	無形資產攤銷	44,210	42,552
Depreciation and amortisation of fixed assets	固定資產折舊及攤銷	41,710	46,045
Depreciation of right-of-use assets	使用權資產折舊	2,064	3,706
Lease payments for short term leases	短期租賃之租賃付款	1,834	5,776

Note: Cost of inventories sold under the Gold Mining totalled Operation includes depreciation and amortisation expenses, totalled HK\$86,094,000 (six months ended 30 June 2019: HK\$88,272,000) respective amounts of which are included in each of these types of expenses separately disclosed above.

附註：金礦開採業務之已出售存貨成本包括折舊及攤銷開支總額86,094,000港元(截至二零一九年六月三十日止六個月：88,272,000港元)，其各自款項已計入上文獨立披露的各此等開支內。

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7. INCOME TAX CREDIT

- (a) Tax in the condensed consolidated statement of profit or loss represents:

Current tax	本期稅項
— PRC Enterprise Income Tax	— 中國企業所得稅
Under-provision in prior years	往年不足撥備
— PRC Enterprise Income Tax	— 中國企業所得稅
Deferred tax credit	遞延稅項抵免
Total income tax credit	所得稅抵免總額

7. 所得稅抵免

- (a) 簡明綜合損益表所示之稅項為：

Six months ended 30 June 截至六月三十日止六個月

2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
—	—
(589)	(345)
(589)	(345)
3,421	5,741
2,832	5,396

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7. INCOME TAX CREDIT (continued)

- (b) (i) The provision for PRC income tax is calculated based on 25% of the assessable profits of the Group's subsidiaries for the six months ended 30 June 2020 and 2019.
- (ii) No provision for the Hong Kong profits tax has been made as the Group did not have any assessable profits subject to Hong Kong profits tax for the six months ended 30 June 2020 and 2019.
- (iii) Pursuant to the rules and regulations of Bermuda, the Cayman Islands and the British Virgin Islands, the Group is exempted from any income tax in Bermuda, the Cayman Islands and the British Virgin Islands.

8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020 and 2019.

7. 所得稅抵免 (續)

- (b) (i) 中國所得稅撥備乃根據本集團之附屬公司於截至二零二零年及二零一九年六月三十日止六個月之25%應課稅溢利計算。
- (ii) 由於本集團於截至二零二零年及二零一九年六月三十日止六個月並無任何須繳納香港利得稅之應課稅溢利，故並無就香港利得稅作出撥備。
- (iii) 根據百慕達、開曼群島及英屬處女群島之規例及規則，本集團獲豁免繳納任何百慕達、開曼群島及英屬處女群島之所得稅。

8. 股息

董事不建議就截至二零二零年及二零一九年六月三十日止六個月派付中期股息。

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9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK\$111,367,000 (six months ended 30 June 2019: HK\$454,551,000) and on the weighted average number of 297,071,022 (six months ended 30 June 2019 (restated): 291,846,078) ordinary shares in issue for the six months ended 30 June 2020. The weighted average number of 297,071,022 ordinary shares is calculated after taking into account of share consolidation under which every twenty issued ordinary shares of the Company were consolidated into one new share with effect from 10 August 2020, details of which are set out in note 17(b). The comparative information regarding basic loss per share for the prior six months ended 30 June 2019 has been restated accordingly to conform with the current period's presentation.

Diluted loss per share for the six months ended 30 June 2020 and 2019 was the same as the basic loss per share. There were no potential dilutive ordinary shares outstanding for both of the periods presented.

9. 每股虧損

每股基本虧損乃根據本公司擁有人應佔虧損111,367,000港元(截至二零一九年六月三十日止六個月: 454,551,000港元)以及於截至二零二零年六月三十日止六個月已發行普通股之加權平均數297,071,022股(截至二零一九年六月三十日止六個月(經重列): 291,846,078股)計算。普通股加權平均數297,071,022股乃經計及股份合併(據此，本公司每20股已發行普通股合併為一股新股，二零二零年八月十日起生效，詳情載於附註17(b))後計算所得。截至二零一九年六月三十日之前六個月每股基本虧損的比較資料已相應重列，以和本期間的呈列保持一致。

截至二零二零年及二零一九年六月三十日止六個月的每股攤薄虧損與每股基本虧損相同。於兩個所示期間並無發行在外的潛在攤薄普通股。

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10. INTANGIBLE ASSETS

- (a) The intangible assets include mainly mining rights and exploration rights and assets and the goodwill arisen from the acquisitions of subsidiaries, as further detailed in the Group's consolidated financial statements for the year ended 31 December 2019. During the reporting period, the Group had no acquisition or disposal of intangible assets (six months ended 30 June 2019: no acquisition or disposal of intangible assets). The amortisation charge of intangible assets amounted to HK\$44,210,000 (six months ended 30 June 2019: HK\$42,552,000) was charged to profit or loss in respect of the period.
- (b) As at 30 June 2020, the Group's mining rights with a total carrying amount of HK\$5,502,535,000 (31 December 2019: HK\$5,592,814,000) were pledged as securities for the Group's bank and other borrowings (note 18).
- (c) An impairment loss of HK\$273,893,000 was recognised to profit or loss in respect of the six months ended 30 June 2019 relating to goodwill arisen from acquisition of two subsidiaries.

10. 無形資產

- (a) 無形資產主要包括採礦權及探礦權及資產、收購附屬公司產生的商譽(詳見本集團截至二零一九年十二月三十一日止年度的綜合財務報表之進一步說明)。於報告期間，本集團並無收購或出售無形資產(截至二零一九年六月三十日止六個月：並無收購或出售無形資產)。無形資產攤銷支出為44,210,000港元(截至二零一九年六月三十日止六個月：42,552,000港元)計入期內損益。
- (b) 於二零二零年六月三十日，本集團賬面值總額為5,502,535,000港元(二零一九年十二月三十一日：5,592,814,000港元)之採礦權已用於抵押本集團之銀行及其他貸款(附註18)。
- (c) 於截至二零一九年六月三十日止六個月，關於來自收購兩間附屬公司的商譽的減值虧損273,893,000港元已於損益內確認。

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11. FIXED ASSETS AND RIGHT-OF-USE ASSETS

- (a) During the reporting period, the Group has additions to fixed assets of HK\$76,739,000 (six months ended 30 June 2019: HK\$85,591,000) and disposed of fixed assets with a total net carrying amount of HK\$2,664,000 (six months ended 30 June 2019: HK\$439,000), resulting in gain of HK\$438,000 (six months ended 30 June 2019: loss of HK\$439,000).
- (b) As at 30 June 2020, fixed assets of the Group with a total carrying amount of HK\$702,059,000 (31 December 2019: HK\$721,534,000) were pledged as security for the Group's bank and other borrowings (note 18).
- (c) During the reporting period, interest on bank and other borrowings capitalised in construction in progress included in fixed assets was HK\$1,086,000 (six months ended 30 June 2019: HK\$961,000 (note 6(a))). The borrowing costs have been capitalised at a rate of 9% (six months ended 30 June 2019: 9%) per annum on the specific borrowings used for financing the construction in progress.
- (d) During the current interim period, the Group entered into new lease agreements for the use of office properties for 3 years. The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised HK\$2,043,000 of right-of-use asset and HK\$2,043,000 lease liability.

11. 固定資產及使用權資產

- (a) 於報告期間，本集團固定資產增加76,739,000港元（截至二零一九年六月三十日止六個月：85,591,000港元）及出售賬面淨值合計為2,664,000港元（截至二零一九年六月三十日止六個月：439,000港元）之固定資產，產生438,000港元之收益（截至二零一九年六月三十日止六個月：虧損439,000港元）。
- (b) 於二零二零年六月三十日，本集團賬面值合計為702,059,000港元（二零一九年十二月三十一日：721,534,000港元）之固定資產已用於抵押本集團之銀行及其他貸款（附註18）。
- (c) 於報告期間，計入固定資產內的在建工程資本化的銀行及其他貸款利息為1,086,000港元（截至二零一九年六月三十日止六個月：961,000港元）（附註6(a)）。貸款成本乃就用於支付在建工程的相關貸款按年利率9%（截至二零一九年六月三十日止六個月：9%）資本化。
- (d) 於本中期期間，本集團就使用辦公室物業訂立新租賃協議，為期3年。本集團須於合約期間支付每月固定款項。租賃開始時，本集團確認使用權資產2,043,000港元及租賃負債2,043,000港元。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

			At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Note 附註			
Trade and loans receivables		應收賬款及貸款	(a) to (d) 202,586	155,835
Other receivables		其他應收款項	(a) 至 (d) 130,676	119,598
Total trade, loans and other receivables		應收賬款、貸款及其他應收款項總計	333,262	275,433
Deposits and prepayments		按金及預付款項	84,669	96,167
			417,931	371,600
Non-current portion		非即期部分	109,690	111,880
Current portion		即期部分	308,241	259,720
			417,931	371,600

At the end of the reporting period, all of the trade, loans and other receivables, deposits and prepayments are expected to be recovered or recognised as expenses within one year, except for the non-current portion.

於報告期末，所有應收賬款、貸款及其他應收款項、按金及預付款項均預期於一年內予以收回或確認為開支，惟非即期部分除外。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(a) Trade and loans receivables

12. 應收賬款、貸款以及其他應收款項、按金及預付款項 (續)

(a) 應收賬款及貸款

			At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Trade receivables under the Gold Mining Operation	金礦開採業務下之應收賬款	(b)	14,340	35,754
Trade receivables under the Trading of Metals and Minerals	金屬及礦產貿易下之應收賬款	(c)	78,556	—
Trade and loans receivables under the Financial Services Operation	金融服務業務下之應收賬款及貸款	(d)	109,690	120,081
			202,586	155,835

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Trade receivables under the Gold Mining Operation

- (i) The ageing analysis of the trade receivables under the Gold Mining Operation (net of allowance for doubtful debts) based on invoice date at end of the reporting period is as follows:

Less than two months	少於兩個月
More than two months but less than four months	超過兩個月但少於四個月
More than four months but less than six months	超過四個月但少於六個月
More than six months but less than one year	超過六個月但少於一年
More than one year	超過一年

The Group generally requires the customers to make payment on the date of delivery of products or within 7 days after delivery of products. Credit term within several months which is determined by per-transaction basis with reference to the product is granted to the customers with high credibility.

12. 應收賬款、貸款以及其他應收款項、按金及預付款項 (續)

(b) 金礦開採業務下應收賬款

- (i) 於報告期末，金礦開採業務下應收賬款（已扣除呆賬撥備）根據發票日期之賬齡分析如下：

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
3,466	628
7,005	9,450
—	4,622
992	18,119
2,877	2,935
14,340	35,754

本集團一般要求客戶於產品交付日或產品交付後七日內作出付款。數月以內之信貸期，以每個交易為基礎，授予具有高信貸質素之客戶。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Trade receivables under the Gold Mining Operation (continued)

(ii) Impairment under HKFRS 9

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

At the end of the reporting period, trade receivables under the Gold Mining Operation that were neither past due nor impaired relate to certain independent customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to certain independent customers that have a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(b) 金礦開採業務下應收賬款 (續)

(ii) 根據香港財務報告準則第9號之減值

本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損（「預期信貸虧損」）。撥備率乃基於具有類似虧損模式（即按地區、產品類別、客戶類別及評級、信用證及其他信貸保險形式之保障劃分）之多個客戶分部組別逾期天數釐定。有關計量反映概率加權結果、貨幣之時間價值及於報告日期可獲得之有關過去事件、目前狀況及未來經濟狀況預測之合理可靠資料。

於報告期末，金礦開採業務下的應收賬款既未逾期亦未減值，與近期並無違約歷史的若干獨立客戶有關。已逾期但未減值的應收款項與在本集團有良好往績的若干獨立客戶有關。根據過去的經驗，管理層認為，由於信貸質量並未發生重大變化，因此這些結餘毋須計提減值撥備，且該等結餘仍視作可完全收回。本集團並無就該等結餘持有任何抵押品。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有列明者外，所有款項以港元列示)

12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade receivables under the Trading of Metals and Minerals

- (i) The ageing analysis of the trade receivables under the Trading of Metals and Minerals (net of allowance for doubtful debts) based on invoice date at end of the reporting period is as follows:

More than two months but less than four months 超過兩個月但少於四個月

The Group generally requires the customers to make payment on the date of delivery of products or within 7 days after delivery of products. Credit term within several months which is determined by per-transaction basis with reference to the product is granted to the customers with high credibility.

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(c) 金屬及礦產貿易下應收賬款

- (i) 於報告期末，金屬及礦產貿易下應收賬款（已扣除呆賬撥備）根據發票日期之賬齡分析如下：

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
78,556	—

本集團一般要求客戶於產品交付日或產品交付後七日內作出付款。數月以內之信貸期，以每個交易為基礎，授予具有高信貸質素之客戶。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(c) Trade receivables under the Trading of Metals and Minerals (continued)

(ii) Impairment under HKFRS 9

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

At the end of the reporting period, trade receivables under the Trading of Metals and Minerals that were neither past due nor impaired relate to certain independent customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to certain independent customers that have a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(c) 金屬及礦產貿易下應收賬款(續)

(ii) 根據香港財務報告準則第9號之減值

本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損(「預期信貸虧損」)。撥備率乃基於具有類似虧損模式(即按地區、產品類別、客戶類別及評級、信用證及其他信貸保險形式之保障劃分)之多個客戶分部組別逾期天數釐定。有關計量反映概率加權結果、貨幣之時間價值及於報告日期可獲得之有關過去事件、目前狀況及未來經濟狀況預測之合理可靠資料。

於報告期末，金屬及礦產貿易下的應收賬款既未逾期亦未減值，與近期並無違約歷史的若干獨立客戶有關。已逾期但未減值的應收款項與在本集團有良好往績的若干獨立客戶有關。根據過去的經驗，管理層認為，由於信貸質量並未發生重大變化，因此這些結餘毋須計提減值撥備，且該等結餘仍視作可完全收回。本集團並無就該等結餘持有任何抵押品。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(d) Trade and loans receivables under the Financial Services Operation

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(d) 金融服務業務下應收賬款及貸款

		At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Trade and loan receivables from other financial services business	其他金融服務業務應收賬款 及貸款	109,690	120,081

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(d) Trade and loans receivables under the Financial Services Operation (continued)

- (i) The following is an aged analysis of these trade and loans receivables (net of allowance for doubtful debts) from other financial services business under the Financial Services Operation based on the age of these receivables since the effective dates of the relevant contracts at end of the reporting period.

Less than one year	少於一年
More than one year	多於一年

12. 應收賬款、貸款以及其他應收款項、按金及預付款項 (續)

(d) 金融服務業務下應收賬款及貸款 (續)

- (i) 以下為金融服務業務下其他金融服務業務之應收賬款及貸款(已扣除呆賬撥備)的賬齡分析，為根據於報告期末自有關合約生效日期起此等應收賬款的賬齡計算。

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
—	3,723
109,690	116,358
109,690	120,081

12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)**(d) Trade and loans receivables under the Financial Services Operation** (continued)

(ii) Impairment under HKFRS 9

The Group applies general approach to measuring ECL for the trade and loan receivables from other financial services business as these business contained a significant financing component. ECLs are recognised in two stages. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(d) 金融服務業務下應收賬款及貸款 (續)

(ii) 根據香港財務報告準則第9號之減值

本集團採用了一般方法來計算有關包含了重大融資組成部份的其他金融服務業務應收賬款及貸款的預期信貸虧損。預期信貸虧損分兩個階段進行確認。對於自首次確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內（12個月預期信貸虧損）出現的違約事件計提撥備。對於自首次確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生（全期預期信貸虧損）。

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12. TRADE, LOANS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(d) Trade and loans receivables under the Financial Services Operation (continued)

(ii) Impairment under HKFRS 9 (continued)

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

12. 應收賬款、貸款以及其他應收款項、按金及預付款項

(續)

(d) 金融服務業務下應收賬款及貸款(續)

(ii) 根據香港財務報告準則第9號之減值(續)

於各報告日期，本集團評估自初步確認後金融工具的信貸風險是否大幅增加。於進行評估時，本集團比較報告日期金融工具發生違約的風險與金融工具在於首次確認日期時發生違約的風險，並考慮合理且可支持的信息（無需過多成本或努力即可獲得），包括歷史和前瞻性信息。

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13. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES

13. 現金及銀行結餘及客戶信託銀行結餘

		At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Cash at banks	銀行存款	51,213	67,974
Cash in hand	手頭現金	432	499
Cash and bank balances	現金及銀行結餘	51,645	68,473
Less: Restricted deposits in the bank balances	減：在銀行結餘中的 受限制資金	(30,749)	(37,186)
Cash and cash equivalents	現金及現金等價物	20,896	31,287
Client trust bank balances	客戶信託銀行結餘	2,067	2,355
		22,963	33,642

Restricted deposits are as follows:

受限制資金如下：

		At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Deposits restricted for payment for land reclamation	受限制用於支付土地 復墾的資金	27,273	28,042
Deposits restricted for payment for environmental governance	受限制用於支付 環境治理的資金	3,476	9,144
		30,749	37,186

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13. CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES (continued)

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from securities brokerage business transactions. The Group has classified the clients' deposits as client trust bank balances in the current assets and recognised the corresponding trade payables to the respective clients in the current liabilities, on the grounds that the Group is liable for any misappropriation of the respective clients' deposits as stipulated under the Hong Kong Securities and Futures Ordinance ("SFO"). The Group is not allowed to use the clients' monies to settle its own obligations under the SFO. As such, these monies are not included in cash and cash equivalents of the Group for cash flow purposes in the consolidated statement of cash flows.

The interest rates on cash at banks ranged from 0.001% to 0.35% (2019: 0.1% to 0.4%) per annum during the reporting period.

At 30 June 2020, the cash and bank balances of the Group denominated in RMB amounted to HK\$37,032,000 (31 December 2019: HK\$49,712,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

13. 現金及銀行結餘及客戶信託銀行結餘 (續)

本集團在認可金融機構持有信託及個別賬戶，以存放於證券經紀業務交易中產生之客戶存款。本集團須按香港證券及期貨條例（「證券及期貨條例」）規定，就挪用相關客戶存款負上責任，按此基礎本集團已將客戶存款分類為客戶信託銀行結餘，列於流動資產項下，並於流動負債下確認應付相關客戶之相應賬款。根據證券及期貨條例，本集團不可利用客戶資金償付本身債務。因此，該等款額乃於本集團之綜合現金流量表內不會載列為現金流量用途之現金及現金等價物。

於報告期內銀行存款之利率介乎每年0.001%至0.35%（二零一九年：0.1%至0.4%）。

於二零二零年六月三十日，本集團以人民幣為單位的現金及銀行結餘為37,032,000港元（二零一九年十二月三十一日：49,712,000港元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

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14. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES

14. 應付賬款及其他應付款項，及合同負債

			At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		Note 附註		
Trade payables	應付賬款	(a)	221,948	129,566
Accrued charges and other payables	預提費用及 其他應付款項		854,464	779,604
Financial liabilities measured at amortised cost	按攤銷成本計量之 金融負債		1,076,412	909,170
Deposits received on disposal of subsidiaries	出售附屬公司已 收按金		17,533	—
Receipts in advance	預收賬款		35,786	36,416
Trade and other payables	應付賬款及其他應付款項		1,129,731	945,586
Contract liabilities – receipts in advance from customers	合同負債 — 客戶預收賬款		57,181	38,698

In January 2020, the Group and a third party entered into an agreement under which the Group has agreed to dispose of and the third party has agreed to acquire 100% equity interests in certain subsidiaries for an aggregate consideration amounted to a maximum of HK\$23.10 million of which deposits totalled HK\$17.50 million were received by the Group during the period. Completion of the disposal of these subsidiaries has not taken place up to the end of the reporting period and the date of approval of these interim condensed consolidated financial statements. Details of the disposal of these subsidiaries are set out in the Company's published announcements dated 23 January 2020 and 14 February 2020.

於二零二零年一月，本集團與一名第三方訂立一項協議，據此，本集團同意出售而第三方同意收購若干附屬公司的100%股權，總代價最高為23.10百萬港元，其中按金合共17.50百萬港元由本集團於期內收取。出售該等附屬公司直至報告期末及批准本中期簡明綜合財務報表之日尚未完成。出售該等附屬公司的詳情載於本公司日期為二零二零年一月二十三日以及二零二零年二月十四日之已刊發公告。

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14. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES (continued)

The receipts in advance as at 30 June 2020 and 31 December 2019 represents mainly government grants received in advance.

The contract liabilities amounted to HK\$57,181,000 (31 December 2019: HK\$38,698,000) are expected to be recognised as revenue within the next financial year.

(a) Trade payables

Trade payables under the Gold Mining Operation	金礦開採業務下之應付賬款
Trade payables under the Trading of Metal and Minerals	金屬及礦產貿易下之應付賬款
Trade payables under the Financial Services Operation	金融服務業務下之應付賬款

14. 應付賬款及其他應付款項，及合同負債(續)

於二零二零年六月三十日及二零一九年十二月三十一日之預收賬款主要指預收的政府補助。

合同負債57,181,000港元(二零一九年十二月三十一日：38,698,000港元)預期確認為下一個財政年度內的收入。

(a) 應付賬款

	At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Note 附註		
(b)	141,352	127,214
(c)	78,531	—
(d)	2,065	2,352
	221,948	129,566

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14. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES (continued)

(b) Trade payables under the Gold Mining Operation

The ageing analysis of trade payables under the Gold Mining Operation based on invoice date at the end of the reporting period is as follows:

Less than three months	少於三個月
More than three months	超過三個月
but less than one year	但少於一年
More than one year	超過一年

14. 應付賬款及其他應付款項，及合同負債(續)

(b) 金礦開採業務下應付賬款

於報告期末，金礦開採業務下應付賬款根據發票日期之賬齡分析如下：

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
14,209	12,793
60,726	18,074
66,417	96,347
141,352	127,214

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14. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES (continued)

(c) Trade payables under the Trading of Metal and Minerals

The ageing analysis of trade payables under the Trading of Metal and Minerals based on invoice date at the end of the reporting period is as follows:

More than three months but less than one year	超過三個月 但少於一年
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14. 應付賬款及其他應付款項，及合同負債(續)

(c) 金屬及礦產貿易下應付賬款

於報告期末，金屬及礦產貿易下應付賬款根據發票日期之賬齡分析如下：

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
78,531	—

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14. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES (continued)

(d) Trade payables under the Financial Services Operation

Trade payables from	證券經紀業務
securities brokerage business:	應付賬款：
– Cash clients	– 現金客戶

The settlement terms of trade payables from securities brokerage business are two days after the trade date. Trade payables to cash clients also include those payables placed in trust and segregated accounts with authorised institutions. No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of these trade payables.

14. 應付賬款及其他應付款項，及合同負債(續)

(d) 金融服務業務下應付賬款

At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
2,065	2,352

證券經紀業務之應付賬款之還款期為交易日後兩日。應付現金客戶賬款亦包括存放於認可機構之獨立信託賬戶之應付賬款。鑒於此等應付賬款之性質，賬齡分析不會提供額外價值，因此並無披露賬齡分析。

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15. BANK AND OTHER BORROWINGS

- (a) As at 30 June 2020, the Group had secured bank and other borrowings of HK\$1,483,260,000 (31 December 2019: HK\$1,594,393,000) and unsecured bank and other borrowings of HK\$1,620,405,000 (31 December 2019: HK\$1,646,896,000), including unsecured loans from related parties (details are set out in note 20(a)).
- (b) As at 30 June 2020, the Group's unsecured bank and other borrowings of HK\$91 million (31 December 2019: HK\$93 million) were guaranteed by certain subsidiaries and the Company, certain executive directors of the Company and a senior management staff of a subsidiary (note 20(a)).
- (c) The range of effective interest rates on the Group's fixed rate and variable rate of the bank and other borrowings are 3% to 24% (31 December 2019: 4% to 24%) and 8% to 9% (31 December 2019: 8% to 9%) respectively.

15. 銀行及其他貸款

- (a) 於二零二零年六月三十日，本集團擁有已抵押銀行及其他貸款1,483,260,000港元(二零一九年十二月三十一日：1,594,393,000港元)以及無抵押銀行及其他貸款1,620,405,000港元(二零一九年十二月三十一日：1,646,896,000港元)(包括來自關連方的無抵押貸款)(詳情載於附註20(a))。
- (b) 於二零二零年六月三十日，本集團的無抵押銀行及其他貸款91百萬港元(二零一九年十二月三十一日：93百萬港元)由若干附屬公司及本公司、本公司若干執行董事及附屬公司一名高級管理人員提供擔保(附註20(a))。
- (c) 本集團的銀行及其他貸款的固定利率及浮動利率的實際利率範圍分別為3%至24%(二零一九年十二月三十一日：4%至24%)及8%至9%(二零一九年十二月三十一日：8%至9%)。

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16. CONVERTIBLE BONDS

The 2021 Convertible Bonds

二零二一年可換股債券

At 31 December 2019 and 1 January 2020 (audited)	於二零一九年十二月三十一日 及二零二零年一月一日(經審核)
Conversion into shares of the Company	轉換為本公司股份
Interest expense charged to condensed consolidated statement of profit or loss (note 6(a))	計入簡明綜合損益表 之利息開支(附註6(a))
Interest paid	利息支付
Fair value gain (note 6(a))	公平值收益(附註6(a))
At 30 June 2020 (unaudited)	於二零二零年六月三十日(未經審核)

(a) The convertible bonds bear interest at 8% per annum with effect from and including 4 August 2019. The other key terms of the convertible bonds are further detailed in the Company's consolidated financial statements for the year ended 31 December 2019 and will be mature on 30 September 2021 (the "2021 Convertible Bonds"). Accordingly, the liability component and derivatives were classified as non-current liabilities as at 30 June 2020.

During the reporting period, convertible bonds with an aggregate principal amount of HK\$543,408 were converted into 6,175,088 new ordinary shares of the Company of HK\$0.001 each (note 17(a)). At 30 June 2020, the outstanding principal amount of the convertible bonds was approximately HK\$303 million.

16. 可換股債券

Liability component	Derivatives	Total
負債部分	衍生工具	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
272,391	55,802	328,193
(488)	(100)	(588)
22,567	—	22,567
(15,941)	—	(15,941)
—	(38,147)	(38,147)
278,529	17,555	296,084

(a) 可換股債券自二零一九年八月四日(包括該日)起按年利率8厘計息。可換股債券的其他主要條款進一步詳述於本公司截至二零一九年十二月三十一日止年度的綜合財務報表，並將於二零二一年九月三十日到期(「二零二一年可換股債券」)。因此，於二零二零年六月三十日，負債部分及衍生工具分類為非流動負債。

於報告期內，總本金額為543,408港元的可換股債券獲兌換為本公司每股面值0.001港元的6,175,088股新普通股(附註17(a))。於二零二零年六月三十日，可換股債券之未償還本金額約為303百萬港元。

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16. CONVERTIBLE BONDS (continued)

- (b) At 30 June 2020 and 31 December 2019, the fair values of derivatives of the 2021 Convertible Bonds were determined based on the valuation performed by an independent firm of professional valuers with recognised qualifications and experiences using Binomial option pricing model. The derivatives of the 2021 Convertible Bonds represent the option of the bondholders to convert the 2021 Convertible Bonds into the Company's ordinary shares and put options which the bondholders are entitled to request the Company to redeem certain amounts of the 2021 Convertible Bonds at specified dates in accordance to the terms of the 2021 Convertible Bonds. Fair value gain on derivative financial instruments of the 2021 Convertible Bonds of HK\$38,147,000 was recognised for the reporting period. The following assumptions are used to calculate the respective fair values of the derivatives:

16. 可換股債券 (續)

- (b) 於二零二零年六月三十日及二零一九年十二月三十一日，二零二一年可換股債券衍生工具之公平值乃由具有認可資質及經驗的獨立專業估值機構利用二項式期權定價模式作出之估值釐定。二零二一年可換股債券衍生工具指債券持有人有權選擇將二零二一年可換股債券轉換為本公司普通股及債券持有人享有認沽權可要求本公司按二零二一年可換股債券之條款於指定日期贖回若干數額二零二一年可換股債券。於報告期間，二零二一年可換股債券之衍生金融工具公平值收益38,147,000港元被確認。下列假設乃用於計算各衍生工具之公平值：

		At 30 June 2020 於二零二零年 六月三十日	At 31 December 2019 於二零一九年 十二月三十一日
Share price (HK\$)	股價 (港元)	0.03	0.049
Conversion price (HK\$)	兌換價 (港元)	0.071	0.088
Expected remaining life of the convertible bonds (years)	可換股債券預期剩餘 年期 (年)	1.25	1.75
Expected volatility (%)	預期波動 (%)	76	82
Risk free rate (%)	無風險利率 (%)	0.23	1.75
Expected dividend yield (%)	預期股息率 (%)	0	0
Discount rate (%)	貼現率 (%)	17.69	16.53

16. CONVERTIBLE BONDS (continued)

During the six months ended 30 June 2020, as the arithmetic average of the volume weighted average price of the shares for the last 20 consecutive trading days immediately prior to the relevant reset reference date of 31 March 2020 (being HK\$0.0443 per Share) is less than the prevailing conversion price (being HK\$0.088 per Share) and the reset floor price (being HK\$0.071 per Share), the conversion price has been adjusted to HK\$0.071 per Share, being the benchmark price, with effect from 31 March 2020.

As at 31 March 2020, the total outstanding principal amount of the convertible bonds is HK\$302,678,131. In the event that the convertible bonds are fully converted at the adjusted conversion price of HK\$0.071 per Share, an aggregate of 4,263,072,267 shares will be issued, representing approximately 71.75% of the total issued share capital of the Company as at 31 March 2020 and approximately 41.77% of the issued share capital of the Company as enlarged by the issue of the conversion shares.

16. 可換股債券 (續)

截至二零二零年六月三十日止六個月，由於股份於緊接有關重訂參考日期（二零二零年三月三十一日）前最後連續20個交易日之成交量加權平均價之算術平均值（即每股0.0443港元）低於現行換股價（每股0.088港元）及重訂下限價（即每股0.071港元），故換股價已作調整至每股0.071港元，即基準價格，自二零二零年三月三十一日起生效。

於二零二零年三月三十一日，可換股債券之未償還本金總額為302,678,131港元。倘可換股債券按經調整換股價每股0.071港元獲悉數兌換，合共將發行4,263,072,267股股份，相當於本公司於二零二零年三月三十一日已發行股本總額約71.75%及本公司經發行換股股份擴大後之已發行股本約41.77%。

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16. CONVERTIBLE BONDS (continued)

Details of the change of conversion price of the convertible bond are set out in (i) the circular of the Company dated 9 August 2019 in relation to, among other things, the proposed amendment of Terms and Conditions and Trust Deed of the Bonds; and (ii) the announcement of the Company dated 27 August 2019 in relation to the poll results of the special general meeting and the effectiveness of the new proposal in relation to the Bonds and (iii) the announcement of the Company dated 31 March 2020 in relation of the reset of conversion price.

Subsequent to the end of the reporting period, the conversion price of the 2021 Convertible Bonds was adjusted from HK\$0.071 to HK\$1.42 as a result of the Share Consolidation with effect from 10 August 2020, details of which set out in note 17(b).

16. 可換股債券 (續)

可換股債券換股價變動之詳情載於 (i) 本公司日期為二零一九年八月九日之通函，內容有關 (其中包括) 債券之條款及條件以及信託契據之建議修訂；(ii) 本公司日期為二零一九年八月二十七日之公告，內容有關股東特別大會投票表決結果及有關債券之新建議事項生效；及 (iii) 本公司日期為二零二零年三月三十一日之公告，內容有關重訂換股價。

於報告期末後，二零二一年可換股債券之換股價已因股份合併由 0.071 港元調整至 1.42 港元，自二零二零年八月十日起生效，詳情載於附註 17(b)。

17. SHARE CAPITAL

17. 股本

		Number of shares 股份數目	
Note 附註		'000 千股	HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.001 each at 31 December 2019, 1 January 2020 and 30 June 2020	於二零一九年十二月三十一日、二零二零年一月一日及二零二零年六月三十日之每股面值0.001港元普通股	50,000,000	50,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.001 each at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日之每股面值0.001港元普通股	5,935,722	5,936
Share issued upon conversion of convertible bonds	於兌換可換股債券時已發行股份	(a) 6,176	6
Ordinary shares of HK\$0.001 each at 30 June 2020	於二零二零年六月三十日之每股面值0.001港元普通股	5,941,898	5,942

17. SHARE CAPITAL (continued)

- (a) During the six months ended 30 June 2020, convertible bonds with an aggregate principal amount of HK\$543,408 were converted into 6,175,088 new ordinary shares of the Company of HK\$0.001 each (note 16).
- (b) On 29 June 2020, the Company proposed to implement the capital reorganisation (the "Capital Reorganisation") which comprised the following:
- (i) the share consolidation on the basis of every twenty (20) issued and unissued existing shares of par value HK\$0.001 each into one (1) Consolidated Share of par value HK\$0.02 each;
 - (ii) the capital reduction by way of a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.019 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.02 to HK\$0.001; and
 - (iii) the share subdivision of each authorised but unissued Consolidated Share of HK\$0.02 (including those arising from the Capital Reduction) into twenty (20) adjusted shares of HK\$0.001 each.

Subsequent to the end of the reporting period, the proposed Capital Reorganisation was approved in the special general meeting held on 6 August 2020. The Capital Reorganisation has become effective on 10 August 2020. The number of issued ordinary shares was reduced from 5,941,898,079 to 297,094,903 upon the completion of the share consolidation. The consolidated shares rank pari passu in all respects with each other. A credit of approximately HK\$5,644,803 arisen from the capital reduction was transferred from the share capital account to the contributed surplus account of the Company. Details of the above are set out in the Company's circular dated 21 July 2020 and the Company's announcements dated 29 June 2020, 14 July 2020, 21 July 2020, 6 August 2020 and 10 August 2020.

17. 股本 (續)

- (a) 於截至二零二零年六月三十日止六個月，總本金額為543,408港元的可換股債券兌換為本公司每股面值0.001港元的6,175,088股新普通股(附註16)。
- (b) 於二零二零年六月二十九日，本公司建議實施股本重組(「股本重組」)，當中包括以下事項：
- (i) 按每二十(20)股每股面值0.001港元的已發行及未發行現有股份合併為每一(1)股面值0.02港元的合併股份之基準進行的股份合併；
 - (ii) 透過註銷本公司繳足股本(以每股已發行合併股份0.019港元為限)削減本公司的已發行股本，致使每股已發行合併股份的面值由0.02港元削減至0.001港元的股本削減；及
 - (iii) 將每股面值0.02港元的法定但未發行合併股份(包括股本削減產生的合併股份)拆細為二十(20)股每股面值0.001港元的經調整股份的股份拆細。

於報告期末後，建議股本重組於二零二零年八月六日舉行的特別股東大會上獲批准。股本重組已於二零二零年八月十日生效。股份合併完成後，已發行普通股數目由5,941,898,079股減至297,094,903股。合併股份在所有方面將各自享有同等權益。股本削減產生之進賬約5,644,803港元已從股本賬目撥入本公司之實繳盈餘賬。上述詳情載於本公司日期為二零二零年七月二十一日之通函及本公司日期為二零二零年六月二十九日、二零二零年七月十四日、二零二零年七月二十一日、二零二零年八月六日及二零二零年八月十日之公告內。

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18. PLEDGE OF ASSETS

The Group's assets which have been pledged to secure bank and other borrowings (note 15) are as follows:

Intangible assets – mining rights	無形資產 – 採礦權
Fixed assets	固定資產
Investments in equity instruments at FVTOCI	透過其他全面收益按公平值列賬之股本工具投資
Pledged deposits	已抵押存款

18. 資產抵押

已用於抵押有關銀行及其他貸款的本集團資產如下(附註15)：

		At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Note 附註			
10(b)		5,502,535	5,592,814
11(b)		702,059	721,534
		348,426	293,964
		16,454	106,286
		6,569,474	6,714,598

Except as disclosed above, as at 30 June 2020, all issued shares of two (31 December 2019: two) and 49% issued shares of two (31 December 2019: two) subsidiaries of the Company were subject to share charge as security pledged for the Group's bank and other borrowings (note 15).

除上述所披露者外，於二零二零年六月三十日，本公司兩間(二零一九年十二月三十一日：兩間)附屬公司之所有已發行股份及兩間(二零一九年十二月三十一日：兩間)附屬公司之49%已發行股份已用作於抵押本集團之銀行及其他貸款(附註15)。

19. CAPITAL COMMITMENTS

As at 30 June 2020, the Group had commitments contracted but not provided in the condensed consolidated financial statements in respect of the acquisitions of gold mining and exploration rights of HK\$13,711,000 (31 December 2019: HK\$13,985,000) and fixed assets of HK\$111,821,000 (31 December 2019: HK\$86,792,000) and investment in unlisted equity investment funds of HK\$35,112,000 (31 December 2019: HK\$43,644,000).

19. 資本承擔

於二零二零年六月三十日，本集團就以下各項擁有已訂約但未計入簡明綜合財務報表的承擔：收購金礦採礦及探礦權13,711,000港元(二零一九年十二月三十一日：13,985,000港元)、固定資產111,821,000港元(二零一九年十二月三十一日：86,792,000港元)及非上市股權投資基金投資35,112,000港元(二零一九年十二月三十一日：43,644,000港元)。

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20. RELATED PARTY TRANSACTIONS

- (a) During the reporting period, the Group had the following related party transactions:
- (i) During the reporting period, Mr. Zhang Lirui (an executive director of the Company) and his spouse, Mr. Liu Liyang (who was appointed as an executive director of the Company on 13 October 2015 and resigned on 24 October 2018), Mr. Yi Shuhao (chairman and an executive director of the Company) and certain senior management staff of the subsidiaries of the Company have provided certain joint personal guarantees for bank and other borrowings facilities granted to the Group with an aggregate amount of approximately HK\$394 million (2019: HK\$294 million) (note 15).
- (ii) During the reporting period, Mr. Zhang Lirui (an executive director of the Company) have provided personal guarantee for bank and other borrowings facilities amounted to HK\$48 million (2019: HK\$49 million) granted to the Group.

20. 關連人士交易

- (a) 於報告期間內，本集團進行下列關連人士交易：
- (i) 於報告期內，張利銳先生(本公司執行董事)及其配偶、劉力揚先生(於二零一五年十月十三日獲委任為本公司執行董事並於二零一八年十月二十四日辭任)、易淑浩先生(本公司主席兼執行董事)及本公司附屬公司之若干名高級管理層員工就本集團獲授之銀行及其他貸款融資總額約394百萬港元(二零一九年：294百萬港元)提供若干聯席個人擔保(附註15)。
- (ii) 於報告期內，張利銳先生(本公司執行董事)就本集團獲授之銀行及其他貸款融資48百萬港元(二零一九年：49百萬港元)提供個人擔保。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (iii) In addition to the transactions detailed above, the Group had the following transactions and balances with related parties during the six months ended 30 June 2020:

Related parties transactions:

20. 關連人士交易 (續)

(a) (續)

- (iii) 除以上詳述的交易外，本集團於截至二零二零年六月三十日止六個月還與關聯方進行了以下交易及餘額：

關聯人士交易：

			Six months ended 30 June 截至六月三十日止六個月	
			2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
		Note 附註		
1. Liu Shiwei 柳士威	Interest expenses of providing financial assistance 提供財務資助之利息費用	(1)	366	335
2. Grace Silver Limited 瑞盈有限公司	Interest expenses of providing financial assistance 提供財務資助之利息費用	(1)	—	231
3. Easyhome Financial Holding Co., Ltd. * 居然之家金融控股有限公司	Interest expenses of providing financial assistance 提供財務資助之利息費用	(2)	4,055	4,144
4. Shenzhen Rui Ying Equity Investment Fund Management Co., Ltd.* 深圳睿盈股權投資基金管理有限公司	Interest expenses of providing financial assistance 提供財務資助之利息費用	(3)	6	—
5. Koo Yuen Kim 古潤金	Interest expenses of providing financial assistance 提供財務資助之利息費用	(4)	3,740	2,507
6. Shenzhen Rui Au Jian Investment Fund Partnership (Limited Partnership)* 深圳睿安建投資基金合夥企業(有限合夥)	Interest expenses of providing financial assistance 提供財務資助之利息費用	(5)	7,080	4,877

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Outstanding balances with related parties:

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

關聯方往來餘額：

				At 30 June 2020 於二零二零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		Note 附註			
1.	Liu Shiwei 柳士威	Other Borrowing 其他貸款	(1)	8,690	10,190
		Interest Payable 應付利息	(1)	595	229
2.	Easyhome Financial Holding Co., Ltd.* 居然之家金融 控股有限公司	Other Borrowing 其他貸款	(2)	80,509	82,116
		Interest Payable 應付利息	(2)	14,199	10,388
3.	Shenzhen Rui Ying Equity Investment Fund Management Co., Ltd.* 深圳睿盈股權投資基金 管理有限公司	Other Borrowing 其他貸款	(3)	—	280
		Interest Payable 應付利息	(3)	10	4
4.	Koo Yuen Kim 古潤金	Other Borrowing 其他貸款	(4)	100,000	100,000
		Interest Payable 應付利息	(4)	11,544	7,804
5.	Shenzhen Rui An Jian Investment Fund Partnership (Limited Company)* 深圳市睿安健投資 基金合夥企業 (有限公司)	Other Borrowing 其他貸款	(5)	92,436	94,281
		Interest Payable 應付利息	(5)	25,256	18,611

* The English name is for identification purpose only.

* 英文名稱僅供識別之用

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes:

- (1) As at 30 June 2020 and 31 December 2019, Mr. Liu Shiwei ("Mr. Liu SW") holds 365,477,181 shares by virtue of his personal interest. Ms. Guan Yuyan, being Mr. Liu's spouse, has interest of 1,305,038,799 shares in the Company via her wholly-owned controlled corporation Grace Silver Limited. Accordingly, Mr. Liu SW is also taken to be interested in 1,305,038,799 shares via his spouse. Accordingly, as at 30 June 2020 and 31 December 2019, Mr. Liu SW is deemed to be interested in approximately 28.11% and 28.14%, respectively of the issued share capital of the Company.

Mr. Liu SW and Grace Silver Limited were among the underwriters of the Rights Issue of the Company completed on 26 September 2018. Upon the completion of the Rights Issue, Mr. Liu SW and Grace Silver Limited became substantial shareholders of the Company.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：

- (1) 於二零二零年六月三十日及二零一九年十二月三十一日，柳士威先生（「柳士威先生」）藉由其個人權益持有365,477,181股股份。官玉燕女士為柳先生之配偶，通過其全資擁有之受控法團瑞盈有限公司於本公司1,305,038,799股股份中擁有權益。因此，柳士威先生亦被視為通過其配偶於1,305,038,799股股份中擁有權益。因此，於二零二零年六月三十日及二零一九年十二月三十一日，柳士威先生視為擁有本公司已發行股本分別約28.11%及28.14%。

柳士威先生和瑞盈有限公司在二零一八年九月二十六日本公司完成的供股中分別作為包銷商之一。在供股完成後，柳士威先生及瑞盈有限公司成為本公司主要股東。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

(1) (continued)

On 1 March 2018, Mr. Liu SW granted loans of HK\$80 million to the Group. On 24 May 2018, Grace Silver Limited granted loans of HK\$329 million to the Group. The loan from Mr. Liu SW ("Mr. Liu SW Loans") was charged at interest rate of 7.5% per annum. The loans from Grace Silver Limited ("Grace Silver Loans") were charged at interest rates 12% and 15% per annum. These loans were unsecured and have repayment terms ranged from 3 months to 1 year.

Part of the Mr. Liu SW Loans of HK\$40 million and part of the Grace Silver Loans of HK\$287 million were set off with the subscription price payable by Mr. Liu SW and Grace Silver Limited in Rights Issue, respectively in September 2018.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

(1) (續)

於二零一八年三月一日，柳士威先生向本集團授出80百萬港元之貸款。於二零一八年五月二十四日，瑞盈有限公司向本集團授出329百萬港元之貸款。柳士威先生所授出之貸款（「柳士威先生貸款」）實際利率為每年7.5%。瑞盈有限公司所授出之貸款（「瑞盈貸款」）實際利率為每年12%和15%。上述貸款均無抵押及還款期為3個月至1年。

柳士威先生貸款的一部分40百萬港元及瑞盈貸款的一部分287百萬港元，於二零一八年九月供股中分別與柳士威先生及瑞盈有限公司之應付認購價抵銷。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

(1) (continued)

On 7 December 2018, 19 December 2018, 24 September 2019, 30 September 2019 and 1 April 2020, Mr. Liu SW granted loans, of HK\$14 million in aggregate to the Group. The loans, were charged at an interest rate of 7.5% per annum, unsecured and has a repayment term of 1 year.

Settlements to Mr. Liu SW in HK\$2.5 million, HK\$12.8 million and HK\$30 million were made during the six months ended 30 June 2020, year ended 31 December 2019 and 2018 respectively.

Settlements to Grace Silver Limited in HK\$4 million and HK\$38 million were made during the year ended 31 December 2019 and 2018 respectively.

The above loans are fully exempted connected transactions under Chapter 14A of the Listing Rules.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

(1) (續)

於二零一八年十二月七日、二零一八年十二月十九日、二零一九年九月二十四日、二零一九年九月三十日及二零二零年四月一日，柳士威先生向本集團授出合計14百萬港元之貸款，該等貸款利率為每年7.5%，無抵押及還款期為1年。

截至二零二零年六月三十日止六個月及截至二零一九年及二零一八年十二月三十一日止年度，已向柳士威先生分別償還2.5百萬港元、12.8百萬港元及30百萬港元。

截至二零一九年及二零一八年十二月三十一日止年度，已向瑞盈公司分別償還4百萬港元及38百萬港元。

根據上市規則第十四A章，上述貸款為全面獲豁免關聯交易。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

- (2) Easyhome Financial Holding Co., Ltd and China Home Hong Kong Limited are wholly-owned by Beijing Easyhome Investment Holding Group Co., Ltd. China Home Hong Kong Limited directly holds 643,061,087 shares in of the issued share capital of the Company as 30 June 2020 and 31 December 2019. Beijing Easyhome Investment Holding Group Co., Ltd. is deemed to hold 643,061,087 shares, representing 10.82% and 10.83%, respectively of the issued share capital of the Company as at 30 June 2020 and 31 December 2019.

China Home Hong Kong Limited became a substantial shareholder of the Company in September 2018.

On 15 June 2018, Easyhome Financial Holding Co., Ltd granted a loan of HK\$ 228 million to the Group. The loan was charged at an interest rate of 10% per annum, unsecured and has a repayment term of 1 year or payable on demand. No settlements made in six months ended 30 June 2020 and year ended 31 December 2019 and a settlement of HK\$144 million was made during the year ended 31 December 2018.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

- (2) 居然之家金融控股有限公司及華居(香港)有限公司由北京居然之家投資控股集團有限公司全資擁有。於二零二零年六月三十日及二零一九年十二月三十一日，華居(香港)有限公司直接持有本公司已發行股本中的643,061,087股股份。北京居然之家投資控股集團有限公司被視為持有643,061,087股股份，分別佔於二零二零年六月三十日及二零一九年十二月三十一日本公司已發行股本之10.82%及10.83%。

華居(香港)有限公司於二零一八年九月成為本公司主要股東。

於二零一八年六月十五日，居然之家金融控股有限公司向本集團授出一筆228百萬港元之貸款。該筆貸款實際利率為每年10%，無抵押及還款期為1年或按要要求還款。截至二零二零年六月三十日止六個月及截至二零一九年十二月三十一日止年度內沒有償還該筆貸款。於截至二零一八年十二月三十一日止年度內該筆貸款已償還144百萬港元。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

(2) (continued)

The above loan is a fully exempted connected transaction under Chapter 14A of the Listing Rules.

(3) Shenzhen Rui Ying Equity Investment Fund Management Co., Ltd. is wholly and beneficially owned by Grace Sliver Limited, a substantial shareholder of the Company since September 2018.

On 28 November 2019, Shenzhen Rui Ying Equity Investment Fund Management Co., Ltd. granted a loan of HK\$0.3 million to the Group. The loan was charged at an interest rate of 15% per annum, unsecured and has a repayment term of 3 months. The loan was fully settled during the six months ended 30 June 2020.

The above loan is a fully exempted connected transaction under Chapter 14A of the Listing Rules.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

(2) (續)

根據上市規則第十四A章上述貸款為全面獲豁免關連交易。

(3) 自二零一八年九月，深圳睿盈股權投資基金管理有限公司由本公司之主要股東瑞盈有限公司全資及實際擁有。

於二零一九年十一月二十八日，深圳睿盈股權投資基金管理有限公司向本集團授出一筆0.3百萬港元之貸款。該筆貸款實際利率為每年15%，無抵押及還款期為3個月。截至二零二零年六月三十日止六個月，該筆貸款已全部償清。

根據上市規則第十四A章上述貸款為全面獲豁免關聯交易。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

- (4) Mr. Koo Yuen Kim holds 595,258,945 shares by virtue of his personal interest and 16,086,782 shares through his wholly owned corporation Golden Eagle (Asia) Investment Limited. Mr. Koo Yuen Kim is deemed to be interested in approximately 10.29% and 10.30%, respectively of the issued share capital of the Company as at 30 June 2020 and 31 December 2019.

Mr. Koo Yuen Kim was one of underwriters of the Rights Issue of the Company completed on 26 September 2018. Upon the completion of the Rights Issue, Mr. Koo Yuen Kim became a substantial shareholder of the Company.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

- (4) 古潤金先生藉由其個人權益持有595,258,945股股份，並通過其全資擁有之受控法團金鷹（亞洲）投資有限公司於16,086,782股股份中擁有權益。於二零二零年六月三十日及二零一九年十二月三十一日，古潤金先生視為擁有本公司已發行股本分別約10.29%及10.30%。

古潤金先生在二零一八年九月二十六日本公司完成的供股中作為包銷商之一。在供股完成後，古潤金先生成為本公司之主要股東。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

(4) (continued)

On 1 March 2019, Mr. Koo Yuen Kim granted loans of HK\$100 million to the Group. The loan was charged at an interest rate of 7.5% per annum, unsecured and has a repayment term of 1 year or payable on demand.

The above loan is a fully exempted connected transaction under Chapter 14A of the Listing Rules.

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

(4) (續)

於二零一九年三月一日，古潤金先生向本集團授出一筆100百萬港元之貸款。該筆貸款利率為每年7.5%，無抵押及還款期為1年或應要求支付。

根據上市規則第十四A章上述貸款為全面獲豁免關連交易。

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20. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(iii) (continued)

Notes: (continued)

- (5) Shenzhen Rui An Jian Investment Fund Partnership (Limited Partnership) is 50% indirectly owned by Grace Sliver Limited, a substantial shareholder of the Company.

On 22 February 2019, Shenzhen Rui An Jian Investment Fund Partnership (Limited Partnership) was novated a loan of HK\$92 million in Principal, together with accrued interest. The loan was charged at an interest rate of 15% per annum, unsecured and has a repayment term of approximately 1 year or payable on demand.

The above loan is a fully exempted connected transaction under Chapter 14A of the Listing Rules.

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors, is as follows:

Short-term employee benefits 短期僱員福利
Post-employment benefits 離職福利

20. 關連人士交易 (續)

(a) (續)

(iii) (續)

附註：(續)

- (5) 深圳市睿安建投資基金合夥企業(有限合夥)由本公司之主要股東瑞盈有限公司50%間接擁有。

於二零一九年二月二十二日，一筆92百萬港元之貸款本金連同應付利息債權更替至深圳市睿安建投資基金合夥企業(有限合夥)。該筆貸款利率為每年15%，無抵押及還款期為約1年或應要求支付。

根據上市規則第十四A章上述貸款為全面獲豁免關連交易。

(b) 主要管理人員酬金

主要管理人員酬金(包括支付予本公司董事之款項)如下：

Six months ended 30 June 截至六月三十日止六個月

2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
1,275	1,500
46	45
1,321	1,545

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21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities carried at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value 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 valuations: Fair value measured using significant unobservable inputs.

21. 金融工具的公平值計量

(a) 按公平值列賬的金融資產及負債

公平值階層

下表呈列於報告期末按經常性基準計量的本集團金融工具的公平值，分類為香港財務報告準則第13號「公平值計量」所界定的三級公平值階層。公平值計量歸類的階層經參考估值技術中使用的輸入參數的可觀察性及重要性釐定如下：

- 第一階層估值：公平值僅按第一階層輸入數據（即相同資產或負債於計量日期在活躍市場的未經調整報價）計算。
- 第二階層估值：公平值利用第二階層輸入數據（即未能達到第一階層且並無利用重大不可觀察輸入數據的可觀察輸入數據）計算。不可觀察輸入數據為無法獲得市場數據的輸入數據。
- 第三階層估值：公平值利用重大不可觀察輸入數據計量。

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21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities carried at fair value (continued)

Fair value hierarchy (continued)

Recurring fair value measurements

Assets/(Liabilities):

Investments in equity instruments at fair value through other comprehensive income	經常性公平值計量 資產／(負債)： 透過其他全面收益 按公平值列賬之股本 工具投資
Derivative financial instruments	衍生金融工具

There were no transfers between instruments in all levels during the six months ended 30 June 2020.

An independent valuation company with appropriate recognised professional qualifications is engaged to value the derivative financial instruments at each financial reporting period. Appropriate valuation methods and assumptions with reference to market conditions existing at each financial reporting period to determine the fair value of the derivative financial instruments are adopted.

21. 金融工具的公平值計量 (續)

(a) 按公平值列賬的金融資產及負債 (續)

公平值階層 (續)

At 30 June 2020 於二零二零年六月三十日 Level 2 第2級 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2019 於二零一九年十二月三十一日 Level 2 第2級 (Audited) (經審核) HK\$'000 千港元
348,426	293,964
(17,555)	(55,802)

截至二零二零年六月三十日止六個月，工具於所有等級之間並無進行轉移。

於每個財務報告期間，本公司委聘一獨立估值公司（具有獲適當認可之專業資格）對衍生金融工具進行估值。為釐定衍生金融工具的公平值，須參照於每個財務報告期間的現行市況，採納適當估值方法和假設。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有列明者外，所有款項以港元列示)

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments at 30 June 2020 carried at amortised cost are not materially different from their fair values as at that date except for the convertible bonds. As at 30 June 2020, the fair value of the convertible bonds which amounted to approximately HK\$279,157,000 (31 December 2019: HK\$270,475,000), with the book value carrying amount of approximately HK\$278,529,000 (31 December 2019: HK\$272,391,000) is categorised into Level 2 (31 December 2019: Level 2) fair value measurement.

22. COMPARATIVE FIGURES

The Group's loss per share for the comparative six months ended 30 June 2019 has been restated, details of which are set out in note 9.

23. EVENTS AFTER THE REPORTING PERIOD

Save as those disclosed elsewhere in these interim condensed consolidated financial statements, the Group had no significant events subsequent to the end of the reporting period and up to the date of approval of the interim condensed consolidated financial statements.

21. 金融工具的公平值計量 (續)

(b) 按公平值以外列賬之金融資產及負債之公平值

本集團於二零二零年六月三十日按攤銷成本列賬之金融工具之賬面值與其於該日之公平值並無存在重大差異，惟可換股債券除外。於二零二零年六月三十日，可換股債券之公平值約為279,157,000港元(二零一九年十二月三十一日：270,475,000港元)，賬面值約為278,529,000港元(二零一九年十二月三十一日：272,391,000港元)，分類為第二級(二零一九年十二月三十一日：第二級)公平值計量。

22. 比較數據

本集團截至二零一九年六月三十日止六個月之比較期間的每股虧損已重列，詳情載於附註9。

23. 報告期後事項

除本中期簡明綜合財務報表其他地方所披露者外，本集團於報告期末後及直至中期簡明綜合財務報表之批准日期並無重大事項。

INDEPENDENT AUDITOR'S REVIEW REPORT

獨立核數師之審閱報告



CCTH CPA LIMITED
中正天恆會計師有限公司

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Bay Area Gold Group Limited (formerly known as Munsun Capital Group Limited)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of Bay Area Gold Group Limited (formerly known as Munsun Capital Group Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 66, which comprise the condensed consolidated statement of financial position as at 30 June 2020 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

中期簡明綜合財務報表審閱報告

致灣區黃金集團有限公司
(前稱麥盛資本集團有限公司)
董事會

引言

吾等已審閱於第4至66頁所載灣區黃金集團有限公司(前稱麥盛資本集團有限公司)(「貴公司」)及其附屬公司(統稱「貴集團」)之中期簡明綜合財務報表,包括於二零二零年六月三十日之簡明綜合財務狀況表以及截至該日止六個月期間之相關簡明綜合損益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及若干解釋附註。《香港聯合交易所有限公司證券上市規則》規定必須編製符合上市規則中之相關規定及香港會計師公會頒佈之《香港會計準則》第34號「中期財務報告」(「香港會計準則第34號」)之中期財務資料之報告。貴公司董事須負責按照香港會計準則第34號編製及列報該等中期簡明綜合財務報表。吾等之責任是根據吾等之審閱對該等中期簡明綜合財務報表發表結論,並按照吾等協定之委聘條款,僅向閣下(作為整體)報告,除此之外並無其他目的。吾等概不就本報告內容對任何其他人士負責或承擔任何責任。

INDEPENDENT AUDITOR'S REVIEW REPORT

獨立核數師之審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

審閱範圍

吾等按照香港會計師公會頒佈之《香港審閱工作準則》第2410號「實體的獨立核數師執行中期財務資料審閱」進行審閱。該等中期簡明綜合財務報表審閱工作包括主要向負責財務和會計事宜之人員作出查詢，並進行分析和其他審閱程序。審閱之範圍遠較按照香港核數準則進行審核之範圍為小，所以不能保證吾等會注意到在審核中可能會被發現之所有重大事項。因此，吾等不發表審核意見。

結論

依照吾等之審閱結果，吾等並無察覺任何事項，令吾等相信中期簡明綜合財務報表在各重大方面未有按照香港會計準則第34號編製。

INDEPENDENT AUDITOR'S REVIEW REPORT

獨立核數師之審閱報告

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the interim condensed consolidated financial statements, which indicates the losses incurred by the Group of approximately HK\$111,367,000 for the six months ended 30 June 2020, and the Group's net current liabilities of approximately HK\$2,477,792,000 as at 30 June 2020. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2 to the interim condensed consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our conclusion is not modified in respect of this matter.

CCTH CPA LIMITED

Certified Public Accountants
Hong Kong
28 August 2020

Lee Chi Hang

Practising Certificate Number: P01957

Unit 1510-1517, 15/F., Tower 2, Kowloon Commerce Centre,
No. 51 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

有關持續經營之重大不明朗因素

吾等務請閣下垂注中期簡明綜合財務報表附註2，當中顯示本集團截至二零二零年六月三十日止六個月錄得虧損約為111,367,000港元，及本集團截至二零二零年六月三十日的流動負債淨值約為2,477,792,000港元。該等情況顯示有重大不明朗因素存在，這可能對本集團持續經營能力構成重大疑問。鑒於中期簡明綜合財務報表附註2所詳述之措施及安排，董事認為貴集團將能夠為其未來營運資金及財務需求提供資金。吾等的結論並未因此事項而修改。

中正天恆會計師有限公司

執業會計師
香港
二零二零年八月二十八日

李志恆

執業證書編號：P01957

香港新界
葵涌葵昌路51號
九龍貿易中心2座15樓1510-1517室

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Key highlights

- Profit from operations of HK\$20 million (2019: loss from operations of HK\$291 million)
- Net loss decreased by 76% to HK\$111 million (2019: HK\$455 million)
- Loss per share decreased by 76% to HK37.49 cents (2019: HK155.75 cents (restated))
- Total comprehensive expenses decreased by 61% to HK\$154 million (2019: HK\$399 million)
- Revenue increased by 88% to HK\$629 million (2019: HK\$335 million)
- Gold production decreased by 3% to 29 thousand ounces (2019: 30 thousand ounces)
- Gearing ratio increased to 33% at 30 June 2020 (31 December 2019: 32%)

Revenue and Results

During the reporting period, the Group recorded profit from operations of HK\$20 million as compared with loss from operations of HK\$291 million last reporting period. The turnaround to the profit from operations is mainly due to a one-off loss on goodwill impairment of approximately HK\$274 million recorded by the Group during the last reporting period, but, no relevant loss incurred during the current reporting period. The turnaround to the profit from operation also due to the decrease in administrative expenses. However, the profit from operations is eroded by the decrease in gross profit mentioned in following paragraph in this section. Accordingly, the Group's loss after tax decreased to HK\$111 million during the reporting period as compared to HK\$455 million in the last reporting period.

財務回顧

重點摘要

- 經營溢利20百萬港元(二零一九年：經營虧損291百萬港元)
- 淨虧損減少76%至111百萬港元(二零一九年：455百萬港元)
- 每股虧損減少76%至37.49港仙(二零一九年：155.75港仙(經重列))
- 全面開支總額減少61%至154百萬港元(二零一九年：399百萬港元)
- 收益增加88%至629百萬港元(二零一九年：335百萬港元)
- 黃金產量減少3%至2.9萬盎司(二零一九年：3.0萬盎司)
- 於二零二零年六月三十日資產負債比率增加至33%(二零一九年十二月三十一日：32%)

收益及業績

於報告期間，本集團錄得經營溢利20百萬港元，上年報告期間則錄得經營虧損291百萬港元。由經營虧損轉為經營溢利主要由於本集團於去年報告期間錄得一次性商譽減值虧損約274百萬港元，但於本報告期間並無發生相關虧損。由經營虧損轉為經營溢利也由於行政開支下降所致。然而，本節以下一段所述的毛利下降導致經營溢利有所削減。因此，本集團除稅後虧損於報告期間下降至111百萬港元，而去年報告期間則為455百萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the reporting period, the Group's revenue increased by 88% to HK\$629 million (2019: HK\$335 million). The increase in revenue is mainly arisen from the increase in trading of metals and minerals and increase in gold price during the reporting period. The gross profit margin of the Group decreased to 12% during the reporting period (2019 full year of 16% and 2019 first-half of 27%) which is attributable to the increase of revenue from trading of metals and minerals which has a lower gross profit margin than other operating segments, and the increase in the Group's production costs per unit. In addition, increased mining depth and complicated geologic structure in the mining site currently under production pushed production cost higher.

The Group's total comprehensive expenses decreased by 61% to HK\$154 million during the reporting period as compared to HK\$399 million in the last reporting period. The decreased in total comprehensive expenses is mainly attributable to the decrease in loss after tax as mentioned above. However, the decrease of total comprehensive expenses is partly offset by the increase in Group's recognition of exchange loss (arisen from depreciation of exchange rate of RMB against HK\$) on translation of financial statements of PRC subsidiaries and associate to HK\$96 million during the reporting period (2019: HK\$5 million).

Details of the segment information of the Group's revenue and results from its gold mining business, trading of metals and minerals and financial services business are set out in note 4 in the interim condensed consolidated financial statements.

During the reporting period, the loss per share of the Company was HK37.49 cents (2019: HK155.75 cents (restated)). The loss per share last reporting period has been adjusted to reflect the impact on the Capital Reorganisation (details are set out in note 17(b) in the interim condensed consolidated financial statement) of the Company which was effective on 10 August 2020.

於報告期間，本集團的收益增加88%至629百萬港元（二零一九年：335百萬港元）。收益增加主要因報告期間金屬及礦產貿易增加以及金價上漲。本集團於報告期間的毛利率降至12%（二零一九年全年為16%及二零一九年上半年為27%），乃由於毛利率較其他經營分部為低的金屬及礦產貿易之收益有所增加以及本集團的單位生產成本增加。此外，目前正在生產的採礦場開採深度增加及地質結構複雜，造成生產成本的提高。

於報告期間，本集團的全面開支總額減少61%至154百萬港元，而去年報告期間則為399百萬港元。全面開支總額減少乃主要由於上文所述除稅後虧損下降。然而，全面開支總額部分虧損被報告期間本集團確認換算中國附屬公司及聯營公司財務報表產生之匯兌虧損（乃由於報告期間人民幣兌港元匯率貶值）增加至96百萬港元（二零一九年：5百萬港元）所抵銷。

本集團金礦開採業務、金屬及礦產貿易及金融服務業務的收益及業績分部資料詳情載於中期簡明綜合財務報表附註4。

於報告期間，本公司每股虧損為37.49港仙（二零一九年：155.75港仙（經重列））。去年報告期間的每股虧損已作調整，以反映本公司於二零二零年八月十日生效的股本重組（詳情載於中期簡明綜合財務報表附註17(b)）的影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other Income and Other Losses

During the reporting period, the Group's other income were HK\$2 million (2019: HK\$1 million), which were approximate with last reporting period.

The Group's other losses decreased from HK\$281 million in the last reporting period to HK\$2 million during the reporting period. The decrease is attributable to a one-off loss on goodwill impairment of approximately HK\$274 million recorded by the Group during the last reporting period, but, no relevant loss incurred during the current reporting period and the decrease in exchange loss to HK\$3 million (2019: HK\$7 million).

Selling and Distribution Costs

During the reporting period, the Group's selling and distribution costs was approximate to that of the last reporting period of HK\$5 million.

Administrative Expenses

During the reporting period, the Group's administrative expenses decreased to HK\$52 million (2019: HK\$97 million), representing a decrease by 46% as compared with last reporting period.

Finance Costs

During the reporting period, the Group's finance costs were HK\$135 million (2019: HK\$170 million), representing a decrease by 21% as compared to last reporting period. The decrease in finance costs is mainly due to the increase in non-cash fair value gain on derivative financial instruments relating to the convertible bonds from HK\$0.1 million in the last reporting period to HK\$38 million during the reporting period. However, this is partly offset by the increase in total interest expenses on financial liabilities to HK\$174 million (2019: HK\$171 million).

其他收入及其他虧損

於報告期間，本集團之其他收入為2百萬港元（二零一九年：1百萬港元），與去年相若。

本集團的其他虧損由去年報告期間的281百萬港元減少至報告期間的2百萬港元。該減少乃由於本集團於去年報告期間錄得一次性商譽減值虧損約274百萬港元，但於本報告期間並無發生相關虧損以及匯兌虧損減少至3百萬港元（二零一九年：7百萬港元）。

銷售和分銷成本

於報告期間，本集團之銷售和分銷成本與去年報告期間的5百萬港元相若。

行政費用

於報告期間，本集團之行政費用減少至52百萬港元（二零一九年：97百萬港元），較去年報告期間減少46%。

財務成本

於報告期間，本集團之財務成本為135百萬港元（二零一九年：170百萬港元），較去年報告期間減少21%。財務成本減少乃主要由於可換股債券相關衍生金融工具的非現金公平值收益由去年報告期間的0.1百萬港元增加至報告期間的38百萬港元。然而，這部分被金融負債利息開支總額增加至174百萬港元（二零一九年：171百萬港元）所抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Deferred Tax

As at 30 June 2020, the Group's deferred tax liabilities amounted to HK\$550 million (31 December 2019: HK\$559 million), which represented mainly the estimated tax effects of the temporary differences arising from acquisitions of gold mines by the Group in previous years and was calculated at PRC income tax rate of 25% on the increase in fair value of mining rights. The deferred tax liability balance will be subsequently reversed and the majority of which credited to the consolidated statement of profit or loss as a result of tax effect of the amortisation of the mining rights. Such liabilities were accounted for in accordance with the accounting principle and therefore no repayment is required.

Liquidity and Financial Resources

At 30 June 2020, the Group's cash and bank balances (including pledged deposits) and net current liabilities were HK\$68 million (31 December 2019: HK\$175 million) and HK\$2,478 million (31 December 2019: HK\$2,527 million) respectively. The decrease in the Group's net current liabilities is mainly attributable to the decrease in bank and other borrowings under current liabilities of HK\$229 million at 30 June 2020 which was arisen from a classification of bank and other borrowings under current liabilities at 31 December 2019 to non-current liabilities at 30 June 2020. The Group's net assets decreased to HK\$6,877 million (31 December 2019: HK\$7,031 million).

遞延稅項

於二零二零年六月三十日，本集團遞延稅項負債為550百萬港元（二零一九年十二月三十一日：559百萬港元），乃主要指本集團於過往年度收購金礦而產生暫時性差異之估計稅務影響，並按採礦權公平值之增加部分以25%之中國所得稅稅率計算。該等遞延稅項負債餘額隨後將會按採礦權攤銷之稅務影響撥回，其中大部分會計入綜合損益表。該項債務乃按會計準則入賬，且因此毋需償還。

流動資金及財務資源

於二零二零年六月三十日，本集團之現金及銀行結餘（包括已抵押存款）及流動負債淨值分別為68百萬港元（二零一九年十二月三十一日：175百萬港元）及2,478百萬港元（二零一九年十二月三十一日：2,527百萬港元）。本集團流動負債淨額減少主要是由於流動負債項下的銀行及其他貸款於二零二零年六月三十日減少229百萬港元，此乃由於本集團將二零一九年十二月三十一日流動負債項下之銀行及其他貸款分類至二零二零年六月三十日的非流動負債。本集團的資產淨值減少至6,877百萬港元（二零一九年十二月三十一日：7,031百萬港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group has met its needs of working capital and capital expenditure mainly through its cash generated from operations, bank and other borrowings and equity financing. As at 30 June 2020, the Group's bank and other borrowings were repayable within one to three years and its fixed rate borrowings over total borrowings was 92%. There is no significant seasonality of the borrowings demand of the Group. Further details of the Group's bank and other borrowings are set out in note 15 in the interim condensed consolidated financial statements. The Company's directors are of the opinion that the Group will be able to finance its future working capital and financial requirements as further detailed in note 2 in the interim condensed consolidated financial statements.

The Group's cash and bank balances and bank and other borrowings are mainly denominated in Hong Kong Dollars and Renminbi.

CAPITAL STRUCTURE

As at 30 June 2020, the total number of issued ordinary shares of the Company was 5,941,898,079 at par value of HK\$0.001 each.

During the reporting period, some bondholders have converted their bonds into 6,175,088 new ordinary shares of the Company.

On 29 June 2020, the Company has proposed the capital reorganization ("Capital Re-organization") involving: (a) the Share Consolidation on the basis of every twenty (20) issued and unissued Existing Shares of par value HK\$0.001 each into one (1) Consolidated Share of par value HK\$0.02 each; (b) the Capital Reduction by way of a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.019 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.02 to HK\$0.001; and (c) the Share Subdivision of each authorised but unissued Consolidated Share of HK\$0.02 (including those arising from the Capital Reduction) into twenty (20) Adjusted Shares of HK\$0.001 each.

本集團主要以其營運所得現金及銀行、其他貸款及股權融資，滿足其營運資金及資本支出的需要。於二零二零年六月三十日，本集團的銀行及其他貸款須於一至三年內償還，而其定息貸款佔貸款總額之92%。本集團貸款需求並無重大季節性因素。本集團的銀行及其他貸款的進一步詳情載於中期簡明綜合財務報表附註15。本公司之董事認為本集團將可提供其未來營運資金及財務所需，進一步詳情載於中期簡明綜合財務報表附註2。

本集團之現金及銀行結餘和銀行及其他貸款主要以港元及人民幣計值。

資本架構

於二零二零年六月三十日，本公司每股面值0.001港元之已發行普通股總數為5,941,898,079股。

於報告期間，若干債券持有人已將債券轉換為6,175,088股本公司新普通股。

於二零二零年六月二十九日，本公司建議涉及以下各項的股本重組（「股本重組」）：(a)按每二十(20)股每股面值0.001港元的已發行及未發行現有股份合併為一(1)股每股面值0.02港元的合併股份之基準進行股份合併；(b)透過註銷本公司繳足股本（以每股已發行合併股份0.019港元為限）削減本公司的已發行股本，致使每股已發行合併股份的面值由0.02港元削減至0.001港元的股本削減；及(c)將每股面值0.02港元的法定但未發行合併股份（包括股本削減產生的合併股份）拆細為二十(20)股每股面值0.001港元的經調整股份的股份拆細。

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The proposal was approved by the shareholders of the Company at a special general meeting of the Company held on 6 August 2020. Details were set out in the announcements of the Company dated 29 June 2020, 14 July 2020, 6 August 2020 and 10 August 2020 as well as the Circular of the Company dated 21 July 2020.

Subsequent to the end of the reporting period and following the Capital Reorganisation became effective on 10 August 2020, the issued share capital of the Company was reduced from HK\$5,941,898.079 divided into 5,941,898,079 Existing Shares of HK\$0.001 each to HK\$297,094.903 divided into 297,094,903 Adjusted Shares of HK\$0.001 each.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher returns to the owners of the Company 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. There were no changes in the Group's approach to capital management during the reporting period.

At 30 June 2020, the Group's gearing ratio increased to 33% (31 December 2019: 32%). The Group monitors capital using a gearing ratio, which is calculated as the net debts divided by total equity plus net debts. The Group's net debts include bank and other borrowings and convertible bonds, less cash and cash equivalents and pledged deposits. The Group's total equity comprises total share capital and reserves of the Group.

建議事項已於二零二零年八月六日舉行的本公司股東特別大會上獲本公司股東批准。詳情載於日期為二零二零年六月二十九日、二零二零年七月十四日、二零二零年八月六日及二零二零年八月十日的本公司公告內，以及日期為二零二零年七月二十一日的本公司通函內。

於報告期末後及股本重組於二零二零年八月十日生效之後，本公司已發行股本由5,941,898.079港元（分為5,941,898,079股每股面值0.001港元的現有股份）減至297,094.903港元（分為297,094,903股每股面值0.001港元的經調整股份）。

本集團定期積極審閱及管理資本架構，以維持本公司擁有人較高回報及可能出現之高借貸水平之間取得平衡、並保持穩健資本狀況所享有之優勢和安全，亦因應經濟狀況變動而調整資本架構。於報告期間本集團資本管理之方法並無改變。

於二零二零年六月三十日，本集團的資產負債比率增至33%（二零一九年十二月三十一日：32%）。本集團利用資產負債比率（其為淨債項除以總權益加淨債項計算產生）監控資本。本集團之淨債項包括銀行及其他貸款及可換股債券，減去現金及現金等價物及已抵押存款。本集團之總權益包括本集團總股本及儲備。

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PLEDGE OF ASSETS

Details of the pledge of the Group's assets are set out in note 18 in the interim condensed consolidated financial statements.

CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK

The Group's principal assets and liabilities are located in the PRC and are denominated in RMB which is the functional currency of the Group's subsidiaries in the PRC. The Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk during the reporting period as the directors considered that the Group's exposure to exchange rate risk can be managed.

BUSINESS RISK

The Group is exposed to price risks arising from the market price fluctuations on gold products. To protect the Group from the impact of price fluctuations in gold products, the management closely monitors gold product price exposure and will consider to use derivative contracts should the need arises.

資產抵押

本集團資產抵押之詳情載於中期簡明綜合財務報表附註18。

或然負債

於二零二零年六月三十日，本集團並無任何重大或然負債。

外匯風險

本集團主要資產及負債來自中國以及按人民幣（為本集團中國國內之附屬公司的功能貨幣）計值，因董事認為本集團所面臨之外匯風險能夠控制，故報告期間本集團並無訂立任何遠期外匯合約管理其外幣風險。

業務風險

本集團承受因黃金產品波動而產生之價格風險。為保障本集團避免因黃金產品價格波動而受到影響，管理層會密切監察黃金產品價格風險，並在有需要時考慮利用衍生工具合約。

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SIGNIFICANT INVESTMENTS

At 30 June 2020, the Group had investments in equity instruments at fair value through other comprehensive income of HK\$348 million, representing 3% of the Group's total assets, which include mainly investment in an unlisted company in the PRC of approximately HK\$337 million and investment in a private equity fund in the PRC of HK\$11 million.

Save as disclosed above, the Group did not have any other significant investments at 30 June 2020.

EMPLOYEES

As at 30 June 2020, the Group employed approximately 680 employees in the PRC and Hong Kong. All employees are remunerated according to their performance, experience and prevailing industry practices. Both on-the-job and professional training are provided as well. The Group provides retirement benefits in the form of Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance to its employees in Hong Kong. The Group provides defined contribution retirement benefit schemes organised by the relevant local government authorities in the PRC to its employees in the PRC.

EVENTS AFTER THE REPORTING PERIOD

Details of the Group's events after the reporting period are set out in note 23 in interim condensed consolidated financial statements.

重大投資

於二零二零年六月三十日，本集團透過其他全面收益按公平值列賬之股本工具投資348百萬港元，佔本集團總資產的3%，主要包括於一間中國境內非上市公司之投資約337百萬港元及於一間中國私募股權基金之投資11百萬港元。

除上文所披露者外，於二零二零年六月三十日，本集團並無其他重大投資。

僱員

於二零二零年六月三十日，本集團於中國內地及香港共有僱員約680人。本集團根據員工之表現、經驗及現時行業慣例釐定所有僱員薪酬，並提供在職及專業訓練予員工。本集團透過香港強制性公積金計劃條例項下強制性公積金計劃為其本港僱員提供退休福利，並為中國內地員工提供由中國內地有關地方政府機關成立之定額退休供款計劃。

報告期後事項

本集團於報告期後之事項詳情載於中期簡明綜合財務報表附註23。

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GOLD MARKET OUTLOOK

Since the beginning of 2020, the gold market performance has been influenced by the COVID-19 pandemic. The market lockdown and a squeeze on income severely cut down consumer demand while provided support for investment. The overall consumer demand fell sharply in forms of slump jewellery demand and weak bar and coin market. Yet, the record inflows into gold-backed exchange-traded funds (“ETFs”) offset the weakness in the consumer demand. As a result, the overall gold demand recorded a slight decline of 6% at 2,076 tonnes in the first half of 2020 according to the research of World Gold Council.

In the second quarter of 2020, the gold demand decreased by 11% to about 1,015.7 tonnes. The jewellery demand weakened to an unprecedented 251 tonnes in the second quarter due to global disruption caused by pandemic and high gold price, leading to a significant pullback by almost 50% to 572 tonnes in the first half of the year. Due to similar reasons, it also saw a 13% fall in gold used in technology to 140 tonnes in the first half of the year as end-user demand for electronics collapsed.

Total bar and coin investment reduced sharply in the second quarter and eventually declined by 17% to 396.7 tonnes in the first half year. It saw a clear difference in behaviors between the East and the West investors in this investment sector, with most markets across Asia and the Middle East seeing a slowdown in investment, while Western investors raised demand.

黃金市場前景

自二零二零年初，黃金市場表現備受新冠疫情大流行影響。市場封鎖及收入緊縮嚴重削弱黃金消費需求，同時為黃金投資帶來支持。整體消費者需求暴跌，飾金需求不景氣，金條及金幣市場疲弱。然而，創紀錄的黃金交易所交易基金（「交易所交易基金」）流入抵銷了黃金需求的疲軟。因此，根據世界黃金協會的研究，二零二零年上半年，整體黃金需求微跌6%至2,076噸。

二零二零年第二季度，黃金需求減少11%至約1,015.7噸。由於大流行導致全球動盪不安及金價高企，致使第二季度飾金需求跌至史無前例的251噸，本年度上半年大幅下降約50%至572噸。類似的因素也導致電子產品的終端用戶需求下降，使得上半年的科技行業黃金使用量亦跌見13%至140噸。

第二季度金條及金幣投資總額大幅下跌，上半年最終下跌17%至396.7噸，反映東西方投資者對此投資分部的態度出現明顯差異，在多數亞洲及中東市場表現疲弱的同時，西方投資者的需求則上升。

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At the same time, the effort of interest rate cut and massive liquidity injections respectively made by central banks and governments in response to the pandemic, stimulated the record flows of 734 tonnes into gold-backed ETFs. Central banks bought 233 tonnes of gold in the first half of the year. All these flows helped to drive the gold price up. The gold price climbed 9.2 % during the second quarter of 2020, leading to an increase of 17% in US dollar terms over the first half of 2020.

The supply of gold was also disrupted by the pandemic, reducing by 6% to 2,192 tonnes in the second half of the year as both mine production and recycling were influenced by lockdown and restrictions measures.

Looking forward in the second half of the 2020, COVID-19 pandemic, with additional waves of infections, will continue to have devastating impact on the global economy in form of high levels of unemployment and wealth destruction. Geopolitical uncertainty will also cause a high volatility in the stock market. In response to the pandemic, global central banks would continue to cut interest rate to stabilize and stimulate their economy. The combination of high risk associated with equity volatility and ultra-low interest rate environment is likely to boost investment demand for gold as a safe haven asset. This would be supportive for the gold price in the second half of the 2020.

與此同時，多間央行及政府為應付大流行分別致減息及注入大量流動資金，刺激黃金交易所交易基金出現734噸的創紀錄流量。央行於本年度上半年購買233噸黃金。上述所有流量有助帶動金價上升。二零二零年第二季度金價攀升9.2%，帶動二零二零年上半年美元金價上升17%。

金礦生產及黃金回收亦受到因為應對新冠疫情大流行而採取的封鎖及限制措施所影響，上半年黃金總供應量下降6%至2,192噸。

展望二零二零年下半年，新冠疫情大流行反復肆虐，將會繼續對全球經濟造成破壞，失業率高企及財富縮減。地緣政治不明朗因素亦將會對股票市場迴成波動。為應付大流行，全球央行繼續減息，以穩定並刺激經濟。風險高、股票波動，加上超低利率環境共同帶動黃金投資需求，使其發揮安全港資產的作用。此對二零二零年下半年的金價帶來支持。

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BUSINESS REVIEW

Gold Mining Business

During the period under review, the Group continued to focus on the mine development and reserving converted exploration. Total gold production was 29 thousand ounces during the reporting period, a 3% decrease as compared to the last reporting period.

Nevertheless, the Group has from time to time sought to enhance its exploration and mining activities by identifying suitable exploration and mining methods. During the first half of 2020, the Group continued with its efforts on exploration, organic expansion as well as cost control in an environmental friendly manner. We remain dedicated to the local communities, as "Operating in a Safe and Environmental friendly Manner" is our philosophy.

During the reporting period, production exploration, in-depth exploration and pit drilling processes were conducted in Henan Jinxing Gold Mine, tunneling for Kangshan Gold Mine Xingxingyin No.1 Shaft Collar and Kangshan Gold Mine Houmushi No. 2 Shaft Collar is currently underway; mapping has been completed and electrical sounding has begun.

In order to obtain the provincial green mine approval, Henan Luanling Gold Mine is actively facilitating the construction of green mines, including the organization of trade intelligence, work site rectification and public promotion. During the first half of 2020, sapling planting is completed for all reclamation areas, and the Zhutoupo open mine pit has been backfilled. Safety rectification for secondary mining areas is conducted, such as six major systems, wifi in wells, inclined shaft trucks, in order to renew the safety production permit. In the meantime, tunnels were reinforced by steel beams in the first half of 2020. In addition, five drill holes were originally planned for the mining area gaps, however, as construction was affected by the pandemic and preliminary exploration report must be finished in August, in order to preserve the original mine area while applying for new mining permits, the number of drill holes was reduced to two.

業務回顧

金礦開採業務

於回顧期間，本集團繼續專注於礦場開發及儲量轉換勘探。於報告期內，黃金總產量為2.9萬盎司，較去年報告期間產量減少3%。

然而，本集團不時透過物色適當的勘探工作及開採方式，致力於提升其勘探及開採活動。二零二零年上半年，本集團以環保方式繼續在勘探、自新產能和資源擴張以及控制成本方面持續作出努力。我們繼續致力為當地社區作出貢獻，將「以安全及環保方式經營」作為我們的經營理念。

於報告期內，河南金興金礦正進行生產勘探、深部詳查和坑內鑽探工作，目前康山金礦星星印一號豎井井筒和康山金礦後母寺二號豎井井筒正進行掘進工程；已完成填圖工作，正展開激電測深工作。

河南樂靈金礦正積極推進綠色礦山的建設以爭取通過省級綠色礦山驗收，其中包括內業資料整理、工業場地整治和外圍宣傳工作。於二零二零年上半年已完成各複墾治理區域的樹苗栽種和豬頭坡露天采坑的回填。另外，亦正進行二采區安全的整改工作如六大系統、wifi下井、斜井人車等以延續安全生產許可證。其中，二零二零年上半年已完成巷道鋼木支護的整改。此外，為辦理新的採礦許可證時可保留原礦區面積，原先計畫在礦區的空白區安排了五個鑽孔探礦工程，其後因疫情影響施工及必須在八月份編制完成初步的勘察報告，最後縮減了鑽探工程至兩個鑽孔。

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In Yunnan Mojiang Gold Mine, in order to access the sulfide mineral for middle-to-deep areas and surface oxide mineral resources, drilling was conducted primarily surrounding the Maobiliang Mining Section in the first half of 2020, currently two drill holes have reached ore-bearing quartzite and mineralized zones were detected in three completed drill holes.

Financial Services Business

During the period under review, the Group has maintained one investment fund under its management in the PRC.

In the first half of 2020, there is no new funds have been raised and registered due to regulatory factors. We will continue to follow up on changes in regulatory policies and seek to raise and register new funds in the second half of 2020.

Trading of Metals and Minerals

The Group is involved in trading of metals and minerals in PRC and the revenue of this segment was approximately HK\$288,788,000 (2019: HK\$24,849,000).

雲南墨江金礦為探明中深部硫化礦與地表氧化礦的資源情況，二零二零年上半年主要圍繞貓鼻樑礦段開展鑽探工程，目前兩個鑽孔均探至含礦石英岩，已完成三個鑽孔並探獲礦體。

金融服務業務

於回顧期內，本集團維持於中國管理的一隻投資基金。

於二零二零年上半年，由於監管因素，本集團未能募集及備案新的基金。於二零二零年下半年，我們將繼續跟進監管政策的變化，以爭取募集備案新的基金。

金屬及礦產貿易

本集團於中國從事金屬及礦產貿易，此分類錄得收益約288,788,000港元（二零一九年：24,849,000港元）。

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INTERIM REVIEW – EXPLORATION AND INFRASTRUCTURE DEVELOPMENT

The Group continued its exploration work in its mines, and in total has completed trenching of approximately 13,987m and diamond drilling of approximately 272m.

中期回顧－勘探及基建發展

本集團於其礦山持續從事勘探工作，共完成坑探工程量約13,987米，鑽探工程量約272米。

Jinxing Mine 金興金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	Jinxing (5km ²) 金興(5平方公里)	Xiepojing (0.05km ²) 斜坡井(0.05平方公里)
ii)	Exploration project 勘探工程	Trenches (6,111m) 坑探(6,111米)	Trenches (2,366m) 坑探(2,366米)
iii)	No. of drillholes 鑽探洞孔數目	2 drilling spots of each of 10 mine mouths 共10個坑口，每個坑口 2個工作面	2 drilling spots of each of 2 mine mouths 共2個坑口， 每個坑口2個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Trenching of 2.2*2m; 坑道2.2*2米，	Trenching of 2.2*2m 坑道2.2*2米

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	Jinxing 金興	Xiepojing 斜坡井
ii)	Infrastructure construction 基礎設施建設	Development of main tunnel and engineering cut works of mine mouths No. 18,28,19,3,Xingshuya,Moshigou, Houmusi, Qiaogou, Xiaobeigou tunnels, etc. 18坑、28坑、19坑、3坑、杏樹埡、磨石溝、后母寺、橋溝、小北溝等坑道主巷開拓及坑口採切工程	Development of the main tunnel and engineering cut works of Xiepojing, extension of slope mine 斜坡井主巷開拓、採切工程及斜井延深

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Luanling Mine 樂靈金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	South Area (2.7km ²) 南區 (2.7平方公里)	North Area (6.3km ²) 北區 (6.3平方公里)
ii)	Exploration project 勘探工程	Trenches (2,970m) 坑探 (2,970米)	Trenches (2,540m) 坑探 (2,540米)
iii)	No. of drillholes 鑽探洞孔數目	3 drilling points of each of 5 mine mouths 共5個坑口，每個坑口3個工作面	4 drilling spots of each of 5 mine mouths 共5個坑口，每個坑口4個工作面
iv)	Average size of drillholes 鑽探洞孔平均大小	Trenching of 2.2*2m 坑道2.2*2米	Trenching of 2.2*2m 坑道2.2*2米

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	South Area 南區	North Area 北區
ii)	Infrastructure construction 基礎設施建設	Development of main tunnel and engineering cut works of tunnel No.301, 305, 306, 307 and 308 301坑、305坑、306坑、307坑及 308坑主巷開拓及採切工程	Development of main tunnel and engineering cut works of Dongpo No.100, Huichungou No.200, 201, 202 and 115 東坡100坑、茴椿溝200坑、 201坑、202坑及115坑主巷開拓及採 切工程

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mojiang Mine 墨江金礦

1) Exploration activities 礦區勘探活動

i)	Exploration area and size 勘探區域及範圍面積	Open Cut (0.4km ²) 露天採區 (0.4平方公里)
ii)	Exploration project 勘探工程	Diamond drilling (272m) 鑽探 (272米)
iii)	No. of drillholes 鑽探洞孔數目	5 drillholes 5個鑽孔
iv)	Average size of drillholes 鑽探洞孔平均大小	Diameter of 75mm 鑽孔直徑75毫米
v)	Average depth of drillholes 鑽探洞孔平均深度	54m 54米

2) Development/construction activities 礦區發展／建設活動

i)	Area 礦區	Open Cut 露天採區	Underground 地下採區
ii)	Infrastructure construction 基礎設施建設	Construction of a three mining stope to separate the stripping and mining area, and 3 other heap leaching plants 共建3個採場，分別剝離、採礦區，共建其他堆浸廠3個	No. 2 and No. 1 bulkhead wall for mining junkyard, phase two mine mouth mining and rehabilitation project 2號及1號排土場擋渣工程，二期礦井口開採及修復工程

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EXPLORATION, DEVELOPMENT AND MINING PRODUCTION EXPENDITURES

During the reporting period, the Group had capital expenditures of HK\$76 million for exploration, development and mining production and entered into certain significant contracts with certain independent contractors for provision of exploration and infrastructure development of the Group. Details of the relevant exploration and infrastructure development work are set in above section headed “Interim Review — Exploration and Infrastructure Development”. Details of the Group’s capital commitments are set out in note 19 to the interim condensed consolidated financial statements.

During the reporting period, the Group incurred production costs of HK\$552 million which included raw materials of HK\$313 million, amortisation and depreciation of HK\$79 million, wages and subcontractors’ fees of HK\$122 million, resources compensation fees and taxes of HK\$19 million and other miscellaneous mining and processing costs of HK\$19 million.

MERGERS AND ACQUISITIONS AND DISPOSAL

On 23 January 2020, the Company and another Independent Third Parties (“Purchaser”) entered into a share purchase agreement pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase 100% of the issued shares of the Targets at the consideration equivalent to the NAV plus the Premium in cash, subject to a maximum amount of HK\$23.1 million.

After completion of the share purchase agreement, the Company will cease to have any interest in the Targets which will cease to be subsidiaries of the Company and their financial results and position will not be consolidated into the financial statements of the Company.

Details of the above disposal are set out in the Company’s announcements dated 23 January 2020 and 14 February 2020. As at the date of this interim report, the said disposal has not completed.

勘探、開發及開採生產活動開支

於報告期間，本集團有關勘探、開發及開採活動的資本開支為76百萬港元及與若干名獨立承包商訂立若干重大合約，以為本集團提供勘探及基建發展工程。相關勘探及基建發展工程的詳情載於上文「中期回顧 — 勘探及基建發展」一節。本集團資本承擔的詳情載於中期簡明綜合財務報表附註19。

於報告期間，本集團產生生產成本552百萬港元，其中包括原材料313百萬港元、攤銷及折舊費用79百萬港元、工薪及分包商費用122百萬港元、資源補償費用及稅項19百萬港元以及其他各類開採及加工成本19百萬港元。

併購及出售

於二零二零年一月二十三日，本公司與另一獨立第三方（「買家」）訂立股份買賣協議，本公司同意出售而買家同意購買目標公司之全部已發行股份，代價等於資產淨值加現金溢價，惟受限於最高金額23.1百萬港元。

完成股份買賣協議後，本公司將不再於目標公司（其不再為本公司之附屬公司）擁有任何權益及彼等之財務業績及狀況將不會併入本公司之財務報表。

上述出售事項詳情載於本公司日期為二零二零年一月二十三日及二零二零年二月十四日的公告內。於本中期報告日期，上述出售仍未完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Save as disclosed about, there was no significant major merger, acquisition or disposal by the Group during the period under review.

CONNECTED TRANSACTION

There was no non-exempted connected transaction entered into by the Company during the period under review. The related party transactions as disclosed in notes 20(a)(i) to (iii) to the interim condensed consolidated financial statements are fully exempted connected transactions under chapter 14A of the Listing Rules.

CORPORATE STRATEGY AND CORPORATE PROSPECTS

Looking forward to the second half of 2020, continued geopolitical uncertainty, the fear of economic recession caused by COVID-19 Pandemic, lofty stock valuation and ultra low-rate environment will remain the main driving forces for gold market. In strategy, the Group as one of the largest privately owned China-based gold mining companies, commits to realize its potential mining processing capacity as well as to further enhance its production processes and technology improvements for achieving cost efficiency. More effort will be paid to: (i) expand production capacity at our existing mines, (ii) speed up construction work of the capacity expansion and improve the exploration efficiency, and (iii) continue to conduct further exploration projects in order to increase resources and upgrade reserves.

In light of the prolonged geopolitical uncertainty and slow economic recovery, the global financial market will continue to be unstable in the second half of the year. As such, the Group will seek new investment opportunities for broadening the income streams in a world of fast-changing threats and opportunities. As always, the Group will remain vigilant on costs and adopt a prudent approach in its growth strategies.

除於上文披露外，本集團於回顧期內並無進行重大併購及出售活動。

關連交易

本公司於回顧期內並沒有訂立非豁免關連交易。根據上市規則第十四A章，中期簡明綜合財務報表附註20(a)(i)至(iii)所載各關連人士交易乃全面獲豁免關連交易。

公司戰略及前景

展望二零二零年下半年，持續之地緣政治不穩定，擔心因新冠疫情大流行而引起之經濟衰退，股票估值過高及超低利率環境將成為支持黃金市場之重要發力點。本集團作為中國最大的民營金礦企業之一，將堅守我們的策略，以實現其潛在開採加工產能以及進一步提升其生產過程及改進技術以達致成本效益。我們將致力進行以下各項：(i)擴充我們現有礦場的產能；(ii)加快產能擴充建設工程及改善勘探效率；及(iii)持續進行進一步勘探工程，以增加資源量及提升儲量。

鑒於持續地緣政治不穩定及經濟復甦緩慢，今年下半年全球金融市場將持續波動。因此，本集團將致力尋找新投資機遇，力求在瞬息萬變的挑戰和機會之中擴大收入來源。一如既往，本集團將繼續嚴緊控制成本，並審慎地實施我們的增長策略。

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES

As at 30 June 2020, the interests of the Directors and chief executive in the shares or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

Name of Directors 董事姓名	Capacity 身份	Number of Shares held 所持股份數目	Approximate % of shareholding (Note c) 佔股權 概約百分比%
			(附註c)
Zhang Lirui 張利銳	Family interest (Note a) 家族權益 (附註a)	255,854,828	4.31%

Note:

- (a) Ms. Wei Hua holds 255,854,828 shares. Mr. Zhang Lirui is Ms. Wei's spouse. Accordingly, Mr. Zhang is also taken to be interested in 255,854,828 shares via his spouse.

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company nor their associates, had any interest in long position or short position in the shares, underlying shares or debentures of the Company or its associated corporations which they are taken or deemed to have under such provision of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於股份之權益

於二零二零年六月三十日，董事及最高行政人員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）之股份或相關股份中，擁有根據證券及期貨條例第XV部第7及8分部之規定已知會本公司及聯交所的權益（包括彼等根據證券及期貨條例該等條文被當作或視為擁有的權益及／或淡倉）；或根據證券及期貨條例第352條之規定載入該條所述登記冊之權益；或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益載列如下：

Number of Shares held 所持股份數目	Approximate % of shareholding (Note c) 佔股權 概約百分比%
	(附註c)
255,854,828	4.31%

附註：

(a) 魏樺女士持有255,854,828股股份。張利銳先生為魏女士之配偶。因此，張先生亦被視為通過其配偶於255,854,828股股份中擁有權益。

除以上所披露者外，於二零二零年六月三十日，本公司董事或最高行政人員或其聯繫人於本公司或其相聯法團之股份、相關股份或債券中，概無擁有任何彼等根據證券及期貨條例該等條文被當作或視為擁有、或根據證券及期貨條例第352條規定載入該條所述之登記冊、或根據標準守則須知會本公司及聯交所之任何好倉或淡倉之權益。

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MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiries with the Directors, all Directors have confirmed their full compliance with the required standard as set out in the Model Code during the six months ended 30 June 2020.

SHARE OPTIONS SCHEME

The Company currently has one share option scheme: the 2014 Share Option Scheme.

The 2014 Share Option Scheme was adopted by a resolution passed by the Company's shareholders on 30 May 2014. The 2014 Share Option Scheme provides that the board of the directors of the Company (the "Board") may specify the eligible participants to whom the options shall be granted. The eligible participants include directors, employees, suppliers, customers, consultants, agents and advisers of the Company and its subsidiaries and any person who, in the sole discretion of the Board, has contributed or may contribute to the Group in recognition of their contribution to the Group. The Board shall determine the exercise price of option in accordance with the terms of the 2014 Share Option Scheme, which cannot in any event fall below the price stipulated in the Listing Rules. The maximum number of the ordinary shares of the Company which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 435,127,903 shares) of the ordinary shares of the Company in issue as at the date when the 2014 Share Option Scheme is approved and adopted. The 2014 Share Option Scheme was effective on 4 June 2014 and will remain valid and effective for a period of

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為有關其董事進行證券交易之操守守則。在向董事作出特定查詢後，全體董事已確認，截至二零二零年六月三十日止六個月，彼等已全面遵守標準守則所載的規定標準。

購股權計劃

本公司現有一項購股權計劃：二零一四年購股權計劃。

本公司股東於二零一四年五月三十日通過決議案採納二零一四年購股權計劃。二零一四年購股權計劃規定，本公司董事會（「董事會」）可指定獲授購股權之合資格參與者。合資格參與者包括本公司及其附屬公司之董事、僱員、供應商、客戶、諮詢顧問、代理及顧問以及董事會全權酌情釐定對本集團作出或可能作出貢獻之任何人士，以認可其對本集團之貢獻。董事會將根據二零一四年購股權計劃之條款釐定購股權之行使價，惟無論如何不得低於上市規則所訂明之價格。根據二零一四年購股權計劃及本公司任何其他購股權計劃授出的所有購股權獲行使而可能發行之本公司最大普通股數目合共不得超過於二零一四年購股權計劃獲批准及採納當日本公司已發行普通股之10%（即435,127,903股股份）。二零一四年購股權計劃於二零一四年六月四日生效，並將由該日起計十年期間仍然有效。有關根據二零一四年購

10 years from that date. The existing scheme mandate limit in respect of the granting of options to subscribe for shares under the 2014 Share Option Scheme was refreshed and renewed at an extraordinary general meeting of the Company held on 19 September 2016. The maximum number of the ordinary shares of the Company upon exercise of all options to be granted under the 2014 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (i.e. 1,385,769,378 shares) of the ordinary shares of the Company in issue as at 19 September 2016 being the date of approval of the refreshment of the existing scheme mandate limit. On 12 October 2016, 1,385,769,378 options have been granted under the 2014 Share Option Scheme.

No share options under the 2014 Share Option Scheme of the Company have been granted since 13 October 2016 up to the date of issue of this interim report. Since the exercise period of the outstanding share options granted under 2014 share option scheme had expired on 11 October 2019, the relevant share options therefore lapsed automatically on the same date.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES OF THE COMPANY

As at 30 June 2020, as far as known to the Directors, the following persons (other than the Directors or chief executive of the Company) who had 5% or more interests in the shares or underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

股權計劃授出購股權以認購股份之現有計劃授權上限已於二零一六年九月十九日舉行之本公司股東特別大會上獲更新及續期。根據二零一四年購股權計劃及本公司任何其他計劃將予授出之所有購股權獲行使後，本公司普通股之最高數目合共不得超過於二零一六年九月十九日（即現有計劃授權上限獲批准及更新之日期）本公司已發行普通股之10%（即1,385,769,378股股份）。於二零一六年十月十二日，根據二零一四年購股權計劃已授出1,385,769,378份購股權。

本公司並無自二零一六年十月十三日起直至本中期報告刊發日期根據二零一四年購股權計劃授出購股權。由於二零一四年購股權計劃授出之尚未行使購股權之行使期已於二零一九年十月十一日屆滿，有關的購股權已經於同日自動失效。

主要股東於本公司股份之權益

於二零二零年六月三十日，據董事所知，按本公司根據證券及期貨條例第336條規定存置的登記冊所記錄，除本公司董事或最高行政人員外，下列人士於本公司股份或相關股份中擁有5%或以上權益，而該等權益須根據證券及期貨條例第XV部第2及3分部之規定向本公司披露，詳情如下：

OTHER INFORMATION

其他資料

LONG POSITION IN THE SHARES OF THE COMPANY

本公司股份之好倉

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares/ underlying Shares held 所持股份／ 相關股份數目	Approximate % of shareholding 概約持股 百分比
1. Liu Shiwei 柳士威	Beneficial and spouse interest (Note (a)) 實益及配偶權益(附註(a))	1,670,515,980	28.11%
2. Guan Yuyan 官玉燕	Corporate and spouse interest (Note (b)) 法團及配偶權益(附註(b))	1,670,515,980	28.11%
3. Grace Silver Limited 瑞盈有限公司	Beneficial interest (Note (c)) 實益權益(附註(c))	1,305,038,799	21.96%
4. Beijing Easyhome Investment Holding Group Co., Ltd.* 北京居然之家投資控股 集團有限公司	Corporate interest (Note (d)) 法團權益(附註(d))	643,061,087	10.82%
5. Wang Linpeng 汪林朋	Corporate and spouse interest (Note (e)) 法團及配偶權益(附註(e))	643,061,087	10.82%
6. Koo Yuen Kim 古潤金	Beneficial and corporate interest (Note (f)) 實益及法團權益(附註(f))	611,345,727	10.29%

* The English name is for identification purpose only

* 英文名稱僅供識別之用

Notes:

- (a) Mr. Liu Shiwei holds 365,477,181 Shares by virtue of his personal interest. Ms. Guan Yuyan, being Mr. Liu's spouse, has interest of 1,305,038,799 Shares in the Company via her wholly-owned controlled corporation namely Grace Silver Limited. Accordingly, Mr. Liu is also taken to be interested in 1,305,038,799 Shares via his spouse.
- (b) Ms. Guan Yuyan has deemed interest in 1,305,038,799 Shares via her wholly-owned controlled corporation namely Grace Silver Limited. Mr. Liu Shiwei being the spouse of Ms. Guan has interest of 365,477,181 Shares in the Company. Accordingly, Ms. Guan is also taken to be interested in 365,477,181 Shares via her spouse.
- (c) Grace Silver Limited is wholly and beneficially owned by Ms. Guan Yuyan.
- (d) China Home Hong Kong Limited is wholly-owned by Beijing Easyhome Investment Holding Group Co., Ltd. ("Beijing Easyhome"). China Home Hong Kong Limited is directly holding 643,061,087 Shares and Beijing Easyhome is deemed to hold 643,061,087 Share through its controlled interests in China Home Hong Kong Limited.
- (e) Beijing Easyhome is wholly-owned by Mr. Wang Linpeng and his spouse. Accordingly, Mr. Wang and his spouse are deemed to have interest in 643,061,087 shares via Beijing Easyhome.
- (f) Mr. Koo Yuen Kim holds 595,258,945 Shares by virtue of his personal interest and 16,086,782 Shares through his wholly-owned controlled corporation namely Golden Eagle (Asia) Investment Limited.

Save as disclosed above, as at 30 June 2020, the Company has not been notified of any other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

附註：

- (a) 柳士威先生藉由其個人權益持有365,477,181股股份。官玉燕女士為柳先生之配偶，通過其全資擁有之受控法團瑞盈有限公司於本公司1,305,038,799股股份中擁有權益。因此，柳先生亦被視為通過其配偶於1,305,038,799股股份中擁有權益。
- (b) 官玉燕女士被視為通過其全資擁有之受控法團瑞盈有限公司於1,305,038,799股股份中擁有權益。柳士威先生為官女士之配偶，於本公司365,477,181股股份中擁有權益。因此，官女士亦被視為通過其配偶於365,477,181股股份中擁有權益。
- (c) 瑞盈有限公司由官玉燕女士全資及實益擁有。
- (d) 華居（香港）有限公司由北京居然之家投資控股集團有限公司（「北京居然之家」）全資擁有。華居（香港）有限公司直接持有643,061,087股股份，而北京居然之家被視為通過其於華居（香港）有限公司的受控權益持有643,061,087股股份。
- (e) 北京居然之家為汪林朋先生及其配偶全資擁有。因此，汪先生及其配偶被視為通過北京居然之家擁有643,061,087股股份之權益。
- (f) 古潤金先生藉由其個人權益持有595,258,945股股份，並通過其全資擁有之受控法團金鷹（亞洲）投資有限公司於16,086,782股股份中擁有權益。

除上文所披露者外，於二零二零年六月三十日，本公司並無接獲任何其他人士（不包括本公司之董事或最高行政人員）通知指彼等擁有記錄於根據證券及期貨條例第336條須存置之登記冊的本公司股份或相關股份的任何權益或淡倉。

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其他資料

AUDIT COMMITTEE

The Audit Committee has, together with the Company's directors and external independent auditor, reviewed the interim condensed consolidated financial statements, accounting principles and practices adopted by the Group for the six months ended 30 June 2020.

CHANGE IN DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information on Director is as follow:

Experience including other directorships held in the last three years and major appointments

Ms. Wong Chi Yan, an Independent Non-Executive Director of the Company, resigned as an independent non-executive director of Huiyin Holdings Group Limited, a company listed on the main board of the Stock Exchange of Hong Kong in June 2020.

CORPORATE GOVERNANCE

The Company has applied the principles of, and complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2020, except for certain deviations which are summarized belows:

Code Provision A.2.1

In accordance with the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Furthermore, the division of responsibilities between the chairman and chief executive officer should be clearly established.

審核委員會

審核委員會連同本公司董事及外聘獨立核數師共同審閱截至二零二零年六月三十日止六個月之中期簡明綜合財務報表以及本集團採納的會計原則及慣例。

董事資料之變更

根據上市規則第13.51B(1)條，董事之資料變更如下：

於過去三年擔任其他董事職務之經驗及其他主要任命

本公司之獨立非執行董事黃志恩女士已於二零二零年六月辭任匯銀控股集團有限公司之獨立非執行董事（一所於香港交易所主板上市之公司）。

企業管治

於截至二零二零年六月三十日止六個月整個期間，除下文概述之若干偏離行為外，本公司已應用及一直遵守上市規則附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）之原則及適用之守則條文：

守則條文A.2.1

根據企業管治守則之守則條文A.2.1，主席及行政總裁之職務應予以區分，不應由同一人士擔任。此外，主席及行政總裁間之職責應明確劃分。

Mr. Yi Shuhao is currently the Chairman of the Board and the Chief Executive Officer of the Company. The Board considers that vesting both of the roles of Chairman and Chief Executive Officer in Mr. Yi is beneficial to the business prospects and management of the Group as Mr. Yi has in-depth experience in business management and development and can lead the Group to have continuous growth in the future. The Company had considered the governance issue of balance of power and authority on the board and believed that the structure of the Company (including strong independent elements in the board and delegation of authorities to management) was sufficient to address this potential issue.

Code Provision A.6.7

In accordance with the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business engagements, a Non-Executive Director could not attend the annual general meeting of the Company held on 19 June 2020. However, at the annual general meeting of the Company, Mr. Yi Shuhao, an Executive Director and some Independent Non-Executive Directors present to enable the Board to develop a balanced understand of the views of the Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

On behalf of the Board
Mr. Yi Shuhao
Chief Executive Officer

Hong Kong, 28 August 2020

易淑浩先生現為本公司主席及行政總裁。董事會認為，易先生於業務管理及發展方面擁有豐富的經驗，並可帶領本集團實現未來的持續增長，主席及行政總裁之職位均由易先生擔任對本集團之業務前景及管理有利。本公司已考慮董事會權力平衡的管治問題，並認為公司架構（包括董事會具備足夠獨立性及向管理層授予權力）足以應對這個潛在問題。

守則條文A.6.7

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

一位非執行董事因其他公事而未能出席於二零二零年六月十九日舉行之本公司股東週年大會。然而，於本公司股東週年大會上，執行董事易淑浩先生與若干獨立非執行董事出席大會，令董事會得以對股東之意見有公正的了解。

收購、贖回或出售上市證券

於回顧期間，本公司或其任何附屬公司概無收購、贖回或出售本公司任何上市證券。

代表董事會
易淑浩先生
行政總裁

香港，二零二零年八月二十八日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

YI Shuhao (Chairman and Chief Executive Officer)
CHEN Sheng (*Vice-Chairman*)
ZHANG Lirui (*Vice-Chairman*)
YU Yong (resigned as Deputy Chief Executive Officer
on 20 January 2020)
WANG Baozhi
HUANG Zhiwei (appointed on 20 January 2020)

Non-Executive Director

HSU Jing-Sheng

Independent Non-Executive Directors

WONG Chi Yan
XIAO Rong Ge
ZHANG Tianyu

COMPANY SECRETARY

LEUNG Lai Seung

AUTHORISED REPRESENTATIVES

YI Shuhao
LEUNG Lai Seung

EXECUTIVE COMMITTEE

YI Shuhao (*Chairman*)
CHEN Sheng
ZHANG Lirui
YU Yong (resigned on 20 January 2020)
WANG Baozhi
HUANG Zhiwei (appointed on 20 January 2020)

AUDIT COMMITTEE

WONG Chi Yan (*Chairman*)
XIAO Rong Ge
ZHANG Tianyu

董事會

執行董事

易淑浩 (主席及行政總裁)
陳勝 (副主席)
張利銳 (副主席)
余勇 (於二零二零年一月二十日
辭任副總裁)
王保志
黃志偉 (於二零二零年一月二十日獲委任)

非執行董事

許進勝

獨立非執行董事

黃志恩
肖榮閣
張田余

公司秘書

梁麗嫦

法定代表

易淑浩
梁麗嫦

執行委員會

易淑浩 (主席)
陳勝
張利銳
余勇 (於二零二零年一月二十日辭任)
王保志
黃志偉 (於二零二零年一月二十日獲委任)

審核委員會

黃志恩 (主席)
肖榮閣
張田余

REMUNERATION COMMITTEE

ZHANG Tianyu (*Chairman*)
WONG Chi Yan
YI Shuhao

薪酬委員會

張田余 (*主席*)
黃志恩
易淑浩

NOMINATION COMMITTEE

YI Shuhao (*Chairman*)
ZHANG Tianyu
WONG Chi Yan

提名委員會

易淑浩 (*主席*)
張田余
黃志恩

CORPORATE GOVERNANCE COMMITTEE

YI Shuhao (*Chairman*)
WANG Baozhi

企業管治委員會

易淑浩 (*主席*)
王保志

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 5 & 6, 17/F,
Convention Plaza Office Tower,
1 Harbour Road,
Wanchai,
Hong Kong

香港主要營業地點

香港
灣仔
港灣道1號
會展廣場辦公大樓
17樓5至6室

AUDITORS

CCTH CPA Limited
Certified Public Accountants

核數師

中正天恆會計師有限公司
執業會計師

CORPORATE INFORMATION

公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda)
Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

PRINCIPAL BANKERS

In Hong Kong:
Bank of China (Hong Kong) Limited

In the PRC:
Ping An Bank
Bank of Communications

WEBSITE OF THE COMPANY

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

股份過戶登記總處

Conyers Corporate Services (Bermuda)
Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港股份過戶登記分處

聯合證券登記有限公司
香港北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

主要往來銀行

香港：
中國銀行（香港）有限公司

中國：
平安銀行
交通銀行

公司網頁

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

Bay Area Gold Group Limited
灣區黃金集團有限公司