

**NAN NAN RESOURCES  
ENTERPRISE LIMITED  
南南資源實業有限公司**

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 1229)

年報 **2018**  
Annual Report



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This annual report is prepared in English and Chinese.  
In case of inconsistency, please refer to the English version as it shall prevail.

本年報以中英文編製。  
如有任何歧義，敬請參閱英文版本，並以英文版本為準。

# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Kwan Man Fai (Chairman & Managing Director)  
Lo Fong Hung  
Wang Xiangfei

#### Independent Non-executive Directors

Wong Man Hin Raymond  
Chan Yiu Fai Youdey  
Pak Wai Keung Martin (appointed on 19 September 2017)  
Lam Ka Wai Graham (retired on 7 September 2017)

#### Alternate Director

Wong Sze Wai (alternate to Wang Xiangfei)  
(appointed on 18 July 2017)

### AUDIT COMMITTEE

Pak Wai Keung Martin (Chairman)  
(appointed on 19 September 2017)  
Wong Man Hin Raymond  
Chan Yiu Fai Youdey  
Lam Ka Wai Graham (retired on 7 September 2017)

### REMUNERATION COMMITTEE

Wong Man Hin Raymond (Chairman)  
Kwan Man Fai  
Chan Yiu Fai Youdey  
Pak Wai Keung Martin (appointed on 19 September 2017)  
Lam Ka Wai Graham (retired on 7 September 2017)

### NOMINATION COMMITTEE

Kwan Man Fai (Chairman)  
Wong Man Hin Raymond  
Chan Yiu Fai Youdey  
Pak Wai Keung Martin (appointed on 7 September 2017)  
Lam Ka Wai Graham (retired on 7 September 2017)

### COMPANY SECRETARY

Li Chun Fung

### AUDITOR

Mazars CPA Limited  
42/F., Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

### 董事會

#### 執行董事

關文輝(主席兼董事總經理)  
羅方紅  
王翔飛

#### 獨立非執行董事

黃文顯  
陳耀輝  
白偉強(於二零一七年九月十九日獲委任)  
林家威(於二零一七年九月七日退任)

#### 替代董事

王四維(替代王翔飛)  
(於二零一七年七月十八日獲委任)

### 審核委員會

白偉強(主席)  
(於二零一七年九月十九日獲委任)  
黃文顯  
陳耀輝  
林家威(於二零一七年九月七日退任)

### 薪酬委員會

黃文顯(主席)  
關文輝  
陳耀輝  
白偉強(於二零一七年九月十九日獲委任)  
林家威(於二零一七年九月七日退任)

### 提名委員會

關文輝(主席)  
黃文顯  
陳耀輝  
白偉強(於二零一七年九月七日獲委任)  
林家威(於二零一七年九月七日退任)

### 公司秘書

李震鋒

### 核數師

中審眾環(香港)會計師事務所有限公司  
香港灣仔  
港灣道18號  
中環廣場42樓

### LEGAL ADVISER

Conyers Dill and Pearman  
2901, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited  
China CITIC Bank International Limited

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

8/F., Tower 2  
Admiralty Centre  
18 Harcourt Road  
Admiralty, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08, 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

### HONG KONG STOCK EXCHANGE STOCK CODE

1229

### WEBSITE

<http://www.nannanlisted.com>

### 法律顧問

Conyers Dill and Pearman  
香港中環  
康樂廣場8號  
交易廣場1座2901室

### 主要往來銀行

中國工商銀行(亞洲)有限公司  
中信銀行(國際)有限公司

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### 總辦事處及主要營業地點

香港金鐘  
夏慤道18號  
海富中心  
2座8樓

### 股份過戶登記總處

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08, 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

### 香港聯合交易所股份代號

1229

### 網站

<http://www.nannanlisted.com>

# CHAIRMAN'S STATEMENT

## 主席報告

### TO ALL SHAREHOLDERS

On behalf of the board of directors (the "Directors") (the "Board") of Nan Nan Resources Enterprise Limited (the "Company"), I present to you the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2018 (the "Year").

### RESULTS AND DIVIDENDS

For the Year, the Group recorded a revenue of approximately HK\$182,445,000 (2017: approximately HK\$73,024,000) and profit of approximately HK\$36,678,000 (2017: approximately HK\$48,267,000) respectively. The Board does not recommend the payment of any dividend for the Year (2017: Nil).

Profit of the Group for the Year was approximately HK\$36,678,000 (2017: approximately HK\$48,267,000), representing a decrease in profit of approximately HK\$11,589,000 as compared with last year. Although there was a significant increase in the gross profit from operation, the decrease in profit was mainly due to a decrease in positive change in fair value of convertible bond by approximately HK\$41,660,000 as compared with a net gain on change in fair value and loss arising from modification of convertible bond of approximately HK\$56,034,000 in last year, and the recognition of an impairment losses on intangible assets and property, plant and equipment of approximately HK\$12,618,000 and approximately HK\$3,511,000 (2017: Nil and Nil) respectively and the turnaround from exchange loss to gain of approximately HK\$20,356,000 as compared with last year.

### BUSINESS REVIEW

During the Year, the Group continued to focus on coal resources mining business.

During the Year, the growth of the People's Republic of China (the "PRC") economy continued to slow down. The demand for coals from the market has been decreasing gradually in recent years as a result of fewer large scale industrial and infrastructure projects and the promotion of the use of clean energy by the PRC government, which also had negative impacts on the coal price, exerting high pressure to the Group's operation. However, the management of the Group has adjusted short-term operation strategy and modified the production plan through understanding the local government's policies. The Group will keep strict control over the costs and expenses to maintain a strong financial position as a whole.

### 致各位股東

本人謹代表南南資源實業有限公司(「本公司」)董事(「董事」)會(「董事會」)向閣下提呈本公司及其附屬公司(統稱「本集團」)截至二零一八年三月三十一日止年度(「本年度」)之經審核綜合末期業績。

### 業績及股息

於本年度，本集團分別錄得收益約182,445,000港元(二零一七年：約73,024,000港元)及溢利約36,678,000港元(二零一七年：約48,267,000港元)。董事會不建議就本年度派付任何股息(二零一七年：無)。

本集團於本年度之溢利約為36,678,000港元(二零一七年：約48,267,000港元)，較去年減少約11,589,000港元。儘管經營業務之毛利大幅增加，惟溢利之減少主要由於可換股債券公平值變動收益減少約41,660,000港元，而去年修訂可換股債券之公平值變動收益淨額及修訂可換股債券產生之虧損約為56,034,000港元，且已確認無形資產以及物業、廠房及設備減值虧損分別為約12,618,000港元及約3,511,000港元(二零一七年：無及無)及與去年相比匯兌虧損轉虧為盈約20,356,000港元所致。

### 業務回顧

於本年度，本集團繼續專注於煤炭資源開採業務。

於本年度，中華人民共和國(「中國」)經濟增長持續放緩，大型工業及基建項目減少，加上中國政府推動使用潔淨能源，使市場對煤炭的需求近年逐步下降，亦對煤炭價格造成負面影響，為本集團帶來較大經營壓力。然而，本集團管理層洞悉當地政府政策，一度調整短期經營策略，整改生產計劃。本集團會繼續嚴格控制成本及費用，保持整體財政穩健之形勢。

## BUSINESS REVIEW (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan##**

Pursuant to the instructions from the National Development and Reform Commission of the PRC, the Department of Land and Resources of Xinjiang Uygur Autonomous Region (the "Xinjiang Land Department") had to plan for a management restructuring of seven different coal mines (including the Zexu Open Pit Coal Mine (the "Zexu Mine")) in the Xiheishan Mining Area (the "Optimization and Upgrading Plan"), consolidating some smaller mines together so as to increase the size efficiency (for details, please refer to the Company's announcement dated 11 November 2011). After being informed of this Optimization and Upgrading Plan, the Board has requested our management in the Xinjiang Uygur Autonomous Region of China ("Xinjiang") to conduct frequent meetings and negotiations with the Xinjiang Land Department and other relevant government authorities in order to protect the Company's interest in relation to the exploration permit of the Zexu Mine (the "Exploration Permit").

According to the letter dated 13 June 2012 issued by the Administrative Bureau of Coal Industry of Changji Prefecture informing the updated status of the Optimization and Upgrading Plan, the following proposals (the "Updated Optimization and Upgrading Plan") in relation to the Company's Kaiyuan Open Pit Coal Mine (the "Kaiyuan Mine") and Zexu Mine have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang for consideration and approval:

1. The Company's Kaiyuan Mine would be restructured and upgraded, and the Exploration Permit granted to the Company would be terminated; and
2. The mining area of the Kaiyuan Mine, where the Company is now conducting mining activities, was proposed to be increased from 1.1596 square kilometers to 4.12 square kilometers ("Kaiyuan Extended Area"), with the estimated coal resources of approximately 131.18 million tonnes.

## 業務回顧(續)

**(A) 優化升級方案#及優化升級更新方案##之進展**

根據中國國家發展和改革委員會之指示，新疆維吾爾自治區國土資源廳（「新疆國土資源廳」）須對西黑山開採區內的七個不同煤礦（包括澤旭露天煤礦（「澤旭煤礦」））進行管理重組（「優化升級方案」），將部分小型煤礦整合從而增加規模效益（詳情見本公司日期為二零一一年十一月十一日之公告）。董事會在得知此優化升級方案後，已要求中國新疆維吾爾自治區（「新疆」）之管理層與新疆國土資源廳及其他相關政府機關進行多次拜訪及磋商，以保障本公司有關澤旭煤礦礦產資源勘查許可證（「礦產資源勘查許可證」）之利益。

根據昌吉州煤炭工業管理局就優化升級方案的最新情況所發出日期為二零一二年六月十三日之函件，下列有關本公司凱源露天煤礦（「凱源煤礦」）及澤旭煤礦之建議（「優化升級更新方案」）已呈交新疆煤炭產業結構優化升級工作領導小組辦公室作審批：

1. 本公司之凱源煤礦將給予改造及升級，而授予本公司之礦產資源勘查許可證將被終止；及
2. 本公司正進行開採活動之凱源煤礦之開採面積建議由1.1596平方公里增至4.12平方公里（「凱源擴大範圍」），估計煤礦資源約為131.18百萬噸。

**BUSINESS REVIEW (continued)****(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

As stated in the Company's announcement dated 15 August 2017, as requested by the Department of Land and Resources of Changji Hui Autonomous Prefecture\* (昌吉回族自治州國土資源局) (the "Changji Land Department"), with the aim of expediting the resources restructuring work and accelerating and completing the process to fix the mining area for each mining right owner inside Zhundong Meitian Xiheishan Coal Mining Area\* (准東煤田西黑山煤炭礦區), where the Zexu Mine and Kaiyuan Mine of the Company are located, Qitai County Zexu Trading Company Limited\* (奇台縣澤旭商貿有限責任公司) ("Zexu Company") and Mulei County Kai Yuan Coal Company Limited\* (木壘縣凱源煤炭有限責任公司) ("Kaiyuan Company"), the subsidiaries of the Company, respectively entered into the following four undisputed agreements (the "Four Undisputed Agreements") with the relevant parties to dispose of Zexu Mine and acquire Kaiyuan Extended Area:

**1. First Undisputed Agreement**

On 15 August 2017, Zexu Company entered into an undisputed agreement (the "First Undisputed Agreement") with Xinjiang Jinneng Mining Company Limited ("Jinneng Company"), pursuant to which Jinneng Company should occupy an area of 0.297 km<sup>2</sup> within the Zexu Mine and could apply to the Xinjiang Land Department to fix such mining area. Jinneng Company should, within 10 working days upon signing the agreement, compensate Zexu Company with an amount of RMB505,197, which was calculated by multiplying the area of 0.297 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

**業務回顧(續)****(A) 優化升級方案#及優化升級更新方案##之進展(續)**

誠如本公司日期為二零一七年八月十五日之公告所述，按照昌吉回族自治州國土資源局(「昌吉國土資源局」)之要求，為促進資源整合工作，以及加快完成准東煤田西黑山煤炭礦區(該區為本公司澤旭煤礦及凱源煤礦之所在地)內各礦權人劃定礦區範圍程序之目的，本公司之附屬公司奇台縣澤旭商貿有限責任公司(「澤旭公司」)及木壘縣凱源煤炭有限責任公司(「凱源公司」)分別與相關公司簽訂了以下四份無爭議協議(「該四份無爭議協議」)，以處置澤旭煤礦及獲得凱源擴大範圍：

**1. 第一份無爭議協議**

於二零一七年八月十五日，澤旭公司與新疆金能礦業有限公司(「金能公司」)簽訂了一份無爭議協議(「第一份無爭議協議」)，據此，金能公司將佔用澤旭煤礦內面積0.297平方公里的範圍，及可向新疆國土資源廳申請劃定該礦區範圍。金能公司將於協議簽訂後十個工作日內，向澤旭公司支付補償款人民幣505,197元。該補償款是以面積0.297平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

\* English translation for identification purposes only

## BUSINESS REVIEW (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)****2. Second Undisputed Agreement**

On 15 August 2017, Zexu Company entered into an undisputed agreement (the "Second Undisputed Agreement") with Xinjiang Beishan Mining Company Limited ("Beishan Company"), pursuant to which Beishan Company should occupy an area of 2.582 km<sup>2</sup> within the Zexu Mine and could apply to the Xinjiang Land Department to fix such mining area. Beishan Company should, within 10 working days upon signing the agreement, compensate Zexu Company with an amount of RMB4,391,982, which was calculated by multiplying the area of 2.582 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

**3. Third Undisputed Agreement**

On 15 August 2017, Kaiyuan Company entered into an undisputed agreement (the "Third Undisputed Agreement") with Jinneng Company, pursuant to which Kaiyuan Company should occupy an area of 1.292 km<sup>2</sup> within the exploration area of the mine of Jinneng Company (the "First Extended Area") and could apply to the Xinjiang Land Department to fix such mining area. Kaiyuan Company should, within 10 working days upon signing the agreement, compensate Jinneng Company with an amount of RMB2,197,692, which was calculated by multiplying the area of 1.292 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

The First Extended Area to be occupied by Kaiyuan Company from Jinneng Company is located next to the Kaiyuan Mine currently operated by Kaiyuan Company.

## 業務回顧(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)****2. 第二份無爭議協議**

於二零一七年八月十五日，澤旭公司與新疆北山礦業有限公司(「北山公司」)簽訂了一份無爭議協議(「第二份無爭議協議」)，據此，北山公司將佔用澤旭煤礦內面積2.582平方公里的範圍，及可向新疆國土資源廳申請劃定該礦區範圍。北山公司將於協議簽訂後十個工作日內，向澤旭公司支付補償款人民幣4,391,982元。該補償款是以面積2.582平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

**3. 第三份無爭議協議**

於二零一七年八月十五日，凱源公司與金能公司簽訂了一份無爭議協議(「第三份無爭議協議」)，據此，凱源公司將佔用金能公司煤礦探礦範圍內面積1.292平方公里的範圍(「第一擴大範圍」)，及可向新疆國土資源廳申請劃定該礦區範圍。凱源公司將於協議簽訂後十個工作日內，向金能公司支付補償款人民幣2,197,692元。該補償款是以面積1.292平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

凱源公司將從金能公司佔用的第一擴大範圍乃位於凱源公司現正運營的凱源煤礦旁邊。



## BUSINESS REVIEW (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)****4. Fourth Undisputed Agreement**

On 15 August 2017, Kaiyuan Company entered into an undisputed agreement (the "Fourth Undisputed Agreement") with Beishan Company, pursuant to which Kaiyuan Company should occupy an area of 0.016 km<sup>2</sup> within the mining area of the mine of Beishan Company (the "Second Extended Area") and could apply to the Xinjiang Land Department to fix such mining area. Kaiyuan Company should, within 10 working days upon signing the agreement, compensate Beishan Company with an amount of RMB27,216, which was calculated by multiplying the area of 0.016 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

The Second Extended Area to be occupied by Kaiyuan Company from Beishan Company is located next to the Kaiyuan Mine currently operated by Kaiyuan Company.

The total area of 2.879 km<sup>2</sup> of Zexu Mine being occupied by Jinneng Company and Beishan Company under the First Undisputed Agreement and the Second Undisputed Agreement respectively represent the whole area of the Zexu Mine. Since the said two agreements had been completed, the Exploration Permit became invalid. Since the Zexu Mine has not commenced mining, it has not generated any revenue for the Group in the past years.

## 業務回顧(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)****4. 第四份無爭議協議**

於二零一七年八月十五日，凱源公司與北山公司簽訂了一份無爭議協議（「第四份無爭議協議」），據此，凱源公司將佔用北山公司煤礦採礦範圍內面積0.016平方公里的範圍（「第二擴大範圍」），及可向新疆國土資源廳申請劃定該礦區範圍。凱源公司將於協議簽訂後十個工作日內，向北山公司支付補償款人民幣27,216元。該補償款是以面積0.016平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

凱源公司將從北山公司佔用的第二擴大範圍乃位於凱源公司現正運營的凱源煤礦旁邊。

金能公司及北山公司分別根據第一份無爭議協議及第二份無爭議協議佔用的澤旭煤礦總面積2.879平方公里的範圍，為澤旭煤礦的所有面積範圍。由於該兩份協議已完成，故礦產資源勘查許可證將失效。由於澤旭煤礦未開始開採，因此於過去年間其未為本集團帶來收入。

**BUSINESS REVIEW (continued)****(A) Progress of the Optimization and Upgrading Plan<sup>#</sup> and the Updated Optimization and Upgrading Plan<sup>##</sup> (continued)**

So far as the Company is aware, the First Extended Area and the Second Extended Area being occupied by Kaiyuan Company under the Third Undisputed Agreement and Fourth Undisputed Agreement respectively have not yet commenced mining. After having completed such agreements, the Company was required to go through official procedures with the relevant land and resources departments to obtain the exploration right and then the mining right in respect of these extended areas. When the related exploration right or mining right is obtained, the Company will appoint professional parties to evaluate possible coal reserves and perform valuation on the First Extended Area and Second Extended Area. For accounting purposes, these extended area were booked as "Non-refundable deposits" under non-current assets with value of approximately RMB2,099,000 (equivalent to approximately HK\$2,604,000) in the Group's consolidated statement of financial position, which, if appropriate, would be transferred to the intangible assets after conclusion is reached with the government departments. Upon obtaining the exploration right or mining right, the Company will discuss again with professional parties (including its valuer and auditor) regarding the possible coal reserves, valuation and accounting treatment of the First Extended Area and Second Extended Area. The Company has not received any update from the relevant government departments since the completion of the Four Undisputed Agreements.

According to the Updated Optimization and Upgrading Plan, the mining area of the Kaiyuan Mine was proposed to be increased from 1.1596 km<sup>2</sup> to 4.12 km<sup>2</sup>. For the First Extended Area and the Second Extended Area, since they were originally owned by Jinneng Company and Beishan Company respectively, the Third Undisputed Agreement and the Fourth Undisputed Agreement were required to be signed respectively for transfer of such area and as one of the important procedures for obtaining the exploration right and then the mining right. Upon completion of the Third Undisputed Agreement and Fourth Undisputed Agreement, the area of the Kaiyuan Mine will only increase to approximately 2.4676 km<sup>2</sup>. Concerning the outstanding proposed increased area of approximately 1.6524 km<sup>2</sup> (the "Outstanding Mining Area"), so far as the Company is aware, such area is located next to the Kaiyuan Mine and is currently owned by the government. To obtain the exploration right and then the mining right of such area, the Company is still required to go through official procedures with the relevant land and resources departments.

**業務回顧(續)****(A) 優化升級方案<sup>#</sup>及優化升級更新方案<sup>##</sup>之進展(續)**

就本公司所知，凱源公司分別根據第三份無爭議協議及第四份無爭議協議佔用的第一擴大範圍及第二擴大範圍仍未開始開採。該兩份協議完成後，本公司須向相關國土資源部門辦理正式程序以取得該等擴大範圍的勘察權及隨後的採礦權。當取得相關勘察權或採礦權後，本公司將聘請專業人士對第一擴大範圍及第二擴大範圍的煤潛在儲存量進行評估及對該等擴大範圍進行估值。於會計方面，該等擴大範圍將會以非流動資產內的「不可退還訂金」入賬於本集團之綜合財務狀況表中，數額約為人民幣2,099,000元(相等於約2,604,000港元)。如合適，於與政府部門落實後，該入賬將會轉為無形資產。於取得勘察權或採礦權後，本公司將會就第一擴大範圍及第二擴大範圍的煤潛在儲存量、估值及會計入賬方面再與專業人士(包括其估值師及審計師)商討。自第四份無爭議協議完成起，本公司並無收到來自相關政府部門之最新資料。

根據優化升級更新方案，凱源煤礦之開採面積建議由1.1596平方公里增至4.12平方公里。就第一擴大範圍及第二擴大範圍而言，由於該等範圍原分別由金能公司及北山公司所擁有，因此需分別簽署第三份無爭議協議及第四份無爭議協議，以轉讓該等範圍及作為取得該等範圍的勘察權及隨後的採礦權的重要程序之一。於第三份無爭議協議及第四份無爭議協議完成後，凱源煤礦之面積將僅增至約2.4676平方公里。至於餘下建議增加面積約1.6524平方公里(「餘下採礦面積」)，就本公司所知，該範圍位於凱源煤礦旁邊及現由政府所擁有。為取得該範圍的勘察權及隨後的採礦權，本公司仍需向相關國土資源部門辦理正式程序。

**BUSINESS REVIEW (continued)****(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

By a letter dated 6 February 2018 from the Zhundong Economic and Technological Development Zone Division of the Ministry of Land and Resources of Changji Hui Autonomous Prefecture\* (昌吉回族自治州國土資源局准東經濟技術開發區分局) (the “Zhundong Division of the Ministry of Land and Resources”), as part of the application, the Zhundong Division of the Ministry of Land and Resources required Kaiyuan Company to sign a deed of undertaking (the “Deed of Undertaking”).

Since the Outstanding Mining Area is a national resource of the PRC government, the Deed of Undertaking requires Kaiyuan Company to undertake to (1) apply for a bid invitation, auction and listing (the “Bid, Auction and Listing”) for exploration right of the Outstanding Mining Area and to grant state-owned enterprises within the Zhundong Economic and Technological Development Zone\* (准東經濟技術開發區) (the “State-Owned Enterprises”) a priority to participate in the Bid, Auction and Listing (the “Priority”); and (2) grant the State-Owned Enterprises who obtain exploration right in the Outstanding Mining Area a right to invest in the mining of the Outstanding Mining Area (the “Right to Invest”). As at the date of the announcement on 28 March 2018, no concrete terms of the Priority and the Right to Invest have been provided by the Zhundong Division of the Ministry of Land and Resources. Detailed terms and conditions of the possible business cooperation with the State-Owned Enterprises in the Outstanding Mining Area will be subject to further development on the Updated Optimization and Upgrading Plan and government policy.

**業務回顧(續)****(A) 優化升級方案#及優化升級更新方案##之進展(續)**

透過一封由昌吉回族自治州國土資源局准東經濟技術開發區分局(「准東經濟技術開發區分局」)於二零一八年二月六日發出的信函，作為申請的一部分，准東經濟技術開發區分局要求凱源公司簽署一份承諾函(「該承諾函」)。

因餘下採礦面積為國家資源，該承諾函要求凱源公司承諾(1)對餘下採礦面積的勘察權申請進行公開招標、拍賣及掛牌(「招拍掛」)，在同等條件下，由准東開發區的國有投資公司(「國有企業」)優先參與(「優先權」)；及(2)授予取得勘察權的國有企業以參股形式參與到餘下採礦面積的開採(「參股權」)。於二零一八年三月二十八日之公告日期，准東經濟技術開發區分局未有提供任何關於優先權及參股權之詳細條款。有關與國有企業於餘下採礦面積之商業合作可能性的詳細條款及條件將受限於優化升級更新方案之進一步發展及政府政策。

\* English translation for identification purposes only

## BUSINESS REVIEW (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

Upon receiving the Deed of Undertaking, the Company proactively contacted the Zhundong Division of the Ministry of Land and Resources in order to understand or obtain the concrete terms of the Priority and the Right to Invest as stated in the Deed of Undertaking. However, after a few weeks of contact and communication, with the intervening Chinese New Year holiday from 13 February 2018 to 8 March 2018 in Xinjiang, the Zhundong Division of the Ministry of Land and Resources confirmed that it was not able to provide any concrete terms of the Priority and the Right to Invest. In light of these circumstances, the Company sought legal opinion from a PRC lawyer in Xinjiang. According to the PRC legal opinion obtained by the Company:

1. three out of the four companies with mines in the Xiheishan Mining Area had executed the Deed of Undertaking;
2. if Kaiyuan Company did not execute the Deed of Undertaking, the Zhundong Division of the Ministry of Land and Resources will cease to process Kaiyuan Company's application for exploration right and mining right in the Kaiyuan Extended Area; and
3. no concrete terms of the Priority and the Right to Invest had been provided by the Zhundong Division of the Ministry of Land and Resources.

To further facilitate the Updated Optimization and Upgrading Plan and to enable Kaiyuan Company to continue to apply for exploration right and mining right in the Kaiyuan Extended Area, Kaiyuan Company had executed the Deed of Undertaking within 7 days of the date of the announcement on 28 March 2018. The Priority and the Right to Invest may or may not be exercised by the State-Owned Enterprises. The Board considers that any possible business cooperation with the State-Owned Enterprises in the Outstanding Mining Area is to comply with the execution of the Updated Optimization and Upgrading Plan. In the event that the Right to Invest is exercised by the State-Owned Enterprises, the Company will negotiate for fair and reasonable terms taking into account the interests of the Company and shareholders as a whole.

## 業務回顧(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)**

在收到該承諾函後，本公司積極與准東經濟技術開發區分局聯繫，希望瞭解或取得該承諾函內所述之優先權和參股權之詳細條款。但經過數週的聯繫和溝通，當中包括新疆由二零一八年二月十三日至二零一八年三月八日的中國新年假期，准東經濟技術開發區分局確認其未能提供任何關於優先權及參股權之詳細條款。本公司亦就此情況向位於新疆的中國律師尋求法律意見。根據本公司取得之中國法律意見：

1. 西黑山開採區擁有礦權的四家公司其中三家公司已簽署了該承諾函；
2. 如凱源公司不簽署該承諾函，准東經濟技術開發區分局則不會繼續辦理凱源公司於凱源擴大範圍的勘察權及採礦權申請；及
3. 准東經濟技術開發區分局未有提供任何關於優先權及參股權之詳細條款。

為令優化升級更新方案能進一步推進及能繼續辦理凱源公司於凱源擴大範圍的勘察權及採礦權申請，凱源公司已於二零一八年三月二十八日之公告日期起7天內進行簽署該承諾函。國有企業可能會或不會行使優先權及參股權。董事會認為任何可能與國有企業於餘下採礦面積之商業合作是為配合優化升級更新方案的執行。在國有企業行使參股權的情況下，本公司將會爭取公平合理之交易條款，並符合本公司及股東整體利益。

## BUSINESS REVIEW (continued)

### (A) Progress of the Optimization and Upgrading Plan<sup>#</sup> and the Updated Optimization and Upgrading Plan<sup>##</sup> (continued)

The management of Kaiyuan Company has been communicating and negotiating with the Zhundong Division of the Ministry of Land and Resources in order to protect the Company's best interest in the Outstanding Mining Area.

The application for exploration right and mining right of the Outstanding Mining Area is irrelevant to the renewal of the mining right in the Kaiyuan Mine (the "Mining Right") as stated in the announcement of the Company dated 27 December 2017.

<sup>#</sup> "Optimization and Upgrading Plan" was previously referred to as "Management Restructuring Plan" in the announcement of the Company dated 11 November 2011 and in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

<sup>##</sup> "Updated Optimization and Upgrading Plan" was previously referred to as "Updated Restructuring Proposals" in the announcement of the Company dated 15 June 2012 and in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

## 業務回顧(續)

### (A) 優化升級方案<sup>#</sup>及優化升級更新方案<sup>##</sup>之進展(續)

為保障本公司於餘下採礦面積的最大利益，凱源公司之管理層一直與准東經濟技術開發區分局溝通與協商。

餘下採礦面積之勘察權及採礦權申請與本公司日期為二零一七年十二月二十七日之公告所述的凱源煤礦採礦權(「採礦權」)重續無關。

<sup>#</sup> 「優化升級方案」之前於本公司日期為二零一一年十一月十一日的公告及於該日期後之本公司公告、通知、通函、中期報告及年報中被提述為「管理重組計劃」。

<sup>##</sup> 「優化升級更新方案」之前於本公司日期為二零一二年六月十五日的公告及於該日期後之本公司公告、通知、通函、中期報告及年報中被提述為「更新重組建議」。

**BUSINESS REVIEW (continued)****(B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station**

As stated in the Company's announcement dated 25 September 2017, Kaiyuan Company received notices from the relevant government departments requesting for suspension of the production at Kaiyuan Mine and demolishment of gas station therein.

**1. Suspension of Production at Kaiyuan Mine**

At the night of 19 September 2017, Kaiyuan Company received a notice dated 16 September 2017 from the Environmental Protection Bureau of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區環境保護局) and a notice dated 19 September 2017 from the Environmental Protection Committee of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區環境保護委員會), requesting Kaiyuan Company to suspend production at its Kaiyuan Mine since Kaiyuan Company had yet to implement the coal mine environmental comprehensive remediation proposal in accordance with the requirements of, among other things, the "Implementation Opinion on Environmental Protection Specific Remediation in Zhundong Development Area\*" (准東開發區環境保護專項整治實施意見)".

**2. Production Resumption at Kaiyuan Mine**

As stated in the Company's announcement dated 26 October 2017, Kaiyuan Company received notices from the relevant government departments to resume the production at Kaiyuan Mine.

At the night of 23 October 2017, Kaiyuan Company received a notice (the "Notice") dated 23 October 2017 from the Party and Government Office of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區黨政辦公室) requesting the relevant enterprises in the development area, including Kaiyuan Company, to thoroughly implement the requirements of the "Emergency notice to better implement the work to safeguard supply of coal\*" (關於做好保障煤炭供應工作的緊急通知)" (the "Emergency Notice") issued by the Office of the People's Government of Changji Hui Autonomous Prefecture\* (昌吉回族自治州人民政府辦公室). According to the Emergency Notice, several coal mines, including the Kaiyuan Mine, were requested to conduct coal production and at the same time implement the environmental protection remedial works.

**業務回顧(續)****(B) 凱源煤礦之停產及復產以及拆除加油站**

誠如本公司日期為二零一七年九月二十五日之公告所述，凱源公司收到相關政府部門之通知，要求凱源煤礦停產及拆除該處之加油站。

**1. 凱源煤礦之停產**

於二零一七年九月十九日晚上，凱源公司收到一份由新疆准東經濟技術開發區環境保護局發出的日期為二零一七年九月十六日的通知及一份由新疆准東經濟技術開發區環境保護委員會發出的日期為二零一七年九月十九日的通知，要求凱源公司的凱源煤礦停產，原因為凱源公司並未按照(其中包括)《准東開發區環境保護專項整治實施意見》的要求，落實煤礦環境綜合整治方案。

**2. 凱源煤礦之復產**

誠如本公司日期為二零一七年十月二十六日之公告所述，凱源公司收到相關政府部門之通知，恢復凱源煤礦之生產。

於二零一七年十月二十三日晚上，凱源公司收到一份由新疆准東經濟技術開發區黨政辦公室所發出的日期為二零一七年十月二十三日的通知(「該通知」)，要求開發區相關企業(包括凱源公司)貫徹執行昌吉回族自治州人民政府辦公室所發出的《關於做好保障煤炭供應工作的緊急通知》(「該緊急通知」)的要求。根據該緊急通知，要求多個煤礦(包括凱源煤礦)進行煤炭生產及同時進行環境保護整改工作。

\* English translation for identification purposes only

**BUSINESS REVIEW (continued)****(B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station (continued)****2. Production Resumption at Kaiyuan Mine (continued)**

Upon discussion with the relevant government departments, Kaiyuan Company was confirmed that the Kaiyuan Mine could resume normal production while fulfilling the requirements of conducting the environmental protection remedial works.

The Kaiyuan Mine had resumed production according to the Notice and the Emergency Notice. Although the production at the Kaiyuan Mine was suspended for around one month, it did not create material financial impact on the Group since Kaiyuan Company continued to sell its inventory of slack coal during the production suspension period. So far as the Company is aware, Kaiyuan Company has not received any claims arising from non-supply of coal during the production suspension period. Meanwhile, Kaiyuan Company will cooperate with the relevant government departments to complete the requested environmental protection remedial works.

**3. Demolishment of Gas Station**

On 21 September 2017, Kaiyuan Company received an "Administrative Enforcement Document of Production Safety\* (安全生產行政執法文書)" dated 21 September 2017 from the Production Safety Supervision and Administration Bureau\* (安全生產監督管理局) of the Administration Committee of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區管委會) (the "Document"), alleging that there were illegal storage and use of diesel at the Kaiyuan Mine and the gas station constructed therein was not in compliance with the "Regulations on Design and Construction of Gas Station\* (加油站設計與施工規範)". Kaiyuan Company was requested to cease usage of the gas station immediately and demolish the gas station before 6 October 2017.

**業務回顧(續)****(B) 凱源煤礦之停產及復產以及拆除加油站(續)****2. 凱源煤礦之復產(續)**

於與相關政府部門討論後，凱源公司獲確認，凱源煤礦可於滿足其進行環境保護整改工作要求的同時，恢復正常生產。

凱源煤礦已根據該通知及該緊急通知恢復生產。雖然凱源煤礦停產約一個月，但由於停產期間凱源公司仍繼續銷售其沫煤存貨，因此停產並沒有對本集團帶來重大財務影響。據本公司所認知，凱源公司未曾收過因停產期間未能供應煤炭而所出現的任何索償。在此期間，凱源公司將與相關政府部門合作，以完成所要求的環境保護整改工作。

**3. 拆除加油站**

於二零一七年九月二十一日，凱源公司收到一份由新疆准東經濟技術開發區管委會安全生產監督管理局發出的日期為二零一七年九月二十一日的安全生產行政執法文書(「該文書」)，提出凱源煤礦中有非法儲存使用柴油的情況，以及礦內的加油站未按照《加油站設計與施工規範》建設。凱源公司被要求立即停止使用加油站，以及於二零一七年十月六日前拆除加油站。

\* English translation for identification purposes only

## BUSINESS REVIEW (continued)

### (B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station (continued)

#### 3. Demolishment of Gas Station (continued)

The gas station at the Kaiyuan Mine was constructed long time ago to supply diesel to the facilities and transportation vehicles at the Kaiyuan Mine. Demolishment of the gas station would not affect the operation of the Kaiyuan Mine seriously. Upon receipt of the Document, the management of Kaiyuan Company had negotiated with the relevant government departments, which on 22 September 2017, verbally allowed Kaiyuan Company to use up all the diesel remained in the gas station first and then demolish such station thereafter. The management of Kaiyuan Company looked for other effective means to supply diesel to the facilities and transportation vehicles at the Kaiyuan Mine. Kaiyuan Company selected a contractor for the renovation of the gas station after the design was approved by the relevant government departments.

### (C) Suspension of Production at Kaiyuan Mine

On 11 April 2018, Kaiyuan Company received an on-site punishment decision\* (現場處理決定書) dated 11 April 2018 (the "Decision") from the Production Safety Supervision and Administration Bureau\* (安全生產監督管理局) of the Xinjiang Zhundong Economic and Technological Development Zone\* (新疆准東經濟技術開發區) (the "Bureau"), ordering Kaiyuan Company to suspend all production, construction and operation at the Kaiyuan Mine. However, the construction work of basic facilities and sale of its inventory of slack coal during the production suspension period were permitted. The Decision was issued as the Mining Right and the work safety permit\* (安全生產許可證) (the "Work Safety Permit") of Kaiyuan Company had expired on 26 December 2017 and 18 January 2018 respectively.

## 業務回顧(續)

### (B) 凱源煤礦之停產及復產以及拆除加油站(續)

#### 3. 拆除加油站(續)

凱源煤礦中的加油站已建設多年，以提供柴油予凱源煤礦中的設施及運輸車輛。拆除加油站將不會嚴重地影響凱源煤礦的營運。收到該文書後，凱源公司的管理層已與相關政府部門討論，其於二零一七年九月二十二日口頭准許本公司可先使用完畢加油站餘下的柴油及其後拆除該油站。另外，凱源公司的管理層亦尋找其他有效方法以提供柴油予凱源煤礦中的設施及運輸車輛。凱源公司於設計獲相關政府部門批准後，挑選承包商翻修加油站。

### (C) 凱源煤礦之停產

於二零一八年四月十一日，凱源公司收到由新疆准東經濟技術開發區安全生產監督管理局(「安監局」)發出日期為二零一八年四月十一日之現場處理決定書(「該決定書」)，要求凱源公司停止於凱源煤礦之一切生產、建設及經營活動。然而，於停產期間的基本設施建設和沫煤存貨銷售是允許的。該決定書的發出是由於凱源公司之採礦權及安全生產許可證(「安全生產許可證」)已分別於二零一七年十二月二十六日及二零一八年一月十八日屆滿。

\* English translation for identification purposes only



**BUSINESS REVIEW (continued)****(C) Suspension of Production at Kaiyuan Mine (continued)**

The renewal of the Work Safety Permit is conditional on the renewal of the Mining Right.

**1. Impacts on the group and measures to be taken**

Kaiyuan Mine is the only operating business of the Group. After preliminary assessment, it was expected that the production suspension at the Kaiyuan Mine will lead to a decrease in the production volume of coal. Nevertheless, since the Group can still sell its existing inventory of slack coal during the production suspension period, the production suspension shall not have material financial impact on the Group in short-term. The Company expects that the slack coal inventory may support the coming sales until around end of August 2018. If, after the slack coal inventory is sold out, the production still cannot be resumed, the production suspension may create adverse impact on the financial position and operation of the Group.

Immediately upon receipt of the Decision, Kaiyuan Company proactively liaised with officers of the Bureau in order to understand the implementation of the punishment and the affected area of the Kaiyuan Mine as stated in the Decision. Upon preliminary communication with the officers, Kaiyuan Company was informed that the construction of basic facilities (including, among others, road hardening within the mine, domestic sewage treatment and backup gas station) and sale of its inventory of slack coal during the production suspension period are permitted. Kaiyuan Company will continue to closely follow up with the Bureau for the renewal of the Work Safety Permit in order to resume the production of the Kaiyuan Mine.

**業務回顧(續)****(C) 凱源煤礦之停產(續)**

安全生產許可證重續須待採礦權重續後，方可辦理。

**1. 對本集團的影響及將採取的措施**

凱源煤礦為本集團的唯一營運業務。經初步評估後，預計凱源煤礦停產將會導致產煤量減少。然而，由於本集團於停產期間仍然可銷售其沫煤存貨，因此於短期內停產將不會對本集團有重大財務影響。本公司預計沫煤存貨可支持未來銷售直至約二零一八年八月底。若沫煤存貨售罄後生產仍未能恢復，停產將或會對本集團的財務狀況及營運帶來不利影響。

收到該決定書時，凱源公司立即積極和安監局的官員聯繫以瞭解該決定書所載的責令之落實及凱源煤礦之受影響範圍。根據與官員之初步溝通，凱源公司得悉於停產期間的基本設施建設(包括礦區道路硬化、生活污水處理設施及自備加油站改建等)和沫煤存貨銷售是允許的。凱源公司會繼續與安監局緊密聯繫安全生產許可證的重續以便凱源煤礦復產。

## BUSINESS REVIEW (continued)

### (C) Suspension of Production at Kaiyuan Mine (continued)

#### 2. Updates on the renewal of Mining Right

In light of the Decision, the Company has sought legal opinion from a PRC lawyer in Xinjiang. According to the PRC legal opinion obtained by the Company, Kaiyuan Company had commenced renewal application in September 2017 to renew the Mining Right which was expired on 26 December 2017. The Mining Right was subsequently granted on 28 May 2018.

According to the PRC legal opinion obtained by the Company, based on PRC laws and regulations, the renewal application of Mining Right was to be submitted to and reviewed by different governmental departments in a hierarchical order. Kaiyuan Company commenced the renewal application for the Mining Right in September 2017 at the Zhundong Economic and Technological Development Zone Division of the Department of Land and Resources\* (新疆准東經濟技術開發區分局) and in turn the Changji Land Department.

On 9 November 2017, Kaiyuan Company already applied to the Xinjiang Land Department for the renewal of the Mining Right. After initial review by the Xinjiang Land Department, Kaiyuan Company submitted supplemental information on 14 December 2017.

The renewal application of the Mining Right was accepted at the office of the head of the Xinjiang Land Department meeting\* (廳長辦公會議) on 9 March 2018 and the Xinjiang Land Department requested the Administration Committee of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區管委會) (the "Administration Committee") to issue renewal approval documents so that the Mining Right can be renewed.

## 業務回顧(續)

### (C) 凱源煤礦之停產(續)

#### 2. 採礦權重續之最新情況

本公司就該決定書向位於新疆的中國律師尋求法律意見。根據本公司取得之中國法律意見，凱源公司已在二零一七年九月展開重續申請以重續已於二零一七年十二月二十六日屆滿之採礦權。採礦權隨後於二零一八年五月二十八日授出。

根據本公司取得之中國法律意見，按照中國之法律和法規，採礦權之重續申請須逐級向不同政府部門提交及經審閱。凱源公司於二零一七年九月依次序向新疆准東經濟技術開發區分局及昌吉國土資源局展開採礦權重續申請。

於二零一七年十一月九日，凱源公司已將採礦權延續報件上報至新疆國土資源廳。經新疆國土資源廳初步審閱後，凱源公司於二零一七年十二月十四日提交補充資料。

採礦權重續申請於二零一八年三月九日經廳長辦公會議通過，但新疆國土資源廳已要求新疆准東經濟技術開發區管委會(「管委會」)出具同意延續的文件才可下發新的採礦權。

\* English translation for identification purposes only

## BUSINESS REVIEW (continued)

### (C) Suspension of Production at Kaiyuan Mine (continued)

#### 2. Updates on the renewal of Mining Right (continued)

On 9 April 2018, Kaiyuan Company submitted the application report on consent to the renewal of the mining permit of 90,000 tonnes/year of Kaiyuan Company (同意木壘縣凱源煤炭有限責任公司9萬噸/年採礦證研續的申請報告) to the Administration Committee which processed the renewal application.

The PRC lawyer opined that, based on past experience, the renewal application of Mining Right shall be approved in approximately three months after the expiry. However, due to the local situation and the priority to deal with the social stability of the local area, the Xinjiang government has been highly occupied with stability maintenance work, which has been causing delay to the renewal application process of Mining Right.

The PRC lawyer further opined that the Decision would not affect the renewal application of the Mining Right, documentations for the Work Safety Permit renewal application are completed but the renewal of Mining Right must be obtained in order to proceed with the application. Kaiyuan Company will continue to communicate with the relevant government departments in order to facilitate the renewal of Mining Right and in turn the renewal of the Work Safety Permit. It is unable to estimate the time for the renewal application process hence the Company is unable to estimate the exact time for the resumption of production at the Kaiyuan Mine at this stage.

## 業務回顧(續)

### (C) 凱源煤礦之停產(續)

#### 2. 採礦權重續之最新情況(續)

於二零一八年四月九日，凱源公司已將《同意木壘縣凱源煤炭有限責任公司9萬噸/年採礦證研續的申請報告》上報至管委會，由管委會處理重續申請。

中國律師認為，按照以往經驗，採礦權重續申請於屆滿後大概三個月的時間獲批。然而，基於當地的情況及當地社會穩定的優先處理，新疆政府維護國家局勢和社會的整體穩定的工作任務十分繁重，並導致採礦權重續申請的延遲辦理。

中國律師進一步認為該決定書不會影響採礦權之重續申請，凱源煤礦安全生產許可證重續的申請資料已齊備，但必須先取得採礦權的重續方可辦理申請。凱源公司會繼續與相關政府部門溝通以推進採礦權重續及其後之安全生產許可證重續。因為無法預計重續申請程序的時間，所以本公司現階段無法預計凱源煤礦復產的準確時間。

## BUSINESS REVIEW (continued)

### (C) Suspension of Production at Kaiyuan Mine (continued)

#### 2. Updates on the renewal of Mining Right (continued)

On 28 May 2018, the Kaiyuan Company successfully renewed and was granted a Mining Right by the Xinjiang Land Department. The Mining Right is valid for 1 year from 26 December 2017 to 31 December 2018 to conduct mining activities at the Kaiyuan Mine.

The Company had immediately on 29 May 2018 applied to the Xinjiang Coal Mine Safety Supervision and Administration Bureau\* (新疆煤礦安全監察局) (the "Coal Mine Safety Bureau") for the renewal of the Work Safety Permit.

According to the PRC legal opinion obtained by the Company, based on past experience, the renewal application of the Work Safety Permit shall be approved in approximately thirty business days upon receipt of the renewal application by the Coal Mine Safety Bureau. However, due to the local situation and the priority to deal with the social stability of the local area, the Xinjiang government has been highly occupied with stability maintenance work, which made it difficult to estimate the processing time of the renewal application of the Work Safety Permit.

Once the renewal application is approved and the Company is granted the Work Safety Permit, the Company shall promptly apply to the Bureau for resumption of production at the Kaiyuan Mine. The PRC lawyer further opined that, the Company can only resume production at the Kaiyuan Mine once the Bureau has approved the application.

## 業務回顧(續)

### (C) 凱源煤礦之停產(續)

#### 2. 採礦權重續之最新情況(續)

於二零一八年五月二十八日，凱源公司成功重續並獲得新疆國土資源廳授予採礦權。採礦權之有效期為一年，自二零一七年十二月二十六日至二零一八年十二月三十一日止，可於凱源煤礦進行採礦活動。

本公司已立即於二零一八年五月二十九日向新疆煤礦安全監察局(「新疆煤監局」)申請辦理安全生產許可證的延續。

根據本公司取得之中國法律意見，按照以往經驗，安全生產許可證重續申請於新疆煤監局收到重續申請後大概三十個工作天的時間獲批。然而，基於當地的情況及當地社會穩定的優先處理，新疆政府維護國家局勢和社會的整體穩定的工作任務十分繁重，並導致重續申請的處理時間難以預計。

一旦重續申請獲得批准及本公司獲得安全生產許可證，本公司將及時向安監局申請凱源煤礦之復產。中國律師進一步認為，本公司只能在安監局批准申請後恢復生產。

\* English translation for identification purposes only

## PROSPECTS

The Board considers that the coal business is full of challenges and endeavors to achieve our goal of bringing maximum values for shareholders by strengthening management of the Company, controlling the cost of coal mining, cooperating with the national policies of developing economy in the western region, seizing new chances, exploring new markets, and seeking for investment opportunities in renewable energy and environmental engineering sectors.

Being cognizant of the impact of coal mining operations on the environment, we are committed to the implementation of environment management in compliance with laws and regulations. As coal mining inevitably generates emissions, the Group will increase investment in upgrading eco-friendly equipment, striving to mitigate dust dispersion in the production and storage process.

Regarding the Updated Optimization and Upgrading Plan, as explained above, Kaiyuan Company and Zexu Company have already followed the request from the Changji Land Department to enter into the Four Undisputed Agreements respectively to dispose of Zexu Mine and acquire the Kaiyuan Extended Area. The Company is now going through official procedures to apply for the exploration right and mining right in respect of the extended areas. The Company will make further announcement(s) as and when appropriate to keep shareholders posted of any further development of the Updated Optimization and Upgrading Plan.

## APPRECIATION

I wish to thank my fellow directors, management and staff for their unrelentless efforts for the business development of the Company. On behalf of the Board, I express our sincere gratitude to our shareholders, customers, suppliers, employees and business partners for their continuing support of the Company.

By Order of the Board

**Kwan Man Fai**  
*Chairman*

Hong Kong, 20 June 2018

## 前景

董事會認為煤炭業務面臨諸多挑戰，本公司將致力加強管理、控制煤礦開採成本、配合國家發展西部地區經濟的政策、尋找新機遇、開拓新市場及物色可再生能源及環境工程等行業之投資契機，以達到為股東創造最大價值之目標。

瞭解到煤礦開採對環境的影響，我們承諾遵守法律及法規，實施環境管理。由於煤礦開採產生排放的情況不能避免，本集團將增加環保設備升級的投資及致力減低生產及儲存過程中粉塵的擴散。

就優化升級更新方案而言，誠如上文所闡述，凱源公司及澤旭公司已遵照昌吉國土資源局的要求，分別訂立四份無爭議協議，以處置澤旭煤礦及獲得凱源擴大範圍。本公司現正辦理正式程序以取得該等擴大範圍的勘察權及採礦權。本公司將於適當時候另行刊發公告，以通知股東優化升級更新方案之任何進一步發展。

## 致謝

本人謹此答謝各董事、管理層及員工努力不懈，為本公司之業務發展作出貢獻。本人謹代表董事會就各股東、客戶、供應商、僱員及業務夥伴一直以來對本公司之鼎力支持深表謝意。

承董事會命

**關文輝**  
*主席*

香港，二零一八年六月二十日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCE REVIEW

#### Revenue

The Group recorded a revenue of approximately HK\$182,445,000 for the Year (2017: approximately HK\$73,024,000). It represents an increase of approximately HK\$109,421,000 or approximately 150% as compared with last year.

Geographically, Xinjiang is remote from major industrial cities in the PRC. Coal produced in Xinjiang is mainly consumed locally due to the reason of logistic and transportation costs.

Increase in sales was mainly due to increase in demand for 36 coals, 38 coals, slack coals and weathered coals since more sales effort has been put by the senior management of the Xinjiang office of the Group. The Group sold approximately 3,183,450 tonnes (2017: approximately 1,065,662 tonnes) of coal, increased by approximately 199% in volume from a year ago.

#### Cost of sales

The cost of sales for the Year was approximately HK\$130,398,000 (2017: approximately HK\$48,426,000). The cost mainly comprises direct labor cost, cost for explosive works, machine rental cost, depreciation and amortisation etc. The increase in cost of sales was largely in line with the increase in sales volume during the Year as compared with the previous year.

#### Gross profit

Due to the factors explained above, the gross profit of the Group for the Year increased to approximately HK\$52,047,000 (2017: approximately HK\$24,598,000). It represents an increase of approximately of HK\$27,449,000 or approximately 112% as compared with last year but gross profit margin decreased by approximately 5.18% for the Year to approximately 28.5%. It was mainly due to the high sale volume of slack coal and weathered coal which generated lower gross profit margin compared with the piece coal.

#### Other revenue

The Group's other revenue for the Year was approximately HK\$6,332,000 (2017: approximately HK\$9,943,000), representing a decrease of approximately HK\$3,611,000 or approximately 36% as compared with the last year. This was mainly due to decrease in net income from selling coal gangue (煤矸石) by approximately HK\$4,956,000 but compensated by the increase of interest income and other revenue by approximately HK\$1,345,000.

### 財務回顧

#### 收益

於本年度，本集團錄得收益約182,445,000港元(二零一七年：約73,024,000港元)，較去年增加約109,421,000港元或約150%。

地理上，新疆遠離中國主要工業城市。基於物流及運輸成本之因素，新疆所產煤炭主要在當地使用。

銷售增加主要由於本集團新疆辦事處之高級管理層加強銷售工作，令三六塊煤、三八塊煤、沫煤及風化煤之需求上升所致。本集團銷售約3,183,450噸(二零一七年：約1,065,662噸)煤炭，數量較去年增加約199%。

#### 銷售成本

本年度銷售成本約為130,398,000港元(二零一七年：約48,426,000港元)。成本主要包括直接勞動成本、爆破工程成本、機器租用成本、折舊及攤銷等。銷售成本增加大致上與本年度銷量較去年上升一致。

#### 毛利

由於上文所闡述之因素，於本年度，本集團之毛利增加至約52,047,000港元(二零一七年：約24,598,000港元)，較去年增加約27,449,000港元或約112%，惟本年度之毛利率減少約5.18%至約28.5%。此乃主要由於沫煤及風化煤之高銷量產生較煤炭為低之毛利率所致。

#### 其他收益

本集團於本年度之其他收益約為6,332,000港元(二零一七年：約9,943,000港元)，較去年減少約3,611,000港元或約36%，此乃主要由於銷售煤矸石所得淨收入減少約4,956,000港元，而此已由利息收入及其他收益增加約1,345,000港元所補償。

**FINANCE REVIEW (continued)****Administrative and operating expenses**

The Group's administrative and operating expenses for the Year was approximately HK\$22,456,000 (2017: approximately HK\$20,755,000), representing an increase of approximately HK\$1,701,000 or approximately 8.20% as compared with the previous year.

**Profit for the Year**

Profit of the Group for the Year was approximately HK\$36,678,000 (2017: approximately HK\$48,267,000), representing a decrease in profit of approximately HK\$11,589,000 as compared with last year. Although there was a significant increase in the gross profit from operation, the decrease in profit was mainly due to a decrease in positive change in fair value of convertible bond by approximately HK\$41,660,000 as compared with a net gain on change in fair value and loss arising from modification of convertible bond of approximately HK\$56,034,000 in last year, and the recognition of an impairment losses on intangible assets and property, plant and equipment of approximately HK\$12,618,000 and approximately HK\$3,511,000 (2017: Nil and Nil) respectively and the turnaround from exchange loss to gain of approximately HK\$20,356,000 as compared with last year.

**Impairment loss on intangible assets and property, plant and equipment**

The Company completed the acquisition of 51% and 49% equity interest in Star Fortune International Investment Company Limited, which is the beneficial owner of the mining rights and the related fixed assets of the Kaiyuan Mine (the "Coal Mining Assets"), on 3 July 2009 and 16 August 2010 respectively (details of which were respectively set out in the circulars of the Company dated 12 June 2009 and 27 July 2010 and announcements of the Company dated 3 July 2009 and 17 August 2010) (the "Acquisitions").

The amount of impairment loss on intangible assets and property, plant and equipment of approximately HK\$12,618,000 and approximately HK\$3,511,000 respectively refers to the amount of impairment loss recognised in respect of the Coal Mining Assets.

**財務回顧(續)****行政及經營費用**

本集團於本年度之行政及經營費用約為22,456,000港元(二零一七年:約20,755,000港元),較去年增加約1,701,000港元或約8.20%。

**本年度溢利**

本集團於本年度之溢利約為36,678,000港元(二零一七年:約48,267,000港元),較去年減少約11,589,000港元。儘管經營業務之毛利大幅增加,惟溢利之減少主要由於可換股債券公平值變動收益減少約41,660,000港元,而去年可換股債券之公平值變動收益及修訂可換股債券產生之虧損淨額約為56,034,000港元,且已確認無形資產以及物業、廠房及設備減值虧損分別為約12,618,000港元及約3,511,000港元(二零一七年:無及無)及與去年相比匯兌虧損轉虧為盈約20,356,000港元所致。

**無形資產以及物業、廠房及設備減值虧損**

本公司分別於二零零九年七月三日及二零一零年八月十六日完成收購凱源煤礦採礦權及相關固定資產(「煤礦資產」)之實益擁有人星力富鑫國際投資有限公司51%及49%股權(有關詳情分別載列於本公司日期為二零零九年六月十二日及二零一零年七月二十七日之通函及本公司日期為二零零九年七月三日及二零一零年八月十七日之公告)(「收購事項」)。

無形資產以及物業、廠房及設備減值虧損指就煤礦資產確認之減值虧損金額分別約12,618,000港元及約3,511,000港元。

**FINANCE REVIEW (continued)****Profit for the Year (continued)****Impairment loss on intangible assets and property, plant and equipment (continued)**

The Company conducted valuation of the Coal Mining Assets every financial year after the Acquisitions in compliance with the relevant accounting policies. The Company has engaged Roma Appraisals Limited as its independent professional valuer for the purpose of assessing the value of the Coal Mining Assets as at 31 March 2018. The valuation was based on value-in-use basis, which is defined as the present value of the future cash flow expected to be derived from the Coal Mining Assets. When conducting the valuation, the valuer has taken into account factors including but not limited to selling prices and sales volume of coal, production cost and other expenses, capital expenditure, production plan and discount rate, the current conditions of the market and the Company and estimated trend in the future, etc.

The table below sets out the sales volume, selling prices and gross revenue of different types of coal of the Company for the Year as compared with the year ended 31 March 2017:

**財務回顧(續)****本年度溢利(續)****無形資產以及物業、廠房及設備減值虧損(續)**

本公司自收購事項以來每個財政年度根據相關會計政策就煤礦資產進行估值。本公司已委任羅馬國際評估有限公司擔任其獨立專業估值師以評估煤礦資產於二零一八年三月三十一日之價值。估值乃基於使用價值基準，使用價值定義為預期產生自煤礦資產之未來現金流量之現值。進行估值時，估值師已計及諸多因素，包括但不限於煤炭售價及銷量、生產成本及其他開支、資本開支、生產計劃及貼現率、市場及本公司現狀及未來估計走勢等。

下表載列相較截至二零一七年三月三十一日止年度而言本公司於本年度不同類型煤炭之銷量、售價及總收益：

		1 April 2017 to 31 March 2018 二零一七年四月一日至 二零一八年三月三十一日			1 April 2016 to 31 March 2017 二零一六年四月一日至 二零一七年三月三十一日			Approximate Percentage change 概約百分比變動		
		Selling Sales volume 銷量 (Tonnes) (噸)	price per ton 每噸售價 (HK\$) (港元)	Gross revenue 總收益 (HK\$'000) (千港元)	Selling Sales volume 銷量 (Tonnes) (噸)	price per ton 每噸售價 (HK\$) (港元)	Gross revenue 總收益 (HK\$'000) (千港元)	Selling Sales volume 銷量	price per ton 每噸售價	Gross revenue 總收益
Saw Cut Coal	鋸採大塊煤	-	-	-	1,892	106	200	-100%	-	-100%
Large Coal	大塊煤	26,122	114	2,981	42,034	105	4,395	-38%	9%	-32%
Middle Coal	中塊煤	81,670	125	10,246	143,213	110	15,815	-43%	14%	-35%
Small Medium Coal	小中煤	118,829	118	14,004	132,106	101	13,335	-10%	17%	5%
36 Coal	三六煤	230,397	88	20,202	74,299	71	5,301	210%	24%	281%
38 Coal	三八煤	133,989	96	12,824	69,600	74	5,185	93%	30%	147%
<b>Sub-total for Coal</b>	<b>煤炭小計</b>	<b>591,007</b>	<b>-</b>	<b>60,257</b>	<b>463,144</b>	<b>-</b>	<b>44,231</b>	<b>28%</b>	<b>-</b>	<b>36%</b>
Slack Coal	沫煤	1,207,194	61	73,188	351,896	57	20,019	243%	7%	266%
Weathered Coal	風化煤	1,385,249	35	49,000	250,622	35	8,774	453%	-	458%
<b>Total</b>	<b>總計</b>	<b>3,183,450</b>	<b>-</b>	<b>182,445</b>	<b>1,065,662</b>	<b>-</b>	<b>73,024</b>	<b>199%</b>	<b>-</b>	<b>150%</b>



**FINANCE REVIEW (continued)****Profit for the Year (continued)****Impairment loss on intangible assets and property, plant and equipment (continued)**

The market demand for coal had been persistently decreased in recent years due to a decrease in large scale industrial and infrastructure projects and promotion of the use of clean energy by the PRC government, however due to the high demand of slack coal and weathered coal, we focused on selling slack coal and weathered coal during the Year and the gross sales revenue increased more than double of previous year.

The production cost and other expenses of coal per ton remain constant as applied by the valuer. The valuation methodology in arriving at the discount rates as at 31 March 2018 and 31 March 2017 was consistent. The post-tax discount rates adopted were 14.20% and 15.20% respectively as at 31 March 2017 and 31 March 2018 and the pre-tax discount rates adopted were 21.73% and 26.78% respectively as at 31 March 2017 and 31 March 2018. The slight change in post-tax discount rates was due to the change in market data and parameters adopted in the calculation of discount rate as at 31 March 2017 and 31 March 2018 were as follows:

		As at 31 March 2018 於二零一八年 三月三十一日	As at 31 March 2017 於二零一七年 三月三十一日
Risk free rate	無風險利率	3.75%	3.29%
Market risk premium	市場風險溢價	10.71%	9.33%
Beta coefficient	貝塔系數	1.06	1.11
Size premium	規模溢價	5.59%	5.60%
Cost of equity	股本成本	20.65%	19.20%
Cost of debt	債務成本	4.90%	4.90%
Weight of equity value to enterprise value	股本價值佔企業價值比例	81.02%	83.54%
Weight of debt value to enterprise value	債務價值佔企業價值比例	18.98%	16.46%
Corporate tax rate	企業稅率	25.00%	25.00%
<b>Weighted average cost of capital</b>	<b>加權平均資本成本</b>	<b>17.43%</b>	16.64%
Inflation rate	通脹率	1.92%	2.13%
<b>Discount rate</b>	<b>貼現率</b>	<b>15.20%</b>	14.20%

**財務回顧(續)****本年度溢利(續)****無形資產以及物業、廠房及設備減值虧損(續)**

近年市場對煤炭之需求一直持續下跌，此乃由於大型工業及基建項目減少，加上中國政府推廣使用潔淨能源所致，然而由於沫煤及風化煤的需求較高，我們聚焦於年內銷售更多沫煤及風化煤，故總銷售收益較去年上升超過一倍。

估值師所應用之每噸煤炭生產成本及其他開支維持不變。達致二零一八年三月三十一日及二零一七年三月三十一日之貼現率所應用之估值方法貫徹一致。於二零一七年三月三十一日及二零一八年三月三十一日分別採納14.20%及15.20%之除稅後貼現率，及於二零一七年三月三十一日及二零一八年三月三十一日分別採納21.73%及26.78%之除稅前貼現率。除稅後貼現率之輕微變動乃由於市場數據變化所致，計算於二零一七年三月三十一日及二零一八年三月三十一日之貼現率時採用之參數如下：

## FINANCE REVIEW (continued)

### Profit for the Year (continued)

#### *Impairment loss on intangible assets and property, plant and equipment (continued)*

Major assumptions adopted by the valuer in the valuation of the Coal Mining Assets include:

- a. the resource estimates for Kaiyuan Mine sourced from a technical report as at 27 June 2010 prepared by John T. Boyd Company and certain engineering survey reports can reasonably reflect the reserve status of Kaiyuan Mine;
- b. the coal prices for the projection period were estimated by the Directors of the Company with reference to the historical stability of the coal price;
- c. economic conditions will not deviate significantly from the projections regarding the production schedule, selling volume, operating expenses and capital expenditure provided by the Directors of the Company;
- d. the mining license of Kaiyuan Mine was renewed from 26 December 2017 to 31 December 2018;
- e. as at the date of the valuation, the Company has still not yet received any written notification from any Xinjiang government department on the update status of the approval process of the Updated Optimization and Upgrading Plan. In view of the uncertainties in the final outcome regarding the approval of the Updated Optimization and Upgrading Plan, the additional resources in the Updated Optimization and Upgrading Plan is not considered in the valuation of the Coal Mining Assets; and
- f. the risk free rate adopted was the yield rate of the long term China Government Bond as at 31 March 2018 as extracted from Bloomberg.

## 財務回顧(續)

### 本年度溢利(續)

#### *無形資產以及物業、廠房及設備減值虧損(續)*

估值師對煤礦資產進行估值時採納之主要假設包括：

- a. 來自John T. Boyd Company所編製日期為二零一零年六月二十七日之技術報告及若干工程調查報告之凱源煤礦資源估計可合理反映凱源煤礦之儲備狀況；
- b. 預測期間之煤炭價格由本公司董事經參考煤炭價格之過往穩定性估計得出；
- c. 就本公司董事提供之生產計劃、銷售量、經營費用及資本開支而言，經濟環境與預測並無太大偏差；
- d. 凱源煤礦之採礦許可證已由二零一七年十二月二十六日重續至二零一八年十二月三十一日；
- e. 於估值日期，本公司仍未接獲任何新疆政府部門就優化升級更新方案批准進度之最新情況作出之任何書面通知。鑒於優化升級更新方案審批之最終結果具有不確定性，故優化升級更新方案之額外資源並未納入煤礦資產之估值；及
- f. 所採納無風險利率為摘錄自彭博有關長期中國政府債券於二零一八年三月三十一日之收益率。

## FINANCE REVIEW (continued)

### Profit for the Year (continued)

#### **Impairment loss on intangible assets and property, plant and equipment (continued)**

The valuation report showed that the value-in-use of the Coal Mining Assets as at 31 March 2018 approximates its carrying amount.

The valuation report and the value-in-use were assessed and reviewed by the Directors of the Company. The auditor has subsequently audited and confirmed the amount of impairment losses on intangible assets and property, plant and equipment of approximately HK\$12,618,000 and approximately HK\$3,511,000 are required for the Year.

#### **Decrease in gain on change in fair value of convertible bond**

The zero coupon convertible bond (the “Convertible Bond”) of the Company in the principal amount of HK\$200,000,000 was issued on 14 March 2008 with a conversion price of HK\$0.2 per share (subject to adjustments) and maturity date of 17 March 2011 (details of which were set out in the announcements of the Company dated 28 January 2008 and 14 March 2008).

The maturity date of the Convertible Bond was then extended to 13 March 2014, 13 March 2017 and further extended to 13 March 2020 (details of which were respectively set out in the circulars of the Company dated 21 February 2011, 13 February 2014 and 16 February 2017 and announcements of the Company dated 11 March 2011, 10 March 2014 and 7 March 2017).

As at the date of this annual report, the outstanding principal amount of the Convertible Bond is HK\$200,000,000.

## 財務回顧(續)

### 本年度溢利(續)

#### **無形資產以及物業、廠房及設備減值虧損(續)**

估值報告顯示煤礦資產於二零一八年三月三十一日之使用價值約為其賬面值。

估值報告及使用價值乃經本公司董事評估及審閱。核數師隨後已審核及確認，本年度就無形資產以及物業、廠房及設備撥備減值虧損金額約12,618,000港元及約3,511,000港元。

#### **可換股債券公平值變動收益減少**

本公司本金額為200,000,000港元之零票息可換股債券(「可換股債券」)於二零零八年三月十四日發行，轉換價為每股股份0.2港元(可予調整)及到期日為二零一一年三月十七日(有關詳情載列於本公司日期為二零零八年一月二十八日及二零零八年三月十四日之公告)。

可換股債券之到期日其後延長至二零一四年三月十三日、二零一七年三月十三日及進一步延長至二零二零年三月十三日(有關詳情分別載列於本公司日期為二零一一年二月二十一日、二零一四年二月十三日及二零一七年二月十六日之通函及本公司日期為二零一一年三月十一日、二零一四年三月十日及二零一七年三月七日之公告)。

於本年報日期，可換股債券之尚未償還本金額為200,000,000港元。

**FINANCE REVIEW (continued)****Profit for the Year (continued)*****Decrease in gain on change in fair value of convertible bond (continued)***

The Company conducted valuation for the fair value of the Convertible Bond every financial year after its issuance in compliance with the relevant accounting policies. The Company has engaged Roma Appraisals Limited as its independent professional valuer for the purpose of assessing the fair value of the Convertible Bond as at 31 March 2018. In assessing the fair value of the Convertible Bond, the binomial option pricing model was adopted and factors including stock price of the Company, specific terms and structure of the Convertible Bond, trading conditions and liquidity of the Convertible Bond, and ancillary effects associated with the exercise or conversion and partial conversion of the Convertible Bond were taken into account. The calculation for the discount rate of the Convertible Bond is “discount rate = spot interest rate + other spread”, whereas it was concluded that the credit rating of the Convertible Bond should be “Below B” with the assumption that the other spread would not be changed in a period of time, and the discount rate was 7.62%.

The fair values of the Convertible Bond were approximately HK\$261,616,000 and approximately HK\$247,242,000 as at 31 March 2017 and 31 March 2018 respectively. The amounts were assessed and reviewed by the Directors of the Company and reviewed and audited by the auditor of the Company. According to the relevant accounting policies, the decrease in fair value of the Convertible Bond represents a decrease in liabilities of the Company. The amount of the change in fair value of the Convertible Bond of approximately HK\$14,374,000 was derived by taking the difference between the fair value of the Convertible Bond as at 31 March 2017 and 31 March 2018. The significant change in fair value of the Convertible Bond was mainly due to the significant change in the stock price of the Company during the Year and the expected volatility of the stock price of the Company. The closing stock prices of the Company were HK\$0.48 and HK\$0.42 as at 31 March 2017 and 31 March 2018 respectively and the expected volatility of the stock price of the Company was 76.25% and 65.46% based on the historical price volatility of the Company for the financial years ended 31 March 2017 and 2018 respectively.

**財務回顧(續)****本年度溢利(續)*****可換股債券公平值變動收益減少(續)***

本公司自發行可換股債券以來每個財政年度根據相關會計政策就可換股債券之公平值進行估值。本公司已委任羅馬國際評估有限公司擔任其獨立專業估值師，以評估可換股債券於二零一八年三月三十一日之公平值。評估可換股債券之公平值時採納二項式期權定價模式並計及本公司股價、可換股債券之特別條款及架構、可換股債券之買賣狀況及流動性以及與行使或轉換及部分轉換可換股債券有關之附帶影響等因素。可換股債券貼現率按「貼現率=即期利率+其他價差」計算，從而結論為可換股債券之信貸評級在假設其他價差於一段時間內維持不變下應為「B以下」，而貼現率則為7.62%。

於二零一七年三月三十一日及二零一八年三月三十一日可換股債券之公平值分別為約261,616,000港元及約247,242,000港元。有關金額經本公司董事評估及審閱並經本公司核數師審閱及審核。根據有關會計政策，可換股債券公平值減少即本公司負債減少。可換股債券公平值之變動約14,374,000港元經計及可換股債券於二零一七年三月三十一日及二零一八年三月三十一日確認之公平值之差額得出。可換股債券公平值重大改變乃主要由於本公司股價於本年度出現重大變動及本公司股價之預期波幅。本公司於二零一七年三月三十一日及二零一八年三月三十一日之收市股價分別為0.48港元及0.42港元，而本公司於截至二零一七年及二零一八年三月三十一日止財政年度按本公司歷史價格波動計算之股價預期波幅分別為76.25%及65.46%。

## SEGMENT INFORMATION

### Business segment

The Group's operating segment, based on information reported to the chief operating decision maker who is also the executive Director, for the purposes of resources allocation and performance assessment, is more specifically focused on the types of goods delivered and services provided by the Group's operating divisions.

Coal mine business is the only reportable operating segment, from which the Group derived its revenue from sale of coal. Accordingly, no further segment information is provided.

### Coal Mining Business

Coal mining is the sole business of the Group at present. It contributed a revenue of approximately HK\$182,445,000 for the Year (2017: approximately HK\$73,024,000), representing an approximately 150% increase as compared with last year.

### Sales and Production of Coals

During the Year, the Group sold approximately 3.18 million tonnes of coals (2017: approximately 1.07 million tonnes) with total sales income of approximately HK\$182,445,000 (2017: approximately HK\$73,024,000). Details of coal sales in tonnes are listed in the below table:

## 分類資料

### 業務分類

本集團經營分類按用作分配資源及評估表現向主要經營決策者(其亦為執行董事)所報告之資料進行分析, 尤其注重本集團經營部門所交付貨品及所提供服務之類型。

煤礦業務為唯一可報告經營分類, 而本集團收益均來自該分類之煤炭銷售。因此, 並無提供進一步分類資料。

### 煤礦業務

煤礦為本集團目前唯一業務。於本年度, 本業務之收益貢獻約為182,445,000港元(二零一七年: 約73,024,000港元), 較去年增加約150%。

### 煤炭銷售及生產

於本年度, 本集團售出3.18百萬噸(二零一七年: 約1.07百萬噸)煤炭, 總銷售收入約為182,445,000港元(二零一七年: 約73,024,000港元)。以噸計之煤炭銷售詳情載於下表:

		Year ended 31 March 截至三月三十一日止年度	
		2018 二零一八年	2017 二零一七年
Coal sales	煤炭銷售	3,183,450 tonnes噸	1,065,662 tonnes噸

### SEGMENT INFORMATION (continued)

#### Coal Sales (tonnes) and Percentage of Coal Sales

		Coal Sales (tonnes) 煤炭銷售 (噸)	Coal Sales in % 煤炭銷售 百分比
Large Coal	大塊煤	26,122	0.82
Middle Coal	中塊煤	81,670	2.57
Small Medium Coal	小中煤	118,829	3.73
36 Coal	三六煤	230,397	7.24
38 Coal	三八煤	133,989	4.21
Slack Coal	沫煤	1,207,194	37.92
Weathered Coal	風化煤	1,385,249	43.51
Total Sales	總銷量	3,183,450	100.00

#### Reserves and Resources

The Group owns a Mining Right, which is located in Xinjiang. The estimated remaining coal reserve in Kaiyuan Mine was approximately 7.90 million tonnes as at 31 March 2018 (2017: approximately 9.71 million tonnes). During the Year, there were approximately 1.81 million tonnes of coal being extracted (2017: approximately 0.68 million tonnes). The Group also owns an Exploration Permit, which is also located in Xinjiang. The original Exploration Permit had expired on 5 April 2017 and a renewal of the permit from 16 May 2017 to 16 May 2019 was granted by the Xinjiang Land Department. The following tables are the estimated coal reserves for the Kaiyuan Mine and estimated coal resources for the Zexu Mine as of 31 March 2010 conducted by John T. Boyd Company in June 2010.

### 分類資料(續)

#### 煤炭銷售(噸)及煤炭銷售百分比

#### 儲量及資源

本集團於新疆擁有一項採礦權。於二零一八年三月三十一日，凱源煤礦估計剩餘煤礦儲量約為7.90百萬噸(二零一七年：約9.71百萬噸)。本年度內開採約1.81百萬噸(二零一七年：約0.68百萬噸)煤炭。本集團亦於新疆擁有一項礦產資源勘查許可證。原有礦產資源勘查許可證已於二零一七年四月五日屆滿，重續勘查許可證已由新疆國土資源廳授出，由二零一七年五月十六日重續至二零一九年五月十六日。下表為John T. Boyd Company於二零一零年六月所編製二零一零年三月三十一日凱源煤礦之估計煤炭儲量及澤旭煤礦之估計煤炭資源。

## SEGMENT INFORMATION (continued)

## Reserves and Resources (continued)

Estimated coal reserves for the Kaiyuan Mine:

## 分類資料(續)

## 儲量及資源(續)

凱源煤礦之估計煤炭儲量：

Seam 煤層	Average Mineable Seam Thickness (m) 可開採煤層 平均厚度(米)	Marketable Reserves (million tonnes) As of 31 March 2010 可售儲量(百萬噸) 截至二零一零年三月三十一日			% of Total 佔總計 百分比
		Total (Coal/Parting) 總計(煤層/夾層)	Proved 證實	Probable 預可採	
<b>North of Current Pit (Potentially Oxidized) 現有礦坑以北(有可能氧化)</b>					
B <sub>2</sub>	13.1	–	4.58	4.58	100.00
<b>Mine Plan Area 礦山規劃範圍</b>					
B <sub>3</sub>	10.8	3.57	–	3.57	25.00
B <sub>2</sub>	19.6	10.86	–	10.86	75.00
		14.43	–	14.43	100.00
<b>Total 總計</b>					
B <sub>3</sub>	10.8	3.57	–	3.57	19.00
B <sub>2</sub>	17.7	10.86	4.58	15.44	81.00
		14.43	4.58	19.01	100.00

Approximately 75% of the total reserves are classified as “Proved”.

總儲量約75%分類為「證實」類別。

Coal Reserve as at 31 March 2018 = Coal Reserve as at 31 March 2017 – Amount of coal extracted by the Group during 1 April 2017 to 31 March 2018.

於二零一八年三月三十一日之煤礦儲量=於二零一七年三月三十一日之煤礦儲量–本集團於二零一七年四月一日至二零一八年三月三十一日期間採掘之煤炭量。

## SEGMENT INFORMATION (continued)

## Reserves and Resources (continued)

Estimated coal resources for the Zexu Mine totalling 119.38 Mt, are summarized below:

## 分類資料(續)

## 儲量及資源(續)

澤旭煤礦之估計煤礦資源合共119.38百萬噸，概述如下：

Seam 煤層	Average Mineable Seam Thickness (m) 可開採煤層 平均厚度(米)	Marketable Resources (million tonnes) 可售資源(百萬噸)			% of Resources 佔資源 百分比
		Measured 探明	Indicated 控制	Total 總計	
B <sub>7</sub>	8.5	10.23	10.46	20.69	17
B <sub>6</sub>	3.9	2.77	3.98	6.75	6
B <sub>5</sub>	6.3	5.80	10.42	16.22	14
B <sub>4</sub> <sup>1</sup>	1.8	0.29	0.01	0.30	1
B <sub>4</sub>	6.1	6.85	10.21	17.06	14
B <sub>3</sub>	6.3	8.06	8.03	16.09	13
B <sub>2</sub>	21.1	22.58	19.69	42.27	35
Total 總計		56.58	62.80	119.38	100



## SEGMENT INFORMATION (continued)

### Geographical segment

The geographical location of customers is determined based on the location where the goods are delivered. The Group's revenue and results from operations are mainly derived from activities in the PRC. Activities outside the PRC are insignificant. The principal assets of the Group are also located in the PRC. Accordingly, no geographical segment information is provided.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed, there were neither significant investments held as at 31 March 2018 nor material acquisitions and disposals of subsidiaries during the Year.

The Group does not have any future plans for material investments. There will, however, be a reasonable expected amount of expenditure in capital assets, in particular for the new plants and machines for the environmental protection remedial works and renewable energy and environmental engineering. Sources of funding are expected to come primarily from the coal sales revenue of the Group.

## 分類資料(續)

### 地區分類

客戶地區位置乃依據貨品交付地點釐定。本集團之收益及經營業績主要源自中國之業務。中國境外業務屬微不足道。本集團之主要資產亦均位於中國。因此，並無提供地區分類資料。

## 所持重大投資、附屬公司之重大收購或出售事項以及重大投資或資本資產之未來計劃

除另行披露者外，於二零一八年三月三十一日並無持有重大投資，於本年度內亦無附屬公司之重大收購或出售事項。

本集團並無任何重大投資之未來計劃。然而，本集團預期就資本資產作出合理開支，尤其是用於環保補救工程以及可再生能源及環境工程之新廠房及機器。預期資金來源主要來自本集團之煤炭銷售收益。

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group had:

- net current assets of approximately HK\$374,179,000 (2017: approximately HK\$334,244,000).
- cash and cash equivalents of approximately HK\$440,437,000 (2017: approximately HK\$331,606,000) which were the major components of the Group's current assets of approximately HK\$451,867,000 (2017: approximately HK\$395,046,000).
- current liabilities of approximately HK\$77,688,000 (2017: approximately HK\$60,802,000) which comprised mainly trade and other payables of approximately HK\$69,798,000 (2017: approximately HK\$56,524,000).
- non-current liabilities of approximately HK\$250,316,000 (2017: approximately HK\$272,335,000) which comprised mainly convertible bond designated as financial liabilities at fair value through profit or loss of approximately HK\$247,242,000 (2017: approximately HK\$261,616,000).

The Group's gearing ratio was approximately 1.49 (2017: approximately 2.27). The computation is based on total debt (convertible bond designated as financial liabilities at fair value through profit or loss) divided by total equity.

## CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares.

As at 31 March 2018, there were 765,373,584 ordinary shares of the Company in issue.

Zero coupon convertible bonds of the Company with an aggregate principal amount of HK\$200,000,000 were issued on 14 March 2008 the maturity date of which was approved to be further extended for 36 months to 13 March 2020 by the shareholders of the Company on 7 March 2017.

## CHARGES ON GROUP'S ASSETS

As at 31 March 2018, none of the Group's assets was under charges (2017: Nil).

## 流動資金及財務資源

於二零一八年三月三十一日，本集團有：

- 流動資產淨值約374,179,000港元(二零一七年：約334,244,000港元)。
- 現金及現金等值項目約440,437,000港元(二零一七年：約331,606,000港元)，為本集團流動資產約451,867,000港元(二零一七年：約395,046,000港元)之主要組成部分。
- 流動負債約77,688,000港元(二零一七年：約60,802,000港元)，主要包括應付貨款及其他應付款項約69,798,000港元(二零一七年：約56,524,000港元)。
- 非流動負債約250,316,000港元(二零一七年：約272,335,000港元)，主要包括指定為按公平值列賬並在損益內處理之金融負債之可換股債券約247,242,000港元(二零一七年：約261,616,000港元)。

本集團之資產負債比率約為1.49(二零一七年：約2.27)，乃按負債總額(指定為按公平值列賬並在損益內處理之金融負債之可換股債券)除以總權益計算。

## 資本結構

本集團資本僅包括普通股。

於二零一八年三月三十一日，本公司已發行765,373,584股普通股。

本公司已於二零零八年三月十四日發行本金總額為200,000,000港元之零息可換股債券，本公司股東於二零一七年三月七日批准進一步將其到期日延長36個月至二零二零年三月十三日。

## 本集團資產抵押

於二零一八年三月三十一日，本集團並無抵押資產(二零一七年：無)。

### FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in Renminbi (“RMB”) and incurs costs in RMB and Hong Kong dollars. The Group is exposed to foreign exchange risk based on fluctuations between Hong Kong dollars and RMB arising from its core operation in the PRC. The currency exchange risk for the Year is mainly derived from the net exchange gain on convertible bond designated as financial liabilities at fair value through profit or loss, which is a result from the sustained depreciation of RMB against Hong Kong dollars. In order to minimise the foreign currency risk exposure between these two currencies, the Group maintained cash balances in both currencies that are sufficient to meet three to four months’ operating cash flows requirements of the Group.

### TREASURY POLICIES

Apart from the issuance of Convertible Bond at their face value of HK\$200,000,000, the Group finances its operation mainly by internal generated resources.

### CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any material contingent liabilities.

### EMPLOYEES

As at 31 March 2018, the Group had 73 employees (2017: 74) spreading between Hong Kong and the PRC. Total staff costs (excluding Directors’ emoluments) for the Year amounted to approximately HK\$10,266,000 (2017: approximately HK\$10,041,000). Employment relationship has been well maintained by the Group with its employees. The Group has adopted an extensive training policy for its employees. It has also sponsored senior executives for higher education programmes.

### 外匯風險

本集團之收益主要以人民幣(「人民幣」)計值，而開支則以人民幣及港元計值。本集團面對其於中國之核心業務所產生港元與人民幣之間兌換波動之外匯風險。本年度之貨幣兌換風險主要源自因人民幣兌港元持續貶值所導致指定為按公平值列賬並在損益內處理之金融負債之可換股債券匯兌收益淨額。為將該兩類貨幣間之外幣風險減至最低，本集團以該兩類貨幣持有足夠應付其三至四個月經營現金流量需要之現金結餘。

### 庫存政策

除發行面值為200,000,000港元之可換股債券外，本集團主要透過內部產生資源撥付其營運之資金需求。

### 或然負債

於二零一八年三月三十一日，本集團並無任何重大或然負債。

### 僱員

於二零一八年三月三十一日，本集團在香港及中國共擁有73名(二零一七年：74名)僱員。於本年度，員工成本總額(不包括董事酬金)約為10,266,000港元(二零一七年：約10,041,000港元)。本集團與其僱員一直保持良好關係。本集團已採用一套完備之僱員培訓政策，並資助高級行政人員進修高等教育課程。

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員簡歷

### EXECUTIVE DIRECTORS

**Mr. Kwan Man Fai** (“Mr. Kwan”), aged 49, is an executive Director appointed on 25 March 2008. Mr. Kwan has been the chairman and managing director of the Company since March 2017 and is a member of the remuneration committee and the chairman of the nomination committee of the Company. He is also a director of certain subsidiaries of the Company. Mr. Kwan graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Mr. Kwan also holds a master degree in laws from The London School of Economics and Social Sciences, the University of London and a master degree in the PRC law from the City University of Hong Kong. Mr. Kwan is now a consultant of Messrs. Anthony Siu & Co., a law firm in Hong Kong. Mr. Kwan has over 10 years of experience in corporate finance and banking work, including assisting various companies in their listing on the Main Board and the GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

**Ms. Lo Fong Hung** (“Ms. Lo”), aged 63, is an executive Director appointed on 25 March 2008. Ms. Lo was the chairman and managing director of the Company and chairman of the nomination committee of the Company until her resignation in March 2017. Ms. Lo is a director of certain subsidiaries of the Company. Ms. Lo also serves for several non-listed companies, namely as the chairman of China International Fund Limited, China Sonangol International Holding Limited and China Sonangol International Limited and as the director of Sonangol Sinopec International Limited and New Bright International Development Limited. Since 2004, Ms. Lo started exploring and developing energy resources and industrial investment in world-wide. Ms. Lo is the wife of Mr. Wang Xiangfei, an executive Director, and the mother of Mr. Wong Sze Wai, alternate director to Mr. Wang Xiangfei.

### 執行董事

**關文輝先生**(「關先生」)，49歲，於二零零八年三月二十五日獲委任為執行董事。關先生自二零一七年三月起出任本公司主席兼董事總經理，為本公司薪酬委員會成員及提名委員會主席。彼亦為本公司若干附屬公司之董事。關先生畢業於香港大學，獲頒法學士學位及法學專業證書。關先生亦持有倫敦大學倫敦經濟社會科學院法律碩士學位及香港城市大學法律碩士學位(中國法)。關先生現為香港律師事務所蕭一峰律師行之顧問律師。關先生於企業融資及銀行業務方面擁有逾十年經驗，當中包括協助多間公司於香港聯合交易所有限公司(「聯交所」)主板及GEM上市之經驗。

**羅方紅女士**(「羅女士」)，63歲，於二零零八年三月二十五日獲委任為執行董事。羅女士曾為本公司主席兼董事總經理及本公司提名委員會主席，直至二零一七年三月辭任。羅女士亦為本公司若干附屬公司之董事。羅女士亦於多間非上市公司任職，如中國國際基金有限公司、安中國際石油控股有限公司及安中國際石油有限公司之主席，以及中安石油國際有限公司及創輝國際發展有限公司之董事。自二零零四年起，羅女士開始物色及開發世界各地之能源及產業投資。羅女士為執行董事王翔飛先生之妻子及王四維先生(王翔飛先生之替代董事)之母親。

**EXECUTIVE DIRECTORS (continued)**

**Mr. Wang Xiangfei**, aged 66, is an executive Director appointed on 25 March 2008. Mr. Wang Xiangfei is also a director of certain subsidiaries of the Company. Mr. Wang Xiangfei graduated from Renmin University of China with a bachelor degree in economics in 1982. Mr. Wang Xiangfei is now a senior accountant. Mr. Wang Xiangfei serves as the financial advisor of China Sonangol International Holding Limited. Mr. Wang Xiangfei is also an independent non-executive director of China Development Bank International Investment Limited (stock code: 1062), a company whose shares are listed on the Stock Exchange and Tianjin Capital Environmental Protection Group Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 1065) and the Shanghai Stock Exchange. Mr. Wang Xiangfei is the husband of Ms. Lo Fong Hung, an executive Director and the father of Mr. Wong Sze Wai, the alternate director to Mr. Wang Xiangfei.

In addition, Mr. Wang Xiangfei was the independent non-executive director of Chongqing Iron & Steel Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 1053) and the Shanghai Stock Exchange, from July 2002 to June 2009 and China CITIC Bank Corporation Limited, a company whose shares are listed on the Stock Exchange (stock code: 998) and the Shanghai Stock Exchange, from December 2006 to November 2012. Mr. Wang Xiangfei was the independent non-executive director of Shandong Chenming Paper Holdings Limited from April 2010 to May 2013, a company whose shares are listed on the Stock Exchange (stock code: 1812), the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Mr. Wang Xiangfei was the independent non-executive director of SEEC Media Group Limited (stock code: 205) from June 2003 to May 2015, a company whose shares are listed on the Stock Exchange. Mr. Wang Xiangfei was also the external supervisor of Shenzhen Rural Commercial Bank from April 2009 to May 2015. Previously, Mr. Wang Xiangfei had also served as an executive director and CEO of China Everbright International Limited, an executive director of China Everbright Limited and China Everbright Technology Limited (now known as China Haidian Holdings Limited), a director & assistant general manager of China Everbright Holdings Company Limited.

**執行董事(續)**

**王翔飛先生**，66歲，於二零零八年三月二十五日獲委任為執行董事。王翔飛先生亦為本公司若干附屬公司之董事。王翔飛先生於一九八二年畢業於中國人民大學並獲頒經濟學士學位。王翔飛先生現為高級會計師。王翔飛先生現擔任安中國際石油控股有限公司之財務顧問。王翔飛先生亦為國開國際投資有限公司(股份代號：1062)(其股份於聯交所上市之公司)及天津創業環保集團股份有限公司(其股份於聯交所(股份代號：1065)及上海證券交易所上市之公司)之獨立非執行董事。王翔飛先生為執行董事羅方紅女士之丈夫及王四維先生(王翔飛先生之替代董事)之父親。

此外，王翔飛先生曾於二零零二年七月至二零零九年六月期間於重慶鋼鐵股份有限公司(其股份於聯交所(股份代號：1053)及上海證券交易所上市之公司)及曾於二零零六年十二月至二零一二年十一月期間於中信銀行股份有限公司(其股份於聯交所(股份代號：998)及上海證券交易所上市之公司)擔任獨立非執行董事。王翔飛先生曾於二零一零年四月至二零一三年五月期間於山東晨鳴紙業集團股份有限公司(其股份於聯交所(股份代號：1812)、上海證券交易所及深圳證券交易所上市之公司)擔任獨立非執行董事。王翔飛先生曾於二零零三年六月至二零一五年五月期間於財訊傳媒集團有限公司(其股份於聯交所上市之公司，股份代號：205)擔任獨立非執行董事。王翔飛先生亦曾於二零零九年四月至二零一五年五月期間於深圳農村商業銀行擔任外部監事。此前，王翔飛先生亦曾任中國光大國際有限公司之執行董事兼行政總裁、中國光大控股有限公司及中國光大科技有限公司(現稱中國海澱集團有限公司)之執行董事及中國光大集團有限公司董事兼助理總經理。

**ALTERNATE DIRECTOR**

**Mr. Wong Sze Wai**, aged 35, is an alternate director to Mr. Wang Xiangfei, the executive Director, with effect from 18 July 2017. Mr. Wong Sze Wai obtained a master degree in Social Science from the University of Hong Kong in 2010 and a bachelor degree in Science from McMaster University of Canada in 2007. Mr. Wong Sze Wai is currently a director of several private companies in Hong Kong, focusing on business development and legal aspects. His industrial experience includes research and development, business development, and legal and compliance, etc. Mr. Wong Sze Wai is the son of Mr. Wang Xiangfei and Ms. Lo Fong Hung, the executive Directors.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Wong Man Hin Raymond**, aged 52, is an independent non-executive Director appointed on 25 March 2008. Mr. Wong Man Hin Raymond is the chairman of the remuneration committee of the Company and a member of both the audit committee and the nomination committee of the Company. Mr. Wong Man Hin Raymond is a member of American Institute of Certified Public Accountants (CPA), a Certified Management Accountant (CMA) and holds a certificate in financial management (CFM). Mr. Wong Man Hin Raymond holds a bachelor degree in chemical engineering and a master degree in economics. Mr. Wong Man Hin Raymond is an executive director and deputy chairman of Raymond Industrial Limited (stock code: 229), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Wong Man Hin Raymond is also an independent non-executive director of Modern Beauty Salon Holdings Limited (stock code: 919), a company whose shares are listed on the Main Board of the Stock Exchange, and Tak Lee Machinery Holdings Limited (stock code: 8142) and Zhejiang United Investment Holdings Group Limited (stock code: 8366), companies whose shares are listed on the GEM of the Stock Exchange.

**替代董事**

**王四維先生**，35歲，為執行董事王翔飛先生之替代董事，自二零一七年七月十八日起生效。王四維先生於二零一零年取得香港大學社會科學碩士學位，以及於二零零七年取得加拿大麥馬斯達大學(McMaster University)理學士學位。王四維先生現時擔任香港若干私人公司董事，集中於業務發展及法律方面之工作。彼之行業經驗包括研發、業務發展以及法律及合規等。王四維先生為執行董事王翔飛先生與羅方紅女士之兒子。

**獨立非執行董事**

**黃文顯先生**，52歲，於二零零八年三月二十五日獲委任為獨立非執行董事。黃文顯先生為本公司之薪酬委員會主席以及審核委員會及提名委員會成員。黃文顯先生為美國執業會計師公會(CPA)會員、註冊管理會計師(CMA)，並持有財務管理師(CFM)證書。黃文顯先生持有化學工程學士學位及經濟碩士學位。黃文顯先生為利民實業有限公司(其股份於聯交所主板上市之公司，股份代號：229)之執行董事兼副主席。黃文顯先生亦為現代美容控股有限公司(其股份於聯交所主板上市之公司，股份代號：919)之獨立非執行董事，及德利機械控股有限公司(股份代號：8142)以及浙江聯合投資控股集團有限公司(股份代號：8366)(均為股份於聯交所GEM上市之公司)之獨立非執行董事。

## INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Chan Yiu Fai Youdey** (“Mr. Chan”), aged 49, is an independent non-executive Director appointed on 25 March 2008. Mr. Chan is a member of each of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chan graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Mr. Chan also holds master degrees in laws from the City University of Hong Kong and from the People’s University of China. Mr. Chan is currently a partner of Messrs. David Y.Y. Fung & Co., a law firm in Hong Kong. Mr. Chan has extensive experience in civil and commercial crime litigation and also handles various transactions for corporate clients and banks in Hong Kong. Mr. Chan is also the independent non-executive director of Qinjin Foodstuffs (Cayman) Company Limited (stock code: 1583), a company whose shares are listed on the Main Board of the Stock Exchange.

**Mr. Pak Wai Keung Martin** (“Mr. Pak”), aged 54, is an independent non-executive Director appointed on 19 September 2017. He is the chairman of audit committee, a member of each of remuneration committee and nomination committee of the Company. He is a fellow of the Hong Kong Institute of Certified Public Accountants, an associate of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. He has over 25 years of experience in finance, accounting and corporate governance affairs. Mr. Pak had held positions as the chief financial officer and the company secretary at various listed companies in Hong Kong. Mr. Pak is currently (i) the chief financial officer of The Hong Kong Building and Loan Agency Limited (Stock Code: 145); (ii) the independent non-executive director of Ta Yang Group Holdings Limited (Stock Code: 1991); (iii) the independent non-executive director of Trony Solar Holdings Company Limited (Stock Code: 2468) and (iv) the independent non-executive director of Convoy Global Holdings Limited (Stock Code: 1019), the shares of all of which are listed on the Main Board of the Stock Exchange.

## SENIOR MANAGEMENT

**Mr. Li Chun Fung** (“Mr. Li”), aged 36, is the company secretary of the Company appointed on 21 April 2015. Mr. Li graduated from the Imperial College, University of London with master degree in chemical engineering. Mr. Li is a member of Hong Kong Institute of Certified Public Accountants and has extensive experience in corporate governance and compliance matters.

## 獨立非執行董事(續)

**陳耀輝先生**(「陳先生」)，49歲，於二零零八年三月二十五日獲委任為獨立非執行董事。陳先生為本公司審核委員會、薪酬委員會及提名委員會成員。陳先生畢業於香港大學，獲頒法學士學位及法學專業證書。陳先生亦持有香港城市大學及中國人民大學之法律碩士學位。陳先生現為香港律師事務所馮元鉞律師行之合夥人。陳先生於民事及商業犯罪訴訟方面饒富經驗，亦為香港公司客戶及銀行處理各種交易。陳先生亦為聯交所主板上市公司親親食品集團(開曼)股份有限公司(股份代號：1583)之獨立非執行董事。

**白偉強先生**(「白先生」)，54歲，於二零一七年九月十九日獲委任為獨立非執行董事。彼為本公司審核委員會主席以及薪酬委員會及提名委員會成員。彼為香港會計師公會資深會員以及英國特許秘書及行政人員公會及香港特許秘書公會會員。彼於財務、會計及企業管治事務方面擁有逾25年經驗。白先生曾於多間香港上市公司擔任財務總監及公司秘書等職位。白先生現任(i)香港建屋貸款有限公司(股份代號：145)財務總監；(ii)大洋集團控股有限公司(股份代號：1991)獨立非執行董事；(iii)創益太陽能控股有限公司(股份代號：2468)獨立非執行董事；及(iv)康宏環球控股有限公司(股份代號：1019)獨立非執行董事，該等公司之股份均在聯交所主板上市。

## 高級管理人員

**李震鋒先生**(「李先生」)，36歲，於二零一五年四月二十一日獲委任為本公司公司秘書。李先生畢業於倫敦大學帝國學院，獲頒授化學工程碩士學位。李先生為香港會計師公會會員，於企業管治及合規事宜方面擁有豐富經驗。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasizing on transparency, independence, accountability, responsibility and fairness.

The Directors had reviewed the Company's performance of its corporate governance practices that the Company has applied the principles of the code provisions under the Corporate Governance Code (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the Year, save for the deviation from code provision A.2.1 of the Code set out in the section headed "Chairman and Chief Executive" of this annual report.

### THE BOARD

#### Roles and responsibilities

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. It should act in the best interest of the Company and its shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The executive Directors and the senior management of the Company are responsible for the day to day operations of the Company whereas the independent non-executive Directors of the Company are responsible for ensuring a high standard of financial and management reporting to the Board and shareholders of the Company as well as to provide a balanced composition in the Board so that there is a strong independent element on the Board.

### 企業管治承諾

本公司致力維持法定及法規標準，並恪守強調透明、獨立、問責、負責任及公允之企業管治原則。

董事已審閱本公司履行其企業管治常規之表現，而本公司於本年度一直遵守聯交所證券上市規則（「上市規則」）附錄十四所載《企業管治守則》（「守則」）之守則條文原則，惟本年報「主席及行政總裁」一節所載偏離守則之守則條文第A.2.1條之情況除外。

### 董事會

#### 角色及責任

董事會承擔領導及監控本公司之責任，並整體上透過督導及監管本公司事務推動本公司取得佳績。董事會應時刻在符合本公司及其股東最佳利益之前提下行事。董事會為本公司制定策略及監察高級管理人員之表現及活動。

本公司執行董事及高級管理人員負責本公司之日常運作；本公司獨立非執行董事負責確保向董事會及本公司股東作出之財務及管理報告達到高標準，平衡董事會之組成，使董事會具有高度獨立地位。



**THE BOARD (continued)****Board composition**

The members of the Board during the Year and up to the date of this annual report are as follows:

**Executive Directors:**

Kwan Man Fai

Lo Fong Hung

Wang Xiangfei

**Independent Non-executive Directors:**

Wong Man Hin Raymond

Chan Yiu Fai Youdey

Pak Wai Keung Martin (appointed on 19 September 2017)

Lam Ka Wai Graham (retired on 7 September 2017)

**Alternate Director:**

Wong Sze Wai (alternate to Wang Xiangfei)

(appointed on 18 July 2017)

After annual assessment by the nomination committee of the Company at a meeting on 20 June 2018, the Board considers that all the Directors have distinguished themselves in their field of expertise so as to give a balance of skills, knowledge and experience, and diversity of perspectives required for the running of an effective Board. The Board currently comprises three executive Directors and three independent non-executive Directors. The brief biographical details of the Directors and the senior management and relationship among them are set out in the section headed "Biography of Directors and Senior Management" of this annual report.

**Board diversity**

In September 2013, the Company adopted a policy on diversity of the Board members. The policy is to review, assess and recommend any appointment, re-election or any succession plan of any Directors to the Board from time to time after considering a number of factors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and tenure of appointment to allow for the Company's business model and specific needs.

**董事會(續)****董事會組成**

於本年度內至本年報日期止，董事會成員如下：

**執行董事：**

關文輝

羅方紅

王翔飛

**獨立非執行董事：**

黃文顯

陳耀輝

白偉強(於二零一七年九月十九日獲委任)

林家威(於二零一七年九月七日退任)

**替代董事：**

王四維(替代王翔飛)

(於二零一七年七月十八日獲委任)

本公司提名委員會於二零一八年六月二十日舉行會議進行年度評核後，董事會認為，所有董事於其各自專業領域擁有突出技能，為就董事會有效運作提供均衡之所需技能、知識和經驗以及成員多元化之裨益。董事會目前由三名執行董事及三名獨立非執行董事組成。有關董事及高級管理人員之履歷簡介及彼等之間之關係載於本年報「董事及高級管理人員簡歷」一節。

**董事會成員多元化**

於二零一三年九月，本公司已就董事會成員多元化採納政策。該政策要求，在考慮多個因素(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及任期)後，不時就任何董事委任、重選或任何繼任計劃進行審閱、評核及向董事會提出推薦建議，以迎合本公司之業務模式及特定需要。

**THE BOARD (continued)****Board meetings and general meetings**

During the Year, the Board held four regular meetings and three ad-hoc meetings, and the Company held one general meeting. The attendance records of individual Directors at the Board meetings and at the general meeting are set out below:

Name of Directors	Number of Board meetings attended/eligible to attend	Number of general meetings attended/eligible to attend
<b>Executive Directors:</b>		
Kwan Man Fai	7/7 <sup>#</sup>	1/1
Lo Fong Hung	0/6	0/1
Wang Xiangfei	6/6	1/1
<b>Independent Non-executive Directors:</b>		
Wong Man Hin Raymond	7/7 <sup>#</sup>	1/1
Chan Yiu Fai Youdey	7/7 <sup>#</sup>	1/1
Pak Wai Keung Martin (appointed on 19 September 2017)	4/4 <sup>#</sup>	N/A
Lam Ka Wai Graham (retired on 7 September 2017)	2/2	1/1

<sup>#</sup> Independent non-executive Directors had attended meeting(s) independently held with the chairman of the Board without the executive Directors present on the direction of the Group's strategy and policies during the Year.

All Directors have access to the company secretary of the Company who is responsible for ensuring that Board procedures are followed and all applicable rules and regulations are complied with.

The Board ensures that its members are supplied, in a timely manner, with all necessary information in a form and of a quality appropriate to enable the Board to discharge its duties.

**董事會(續)****董事會會議及股東大會會議**

於本年度內，董事會曾舉行四次定期會議及三次臨時會議，以及本公司曾舉行一次股東大會會議。個別董事於董事會會議及股東大會會議之出席記錄載列如下：

董事姓名	出席/合資格出席董事會會議次數	出席/合資格出席股東大會會議次數
<b>執行董事：</b>		
關文輝	7/7 <sup>#</sup>	1/1
羅方紅	0/6	0/1
王翔飛	6/6	1/1
<b>獨立非執行董事：</b>		
黃文顯	7/7 <sup>#</sup>	1/1
陳耀輝	7/7 <sup>#</sup>	1/1
白偉強(於二零一七年九月十九日獲委任)	4/4 <sup>#</sup>	不適用
林家威(於二零一七年九月七日退任)	2/2	1/1

<sup>#</sup> 獨立非執行董事已於本年度內出席由董事會主席就有關本集團策略及政策方向所舉行之獨立會議，執行董事並無出席。

全體董事均可接觸本公司之公司秘書，而公司秘書負責確保董事會程序得以遵守及所有適用規則及規例得以遵循。

董事會確保其成員適時獲提供所有具適當形式及質量之必要資料，以便董事會履行其職責。

## THE BOARD (continued)

### Board meetings and general meetings (continued)

The minutes of Board meetings recorded all the details of the matters considered by the Board and the decisions reached, including any concerns raised by Directors or dissenting views expressed. Minutes of Board meetings are kept by the company secretary of the Company and are available for inspection by any Director.

### Appointment and re-election of Directors

The appointment of new Directors is a matter for consideration by the nomination committee of the Company. In accordance with the Company's Bye-laws, at each annual general meeting, one-third of the Directors for the time being, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

### Independent Non-executive Directors

Pursuant to Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors who represent half of the Board and with two of whom hold appropriate professional qualifications or accounting or related financial management expertise.

Code provision A.4.1 of the Code specifies that non-executive directors should be appointed for a specific term, subject to re-election. Two independent non-executive Directors, namely Mr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey, were appointed on 25 March 2008. Their service agreements have been extended for one year commencing on 25 March 2018. Mr. Pak Wai Keung Martin, the independent non-executive Director, was appointed on 19 September 2017 and entered into a service agreement with the Company for a term of one year. However, they are still subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

The Company has received from each of its independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and after annual assessment by the nomination committee of the Company at a meeting on 20 June 2018, the Company considers that all of the independent non-executive Directors are independent.

## 董事會(續)

### 董事會會議及股東大會會議(續)

董事會會議記錄對董事會所審議之事項及達致之決定均有詳盡記錄，包括董事提出之任何關注事項或所表達之不同意見。董事會會議記錄由本公司之公司秘書保管，可供任何董事查閱。

### 委任及重選董事

委任新董事為本公司提名委員會審議之事項。根據本公司之公司細則，於每屆股東周年大會上，三分之一在任董事須輪值告退，惟每位董事必須至少每三年於股東周年大會上退任一次。

### 獨立非執行董事

根據上市規則第3.10(1)、3.10(2)及3.10A條，本公司已委任三名獨立非執行董事，佔董事會人數二分之一，其中兩位具備適當專業資格或會計或相關財務管理專長。

守則之守則條文第A.4.1條訂明，非執行董事應按指定任期委任，並須重選連任。兩名獨立非執行董事黃文顯先生及陳耀輝先生均於二零零八年三月二十五日獲委任。彼等之服務協議已自二零一八年三月二十五日起延期一年。獨立非執行董事白偉強先生於二零一七年九月十九日獲委任，並與本公司訂立為期一年之服務協議。然而，根據本公司之公司細則條文，彼等仍須於本公司之股東周年大會上輪值退任及重選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書，而本公司提名委員會於二零一八年六月二十日舉行會議進行年度評核後，本公司認為全體獨立非執行董事均為獨立人士。

**THE BOARD (continued)****Directors' and Officers' liability**

Appropriate insurance cover on Directors and officers' liabilities has been provided to cover potential legal actions against Directors and officers.

**Training and support for Directors**

All Directors must keep abreast of their collective responsibilities. The Group provides briefings and other training to develop and refresh the Directors' knowledge and skills. Details of the continuous professional development participated by the Directors for the Year, that the Company received, are set out below:

Name of Directors	Attended seminars or briefing/read materials
<b>Executive Directors:</b>	
Kwan Man Fai	✓
Lo Fong Hung	–
Wang Xiangfei	✓
<b>Independent Non-executive Directors:</b>	
Wong Man Hin Raymond	✓
Chan Yiu Fai Youdey	✓
Pak Wai Keung Martin (appointed on 19 September 2017)	✓
Lam Ka Wai Graham (retired on 7 September 2017)	–

**DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All the Directors, except for Ms. Lo Fong Hung who could not be contacted as at the date of this annual report, have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Year.

**董事會(續)****董事及高級職員之責任**

本公司已就可能對董事及高級職員作出之法律行動，為董事及高級職員提供適當責任保險。

**董事培訓及支持**

全體董事須透徹瞭解彼等之集體責任。本集團提供簡介及其他訓練，以提高及更新董事之相關知識及技能。本公司所獲提供董事於本年度內參與持續專業培訓之詳情載列如下：

董事姓名	參與研討會或簡介會／閱讀資料
<b>執行董事：</b>	
關文輝	✓
羅方紅	–
王翔飛	✓
<b>獨立非執行董事：</b>	
黃文顯	✓
陳耀輝	✓
白偉強(於二零一七年九月十九日獲委任)	✓
林家威(於二零一七年九月七日退任)	–

**董事證券交易**

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則(「標準守則」)作為其董事進行證券交易之操守守則。除羅方紅女士(截至本年報日期仍未能與彼取得聯絡)外，全體董事已於本公司作出特定查詢後確認，彼等於本年度內已遵守標準守則所載之規定準則。

## CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive (the “CE”) should be separate and should not be performed by the same individual.

During the Year, the Company did not have any officer with CE title. Mr. Kwan Man Fai, the chairman and managing director of the Company, also carried out the responsibility of CE during the Year. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company’s strategies.

## BOARD COMMITTEES

The Board has established three committees to oversee particular aspects of the Group’s affairs and to assist in the execution of the Board’s responsibilities. All committees have their own terms of reference. The views of different committees and their recommendation not only ensure proper control of the Group but also the continual achievement of the high corporate governance standards expected of a listed company. The Board conducts regular review of the structure and composition of the committees with particular attention to the skills, knowledge and experience of individual members.

### Audit Committee

The audit committee of the Company (the “Audit Committee”) was set up in March 1999 with specific terms of reference. The terms of reference of the Audit Committee which are available on the websites of the Stock Exchange and the Company have included the duties which are set out in code provision C.3.3 of the Code, with appropriate modifications when necessary. The terms of reference of the Audit Committee were amended on 15 March 2016 in order to comply with the amendments to the Listing Rules.

The Audit Committee currently consists of three independent non-executive Directors namely, Mr. Pak Wai Keung Martin, the chairman of the Audit Committee, Mr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey.

## 主席及行政總裁

守則之守則條文第A.2.1條規定主席及行政總裁(「行政總裁」)之職務須予區分，不應由同一人擔任。

於本年度內，本公司並無任何高級人員出任行政總裁。本公司主席兼董事總經理關文輝先生於本年度內亦履行行政總裁之職務。鑒於本集團之營運規模，董事會認為，現時架構能促進本公司策略之有效制定及落實，故此架構更適合本公司。

## 董事委員會

董事會已成立三個委員會以監督本集團事務之特定範疇及協助執行董事會職責。所有委員會均有其各自之職權範圍。不同委員會所提供之意見及建議不但可確保本集團獲得適當之監控，更可保證本集團持續維持上市公司應有之高標準企業管治。董事會定期檢討委員會之架構及成員組合，尤其重視個別成員之技能、知識及經驗。

### 審核委員會

本公司審核委員會(「審核委員會」)於一九九九年三月成立，並訂有特定職權範圍。審核委員會之職權範圍(可於聯交所及本公司網站查閱)包括守則之守則條文第C.3.3條所載之職責，並於需要時作出適當修訂。為符合上市規則之修訂，審核委員會之職權範圍已於二零一六年三月十五日作出修訂。

審核委員會現時包括三名獨立非執行董事，分別為白偉強先生(審核委員會主席)、黃文顯先生及陳耀輝先生。

**BOARD COMMITTEES (continued)****Audit Committee (continued)**

A total of five meetings were held during the Year and the individual attendance of members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Pak Wai Keung Martin (Chairman) (appointed on 19 September 2017)	2/2
Wong Man Hin Raymond	5/5
Chan Yiu Fai Youdey	5/5
Lam Ka Wai Graham (retired on 7 September 2017)	3/3

The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including the review of the consolidated financial statements of the Group for the Year.

The Audit Committee reviewed the interim and annual results, risk management and internal control systems, and financial reporting matters in conjunction with the external auditors during the Year. The Audit Committee endorsed the accounting treatment adopted by the Company and had the best of its ability assured itself that the disclosure of the financial information in this annual report complies with the applicable accounting standards and Disclosure of Financial Information set out in Appendix 16 to the Listing Rules.

**Remuneration Committee**

The remuneration committee of the Company (the "Remuneration Committee") was set up in July 2005 with specific terms of reference. The terms of reference of the Remuneration Committee which are available on the websites of the Stock Exchange and the Company have included the duties which are set out in code provision B.1.2 of the Code, with appropriate modifications when necessary. The terms of reference of the Remuneration Committee were amended on 27 March 2012 in order to comply with the amendments to the Listing Rules.

**董事委員會(續)****審核委員會(續)**

於本年度內，共舉行五次會議，個別成員之出席記錄如下：

成員姓名	出席／合資格出席會議次數
白偉強(主席) (於二零一七年 九月十九日獲委任)	2/2
黃文顯	5/5
陳耀輝	5/5
林家威(於二零一七年 九月七日退任)	3/3

審核委員會連同本公司管理層已審閱本集團採納之會計原則及常規，並討論風險管理、內部監控及財務報告事宜，包括審閱本集團於本年度之綜合財務報表。

於本年度，審核委員會已與外聘核數師審閱中期及末期業績、風險管理及內部監控系統以及財務申報事宜。審核委員會認同本公司所採納之會計處理方式，並已盡力確保本年報遵照適用會計準則及上市規則附錄十六所載財務資料的披露，披露該等財務資料。

**薪酬委員會**

本公司薪酬委員會(「薪酬委員會」)於二零零五年七月成立，並訂有特定職權範圍。薪酬委員會之職權範圍(可於聯交所及本公司網站查閱)包括守則之守則條文第B.1.2條所載之職責，並於需要時作出適當修訂。為符合上市規則之修訂，薪酬委員會之職權範圍已於二零一二年三月二十七日作出修訂。

**BOARD COMMITTEES (continued)****Remuneration Committee (continued)**

The Remuneration Committee currently comprises four members, including the chairman and managing director of the Company, Mr. Kwan Man Fai and three independent non-executive Directors, Mr. Wong Man Hin Raymond as the chairman of the Remuneration Committee, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.

The remuneration packages of individual executive Directors and senior management of the Company are recommended by the Remuneration Committee to the Board for determination, as authorised by the shareholders at the annual general meeting, having regard to the operating results of the Company, individual performance and prevailing market conditions. The Board conducts regular review of the structure and composition of the Remuneration Committee with particular attention to the skills, knowledge and experience of individual members.

During the Year, three meetings were held and the Remuneration Committee had reviewed the existing remuneration packages of the Board and the senior management of the Company and to make recommendation on the remuneration package of Mr. Kwan Man Fai, the chairman and managing director of the Company and Ms. Lo Fong Hung and Mr. Wang Xiangfei, the executive Directors and Mr. Pak Wai Keung Martin, the independent non-executive Director. The individual attendance of members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Wong Man Hin Raymond (Chairman)	3/3
Kwan Man Fai	3/3
Chan Yiu Fai Youdey	3/3
Pak Wai Keung Martin (appointed on 19 September 2017)	1/1
Lam Ka Wai Graham (retired on 7 September 2017)	1/1

**REMUNERATION PAID TO SENIOR MANAGEMENT**

Senior management's remuneration payment of the Group for the Year falls within the following band:

	Number of individuals 人數
Nil to HK\$1,000,000	1
零至1,000,000港元	

**董事委員會(續)****薪酬委員會(續)**

薪酬委員會目前由四名成員組成，包括本公司主席兼董事總經理關文輝先生及三名獨立非執行董事黃文顯先生(薪酬委員會主席)、陳耀輝先生及白偉強先生。

本公司個別執行董事及高級管理人員之薪酬待遇由薪酬委員會向董事會建議，並由董事會依據股東於股東周年大會向其授出之權力，及經參考本公司經營業績、個人表現及現行市況後釐定。董事會定期檢討薪酬委員會之架構及成員組合，尤其重視個別成員之技能、知識及經驗。

於本年度內，薪酬委員會已舉行三次會議並已審閱董事會及本公司高級管理人員現有薪酬待遇，並對本公司主席兼董事總經理關文輝先生及執行董事羅方紅女士及王翔飛先生以及獨立非執行董事白偉強先生之薪酬待遇作出建議。個別成員之出席記錄如下：

成員姓名	出席／合資格出席會議次數
黃文顯(主席)	3/3
關文輝	3/3
陳耀輝	3/3
白偉強(於二零一七年九月十九日獲委任)	1/1
林家威(於二零一七年九月七日退任)	1/1

**支付予高級管理人員之薪酬**

本集團於本年度支付予高級管理人員之薪酬介乎以下範圍：

**BOARD COMMITTEES (continued)****Nomination Committee**

The nomination committee of the Company (the “Nomination Committee”) was set up in March 2012 with specific terms of reference. The terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company have included the duties which are set out in code provision A.5.2 of the Code, with appropriate modifications when necessary.

The Nomination Committee will take into consideration a candidate’s qualification, experience, expertise, knowledge and diversity of perspectives, the requirements applicable to the Company and the structure and composition of the Board. The Nomination Committee identifies, reviews and nominates with diligence and care that candidates suitably qualified as Board members before making recommendation to the Board for their final appointment. Factors such as gender, age, cultural and educational background, and professional experience will also be taken into account to maintain a balanced composition and diversity of the perspectives of the Board.

The Board had adopted a board diversity policy (the “Board Diversity Policy”) setting out the approach to diversify members of the Board. Selection of candidates will be based on a number of factors, including but not limited to gender, age, culture and educational background, race, professional experience, skills, knowledge and tenure of appointment.

The Board is currently composed of diversified members of different gender and age, with education in economic, legal, accounting and chemical engineering respectively from leading universities in China (including Hong Kong) and England. Business and professional experiences of the Board are even diversified which include but not limited to, multinational entrepreneurship, listed companies directorship in Hong Kong, Shanghai and Shenzhen, legal practices in Hong Kong, corporation finance and investment banking, accounting and auditing, and financial management.

**董事委員會(續)****提名委員會**

本公司提名委員會(「提名委員會」)於二零一二年三月成立，並訂有特定職權範圍。提名委員會之職權範圍(可於聯交所及本公司網站查閱)包括守則之守則條文第A.5.2條所載之職責，並於需要時作出適當修訂。

提名委員會將考慮候選人之資歷、經驗、專長、知識及成員多元化之裨益、本公司之適用規定以及董事會之架構及組成，審慎識別、審閱及提名具備合適資格可擔任董事會成員之候選人，方會向董事會推薦最終委任之人選。提名委員會亦考慮性別、年齡、文化、教育背景及專業經驗等因素，以維持董事會有均衡組合及成員多元化之裨益。

董事會已採納一項董事會多元化政策(「董事會多元化政策」)，載明董事會成員多元化措施。董事會將根據多項因素甄選候選人，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及任期。

董事會現時由不同性別及年齡之成員組成，各具有中國(包括香港)及英格蘭著名大學經濟、法律、會計及化學工程專業之學歷。董事會之商業及專業經驗更多元化，包括但不限於跨國企業家；香港、上海及深圳上市公司董事；香港執業律師；企業融資及投資銀行、會計及審核以及財務管理。



**BOARD COMMITTEES (continued)****Nomination Committee (continued)**

As at the date of this annual report, the information (including sex, age, educational background, business experience, professional experience, term of appointment and designation) of the Board Diversity Policy is as follows:

**董事委員會(續)****提名委員會(續)**

於本年報日期，董事會多元化政策之資料(包括性別、年齡、教育背景、商業經驗、專業經驗、任期及職務)如下：

			No. of Directors 董事人數
Age group:	41 to 50	41至50歲	2
年齡組別：	51 to 60	51至60歲	2
	Over 60	超過60歲	2
Gender:	Male	男性	5
性別：	Female	女性	1
Educational background:	Hong Kong	香港	4
	PRC	中國	4
	Overseas	海外	2
Business experience:	Multinational entrepreneurship	跨國企業家	2
	Listed companies directorship in Hong Kong, Shanghai and Shenzhen	香港、上海及深圳上市公司董事	6
Professional experience:	Legal practices in Hong Kong	香港執業律師	2
	Corporation finance and investment banking	企業融資及投資銀行	3
	Accounting and auditing	會計及審核	3
	Financial management	財務管理	4
Length of service (year):	<1	短於一年	1
	1-5	1至5年	0
	6-10	6至10年	0
	Over 10	超過10年	5
Designation:	Executive Director	執行董事	3
	Independent Non-executive Director	獨立非執行董事	3
職務：			

**BOARD COMMITTEES (continued)****Nomination Committee (continued)**

After annual assessment by the Nomination Committee at a meeting on 20 June 2018, the Company considers that the Board has achieved the following measurable objectives under the Board Diversity Policy for the Year:

1. at least one third of the members of the Board shall be independent non-executive Directors;
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications; and
3. at least one of the members of the Board shall be female.

The Nomination Committee currently comprises four members, including the chairman and managing director of the Company, Mr. Kwan Man Fai as the chairman of the Nomination Committee and three independent non-executive Directors namely, Mr. Wong Man Hin Raymond, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.

During the Year, Mr. Lam Ka Wai Graham retired as an independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 7 September 2017 and ceased to be the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee. Mr. Pak Wai Keung Martin has been appointed as the independent non-executive Director, the chairman of Audit Committee, a member of each of Remuneration Committee and Nomination Committee on 19 September 2017.

**董事委員會(續)****提名委員會(續)**

提名委員會於二零一八年六月二十日舉行會議進行年度評核後，本公司認為，董事會於本年度內已達至董事會多元化政策項下之下列可計量目標：

1. 董事會至少三分之一成員為獨立非執行董事；
2. 董事會至少一名成員具備會計或其他專業資格；及
3. 董事會至少一名成員為女性。

提名委員會目前由四名成員組成，包括本公司主席兼董事總經理關文輝先生(提名委員會主席)及三名獨立非執行董事黃文顯先生、陳耀輝先生及白偉強先生。

於本年度內，林家威先生退任獨立非執行董事，自本公司於二零一七年九月七日舉行之股東周年大會結束時生效，亦不再為審核委員會主席以及薪酬委員會及提名委員會成員。白偉強先生已於二零一七年九月十九日獲委任為獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員。

**BOARD COMMITTEES (continued)****Nomination Committee (continued)**

During the Year, three meetings were held and the Nomination Committee had reviewed and adopted the existing policy for the nomination of Directors. The individual attendance of members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Kwan Man Fai (Chairman)	3/3
Wong Man Hin Raymond	3/3
Chan Yiu Fai Youdey	3/3
Pak Wai Keung Martin (appointed on 19 September 2017)	1/1
Lam Ka Wai Graham (retired on 7 September 2017)	1/1

**CORPORATE GOVERNANCE**

The Company is dedicated to maintaining a high standard of corporate governance and the Board is responsible for performing the corporate governance duties as stipulated in the Listing Rules. During the Year, the Board committees had developed and reviewed the Company's policies and practices on corporate governance; reviewed and monitored the training and continuous professional development of Directors and senior management; reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements and reviewed the compliance with the Code and disclosure in the Corporate Governance Report.

**董事委員會(續)****提名委員會(續)**

於本年度內，提名委員會曾舉行三次會議，檢討並採納現時董事提名之政策。個別成員之出席記錄如下：

成員姓名	出席／合資格出席會議次數
關文輝(主席)	3/3
黃文顯	3/3
陳耀輝	3/3
白偉強(於二零一七年九月十九日獲委任)	1/1
林家威(於二零一七年九月七日退任)	1/1

**企業管治**

本公司致力於維持高標準之企業管治，而董事會則負責履行上市規則所規定之企業管治職責。於本年度內，董事委員會已制訂及審閱本公司企業管治之政策及常規，並檢討及監察董事及高級管理人員之培訓及持續專業發展；檢討及監察本公司之政策及常規有否遵守法律及監管規定；及檢討有否遵守守則及於企業管治報告之披露。

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to present a balanced, clear and understandable assessment relating to annual and interim reports, inside information and price-sensitive announcements and other financial disclosures under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. As at 31 March 2018, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the ability of the Company to continue as a going concern. The statement of the external auditor of the Company about its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report from page 84 to page 92 of this annual report.

## RISK MANAGEMENT AND INTERNAL CONTROL

During the Year, the Group has complied with code provision C.2 of the Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

### Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and monitor the residual risks persistently.

Based on the risk assessments conducted in 2017/18, no significant risk was identified.

## 董事就財務報表承擔之責任

董事確認，彼等之職責為就年度及中期報告、內幕消息及股價敏感公告及上市規則下之其他財務披露、呈交監管機構之報告以及根據法定規定須予披露之資料，提呈中肯、清晰及易懂之評估。於二零一八年三月三十一日，董事並不知悉任何有關可能對本公司按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。本公司外聘核數師就其對綜合財務報表之申報責任所發出之聲明載於本年報第84至92頁之獨立核數師報告。

## 風險管理及內部監控

本集團於本年度已遵守守則之守則條文第C.2條，建立適當及有效之風險管理及內部監控系統。管理層負責相關系統之設計、實施和監控，董事會則負責監督管理層持續執行有關職責。風險管理和內部監控系統之主要特點如下面章節所述：

### 風險管理系統

本集團採用風險管理系統，管理與其業務及營運相關之風險。該系統包括以下各方面：

- 識別：識別風險所屬、業務目標及可能影響達致目標之風險。
- 評估：分析風險之可能性及影響，並相應地評估風險組合。
- 管理：考慮風險應對，確保與董事會有效溝通並持續監督剩餘風險。

根據於二零一七／一八年度進行之風險評估，概無識別到任何重大風險。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- *Control Environment*: A set of standards, processes and structures to provide the basis for carrying out internal control across the Group.
- *Risk Assessment*: A dynamic and iterative process for identifying and analyzing risks to achieve the Group’s objectives, forming a basis for determining how risks should be managed.
- *Control Activities*: Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- *Information and Communication*: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- *Monitoring*: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

## 風險管理及內部監控(續)

### 內部監控系統

本公司設有內部監控系統，與Committee of Sponsoring Organizations of the Treadway Commission(「COSO」)二零一三年框架相符。該框架使本集團能夠實現經營之效力及效率、財務報告之可靠性及適用法律法規之遵循之目標。該框架組成部分列示如下：

- *控制環境*：一套可提供本集團實施內部監控基礎之標準、程序及架構。
- *風險評估*：一個識別及分析風險之動態及迭代過程，以達致本集團目標，為確定如何管理風險奠定基礎。
- *監控活動*：通過政策及程序制定之行動，協助確保管理層為實現目標而緩解風險之指令能落實執行。
- *資料及溝通*：內部及外部溝通為本集團提供進行日常監控所需資料。
- *監督*：持續及獨立評估以確定內部監控各組成部分是否存在及發揮作用。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Internal Control System (continued)

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of disclosure requirements in relation to the Group, which include:

- the access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality;
- confidentiality agreements are in place when the Group enters into significant negotiations; and
- the executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2017/18, no significant control deficiency was identified.

### Internal Audit

The Group has an Internal Audit ("IA") function, which is consisted of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted semi-annually and the results are reported to the Board via Audit Committee afterwards.

## 風險管理及內部監控(續)

### 內部監控系統(續)

為強化本集團處理內部資料之系統，以及確保其公開披露之真實性、準確性、完整性及適時性，本集團亦採納及執行內部資料政策及程序。本集團亦不時採取若干合理措施，確保有適當之防範措施以避免違反與本集團有關之披露要求，其中包括：

- 資料在需要知情之基礎上，僅限供少數僱員接觸。擁有內部資料之僱員須充分認識彼等之保密義務；
- 本集團進行重大協商時簽訂保密協議；及
- 指定執行董事為與媒體、分析員或投資者等外界人士溝通時代表本公司發言之人士。

根據於二零一七／一八年度進行之內部監控檢討，概無識別到有任何重大監控不足之處。

### 內部審計

本集團設有內部審計(「內部審計」)職能，由具備相關專業知識之專業員工(例如執業會計師)組成。內部審計職能獨立於本集團日常運作，並通過面談、巡視及進行效力測試，對風險管理及內部監控系統進行評估。

董事會已批准一項內部審計計劃。根據既定計劃，每半年對風險管理及內部監控系統進行審查，且之後通過審核委員會將結果向董事會報告。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted semi-annually. Several areas have been considered during the Board's reviews, which include but not limited to:

- (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and
- (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its reviews and the reviews made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate during the Year. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programmes and budget provided were sufficient.

## 風險管理及內部監控(續)

### 風險管理及內部監控系統之有效性

董事會負責本集團風險管理及內部監控系統，確保每半年對該等制度之有效性進行審查。董事會進行審查時已作出多方面考慮，其中包括(但不限於)：

- (i) 自上次年度審查後，重大風險性質及程度之改變，以及本集團於其業務及外部環境中應對變化之能力；及
- (ii) 管理層持續監督風險及內部監控系統之範圍及質量。

董事會通過其審查和審計職能與審核委員會之審查，認定風險管理和內部監控系統於本年度均屬有效及適當。然而，該等系統旨在管理而非杜絕未能實現業務目標之風險，並且只能就防止重大失實陳述或損失提供合理而非絕對之保證。資源、員工資歷及相關員工之經驗視作足夠，所提供培訓項目及預算亦屬充裕。

**AUDITOR'S REMUNERATION**

Crowe Horwath (HK) CPA Limited has retired as the auditor of the Company with effect from the conclusion of the annual general meeting of the Company held on 7 September 2017 (the "2017 AGM"). Mazars CPA Limited has been appointed as the auditor of the Company by the approval of shareholders of the Company at the 2017 AGM, with effect from 7 September 2017.

The audit works of the Group for the Year were performed by Mazars CPA Limited.

For the Year, fees paid or payable to the auditor of the Company, Mazars CPA Limited, and its affiliates by the Group are as follows:

**核數師薪酬**

國富浩華(香港)會計師事務所有限公司已退任本公司之核數師，自本公司於二零一七年九月七日舉行之股東周年大會(「二零一七年股東周年大會」)結束後生效。中審眾環(香港)會計師事務所有限公司已由本公司股東於二零一七年股東周年大會上批准委任為本公司之核數師，自二零一七年九月七日生 效。

本集團於本年度之審核工作由中審眾環(香港)會計師事務所有限公司進行。

於本年度內，本集團已付或應付本公司核數師中審眾環(香港)會計師事務所有限公司及其聯屬公司之費用如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Crowe Horwath (HK) CPA Limited	國富浩華(香港)會計師事務所有限公司		
– Audit services	– 審核服務	–	740
– Non-audit and taxation services	– 非審核及稅務服務	–	300
		–	1,040
Mazars CPA Limited	中審眾環(香港)會計師事務所有限公司		
– Audit services	– 審核服務	700	–
– Non-audit services	– 非審核服務	180	–
		<b>880</b>	–



## COMPANY SECRETARY

The company secretary of the Company is Mr. Li Chun Fung ("Mr. Li"), who has day-to-day knowledge of the Company's affairs. Mr. Li has taken over 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules during the Year.

## SHAREHOLDER'S COMMUNICATIONS

A shareholders communication policy was adopted on 27 March 2012 to ensure that shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company. The shareholders communication policy is available on the Company's website. The Company has established various channels of communications with its shareholders such as publication of interim and annual reports, press release and announcement of the latest development of the Company in a timely manner. The annual general meeting provides an opportunity for shareholders to exchange views with the Board. External auditor is also available at the annual general meeting to address shareholders' queries. Moreover, resolutions are proposed at annual general meeting on each substantially separate issue, including the election of individual Directors.

The 2018 annual general meeting of the Company will be held on 21 August 2018. A notice of annual general meeting will be sent to the shareholders of the Company at least 20 clear business days before the meeting.

## SHAREHOLDERS' RIGHTS

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office and its principal office in Hong Kong for the attention of the Board or the company secretary of the Company, to require a special general meeting (the "SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. The written requisition must state the purposes of the general meeting, signed by the shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those shareholders. If the requisition is in order, the company secretary of the Company will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

## 公司秘書

本公司之公司秘書為李震鋒先生(「李先生」)，彼熟悉本公司日常事務。根據上市規則第3.29條，李先生已於本年度內接受逾15小時之相關專業培訓。

## 股東通訊

本公司已於二零一二年三月二十七日採納股東通訊政策以確保股東可快速、平等及適時獲得有關本公司全面而易於理解之資料。股東通訊政策可於本公司網站查閱。本公司已設立多個渠道與股東溝通，如刊發中期報告及年報，適時地就本公司之最新發展發出新聞稿及公告。股東亦可藉股東周年大會與董事會交流意見。外聘核數師亦可於股東周年大會上回應股東之提問。此外，於股東周年大會上將就各項重要獨立議題(包括個別董事之選舉)提呈決議案。

本公司將於二零一八年八月二十一日舉行二零一八年股東周年大會。本公司最遲將於股東周年大會舉行前二十個完整營業日向本公司股東寄發大會通告。

## 股東權利

任何於呈遞要求日期持有不少於本公司實繳股本(附有於本公司股東大會投票之權利)十分之一之股東於任何時候均有權向董事會或本公司之公司秘書發出書面要求(方法為將書面要求遞交至本公司之註冊辦事處及香港主要辦事處)，要求董事會召開股東特別大會(「股東特別大會」)以處理有關要求中指明之任何事宜；而該大會應於呈遞該要求後兩(2)個月內舉行。書面要求必須列明股東大會目的，由有關股東簽署，並可包括多份相同形式之文件，而每份文件由一名或以上該等股東簽署。倘要求屬妥善，則本公司之公司秘書將透過根據法定規定向全體已登記股東發出足夠通知要求董事會召開股東特別大會。反之，倘要求屬無效，則有關股東將獲通知此結果，股東特別大會將因此不會應要求召開。

### SHAREHOLDERS' RIGHTS (continued)

Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the annual general meeting (the "AGM") or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's registered office and its principal office in Hong Kong for the attention of the company secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition. If the written request is in order, the company secretary of the Company will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

### 股東權利(續)

倘本公司有股東(i)於股東大會上持有全體股東之總投票權不少於二十分之一；或(ii)不少於一百名股東，則可提交書面要求，列明擬於股東周年大會(「股東周年大會」)上動議之決議案，或提交一份不超過一千字之陳述，說明任何提呈之決議案所提述事宜，或將於特定股東大會上處理之事宜。書面要求/陳述必須由相關股東簽署，並於股東周年大會舉行不少於六週前(倘要求需決議案通知)或股東大會舉行不少於一週前(倘為任何其他要求)寄交本公司註冊辦事處及香港主要辦事處，致本公司之公司秘書。倘書面要求妥當，本公司之公司秘書將要求董事會(i)將決議案載入股東周年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會釐定之合理金額費用，以便本公司足夠支付根據法定要求向全體登記股東寄發決議案通知及/或向彼等傳閱相關股東所提呈陳述之開支。反之，倘要求屬無效，或相關股東未能支付足夠費用供本公司就上述行動支付開支，則向相關股東告知此結果，而建議決議案將因此不會載入股東周年大會議程；或股東大會將不會傳閱陳述。

**SHAREHOLDERS' RIGHTS (continued)**

Shareholders and other stakeholders may at any time send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by post, fax or email. The contact details are set out as below:

Registered office: Clarendon House,  
2 Church Street,  
Hamilton HM 11, Bermuda

Principal place of  
business in  
Hong Kong: 8/F., Tower 2,  
Admiralty Centre,  
18 Harcourt Road,  
Admiralty, Hong Kong

Postal address: 8/F., Tower 2,  
Admiralty Centre,  
18 Harcourt Road,  
Admiralty, Hong Kong

Tel: 2248 0188

Fax: 2918 9931

Email: info@nannanlisted.com

**INVESTOR RELATIONS**

During the Year, there were no change in the Memorandum of Association and Bye-laws of the Company.

**股東權利(續)**

股東及其他持份者可於任何時間將彼等之查詢及對董事會之關注事項以郵寄、傳真或電郵之方式遞交至本公司之公司秘書。聯絡資料載列如下：

註冊辦事處： Clarendon House,  
2 Church Street,  
Hamilton HM 11, Bermuda

香港主要  
營業地點： 香港金鐘  
夏慤道18號  
海富中心  
2座8樓

郵寄地址： 香港金鐘  
夏慤道18號  
海富中心  
2座8樓

電話： 2248 0188

傳真： 2918 9931

電郵： info@nannanlisted.com

**投資者關係**

於本年度內，本公司的組織章程大綱及公司細則概無任何變動。

# REPORT OF THE DIRECTORS

## 董事會報告

The Directors present their report and the audited consolidated financial statements of the Group for the Year.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in mining and sales of coal.

### RESULTS AND DIVIDENDS

The Group's results for the Year and the state of affairs of the Company and the Group are set out in the consolidated financial statements on pages 93 to 206. The Board does not recommend the payment of any dividend for the Year.

### BUSINESS REVIEW

A review of the Group's business for the Year, a discussion on the Group's future business development and principal risks and uncertainties that the Group is facing are provided in the sections headed "Chairman's Statement" on pages 4 to 20 and "Management Discussion and Analysis" on pages 21 to 34 of this annual report.

The financial risk management objectives and policies of the Group are set out in Note 5(b) to the consolidated financial statements.

No important event affecting the Group had occurred since the end of the Year.

The Company promotes the culture of adhering to the high ethical standards of business conduct and commits to complying with all prevailing laws and regulations in all its operating regions. During the Year, the Company did not aware of any material non-compliance or breach of legislation.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on pages 207 to 208 of this annual report. This summary does not form part of the audited consolidated financial statements.

董事謹此提呈本集團於本年度之董事會報告及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司。本公司附屬公司之主要業務為煤炭開採及銷售業務。

### 業績及股息

本集團於本年度之業績及本公司與本集團之業務狀況載於第93至206頁之綜合財務報表內。董事會不建議就本年度派發任何股息。

### 業務回顧

本集團於本年度之業務回顧、本集團就未來業務發展之論述及本集團面臨之主要風險及不確定因素分別載於本年報第4至20頁及第21至34頁之「主席報告」及「管理層討論及分析」各節。

本集團之財務風險管理目標及政策載於綜合財務報表附註5(b)。

自本年度結束以來，概無發生任何影響本集團之重要大事宜。

本公司提倡致力於高道德標準之業務操守文化，並致力於其所有營運地區遵守所有現行法律及法規。於本年度，本公司概不知悉有任何重大不合規或違反法律事宜。

### 五年財務摘要

本集團過去五個財政年度已公佈之業績、資產及負債以及非控股權益概要(摘錄自經審核綜合財務報表)載於本年報第207至208頁。此概要並不構成經審核綜合財務報表一部分。

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 14 to the consolidated financial statements.

### SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital are set out in Note 24(b) to the consolidated financial statements. The Company does not adopt share option scheme.

### CONVERTIBLE BOND

Details of the Convertible Bond issued by the Company during the Year are set out in Note 25 to the consolidated financial statements.

### EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Convertible Bond" of this annual report and Note 25 to the consolidated financial statements, no equity-linked agreement was entered into by the Company during the Year.

### RELATIONSHIPS WITH KEY STAKEHOLDERS

The Company recognises that our management, employees, customers and business partners (including suppliers, financial institutions and academic bodies) are key stakeholders to the Company's success. We strive to achieve corporate sustainability through engaging our management and employees, providing quality products to our customers, collaborating with business partners to deliver quality sustainable products and services and supporting our community.

### ENVIRONMENTAL, POLICIES AND PERFORMANCE

In accordance with Rule 13.91 of the Listing Rules, the Company will publish an Environmental, Social and Governance ("ESG") Report within three months after the publication of this annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Listing Rules.

### PERMITTED INDEMNITY PROVISION

The Company's Bye-laws provided that all Directors and officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Directors' and officers' liability insurance is arranged to cover the directors and officers of the Group against any potential costs and liabilities arising from claims brought against them.

### 物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註14。

### 股本及購股權

本公司股本之變動詳情載於綜合財務報表附註24(b)。本公司概無採納購股權計劃。

### 可換股債券

本公司於本年度發行之可換股債券詳情載於綜合財務報表附註25。

### 股權掛鈎協議

除本年報「可換股債券」一節及綜合財務報表附註25所披露者外，本公司於本年度概無訂立股權掛鈎協議。

### 與主要持份者之關係

本公司深明我們的管理層、僱員、客戶及業務夥伴(包括供應商、金融機構及學術機構)為本公司邁向成功之關鍵持份者。我們通過委聘管理層及僱員、為客戶提供優質產品、與業務夥伴合作以交付優質及具可持續性之產品及服務以及為社區提供支持，致力實現企業可持續發展。

### 環境、政策及表現

根據上市規則第13.91條，本公司將遵守上市規則附錄二十七《環境、社會及管治報告指引》所載條文，於刊發本年報後三個月內刊發環境、社會及管治(「環境、社會及管治」)報告。

### 獲准彌償條文

本公司之公司細則規定，全體董事及本公司高級職員均可從本公司之資產及溢利獲得彌償，該等人士就執行其職責時因所作出、發生之作為或不作為而將會或可能招致或蒙受之所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害。已安排董事及高級職員之責任保險以就董事及本集團高級職員所招致的申索產生之任何潛在成本及負債提供保障。

## RETIREMENT SCHEME

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the MPF Scheme generally at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employee are subject to a maximum contribution of HK\$1,500 per month (for period after 1 June 2014) and thereafter contributions are voluntary. The Group has no further obligation for post-retirement benefits beyond the contributions.

The employees of the Group’s subsidiaries in the PRC are members of the state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries contributed certain percentage of basic salaries to the retirement benefits plan to fund the benefits. The Group has no further obligations for the actual payment of pensions or post-retirements benefits beyond these contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

## REMUNERATION POLICY

Remuneration policy of the Company is reviewed regularly, making reference to market condition and performance of the Company and individual staff (including the Directors). The remuneration policy and remuneration packages of the Directors and management team are reviewed by the Remuneration Committee and the Board which are detailed in the paragraph headed “Remuneration Committee” under the Corporate Governance Report on pages 45 to 46.

## RELATED PARTY TRANSACTIONS

The Directors consider that those related party transactions disclosed in Note 29 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

## CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the Year, the Company did not have any connected transactions or continuing connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules.

## 退休計劃

本集團已為其香港僱員安排參加由獨立托管人管理之界定供款計劃強制性公積金計劃（「強積金計劃」）。根據強積金計劃，本集團（僱主）及其僱員各須向強積金計劃作出每月供款，根據強積金計劃條例界定一般為僱員薪金之5%。各僱主及僱員之每月供款最多為每月1,500港元（自二零一四年六月一日起），而超出此數之供款屬自願供款性質。除作出供款外，本集團毋須就退休後之福利承擔其他責任。

本集團之中國附屬公司僱員均為中國政府所設立國家管理退休福利計劃之成員。附屬公司按基本薪金之某個百分比向退休福利計劃供款，以撥付福利。除作出該等供款外，本集團毋須就實際支付退休金或退休後之福利承擔其他責任。國家資助的退休計劃對應付退休僱員之退休金全權負責。

## 薪酬政策

本公司薪酬政策乃定期審閱，並參考市況以及本公司及個別員工（包括董事）之表現。董事及管理團隊之薪酬政策及薪酬組合由薪酬委員會及董事會審閱，詳情載於第45至46頁企業管治報告「薪酬委員會」一段。

## 關連人士交易

董事認為於綜合財務報表附註29所披露之該等關連人士交易概不屬於上市規則第十四A章項下之「關連交易」或「持續關連交易」（視情況而定）之定義，須遵守上市規則項下之申報、公告或獨立董事批准之規定。董事確認本公司已根據上市規則第十四A章遵守披露規定。

## 關連交易及持續關連交易

於本年度，本公司並無任何關連交易或持續關連交易須遵守上市規則第十四A章項下之申報規定。

## MAJOR EVENTS

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan##**

Pursuant to the instructions from the National Development and Reform Commission of the PRC, the Department of Land and Resources of Xinjiang Uygur Autonomous Region (the “Xinjiang Land Department”) had to plan for a management restructuring of seven different coal mines (including the Zexu Open Pit Coal Mine (the “Zexu Mine”)) in the Xiheishan Mining Area (the “Optimization and Upgrading Plan”), consolidating some smaller mines together so as to increase the size efficiency (for details, please refer to the Company’s announcement dated 11 November 2011). After being informed of this Optimization and Upgrading Plan, the Board has requested our management in the Xinjiang Uygur Autonomous Region of China (“Xinjiang”) to conduct frequent meetings and negotiations with the Xinjiang Land Department and other relevant government authorities in order to protect the Company’s interest in relation to the exploration permit of the Zexu Mine (the “Exploration Permit”).

According to the letter dated 13 June 2012 issued by the Administrative Bureau of Coal Industry of Changji Prefecture informing the updated status of the Optimization and Upgrading Plan, the following proposals (the “Updated Optimization and Upgrading Plan”) in relation to the Company’s Kaiyuan Open Pit Coal Mine (the “Kaiyuan Mine”) and Zexu Mine have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang for consideration and approval:

1. The Company’s Kaiyuan Mine would be restructured and upgraded, and the Exploration Permit granted to the Company would be terminated; and
2. The mining area of the Kaiyuan Mine, where the Company is now conducting mining activities, was proposed to be increased from 1.1596 square kilometers to 4.12 square kilometers (“Kaiyuan Extended Area”), with the estimated coal resources of approximately 131.18 million tonnes.

## 重大事項

**(A) 優化升級方案#及優化升級更新方案##之進展**

根據中國國家發展和改革委員會之指示，新疆維吾爾自治區國土資源廳（「新疆國土資源廳」）須對西黑山開採區內的七個不同煤礦（包括澤旭露天煤礦（「澤旭煤礦」））進行管理重組（「優化升級方案」），將部分小型煤礦整合從而增加規模效益（詳情見本公司日期為二零一一年十一月十一日之公告）。董事會在得知此優化升級方案後，已要求中國新疆維吾爾自治區（「新疆」）之管理層與新疆國土資源廳及其他相關政府機關進行多次拜訪及磋商，以保障本公司有關澤旭煤礦礦產資源勘查許可證（「礦產資源勘查許可證」）之利益。

根據昌吉州煤炭工業管理局就優化升級方案的最新情況所發出日期為二零一二年六月十三日之函件，下列有關本公司凱源露天煤礦（「凱源煤礦」）及澤旭煤礦之建議（「優化升級更新方案」）已呈交新疆煤炭產業結構優化升級工作領導小組辦公室作審批：

1. 本公司之凱源煤礦將給予改造及升級，而授予本公司之礦產資源勘查許可證將被終止；及
2. 本公司正進行開採活動之凱源煤礦之開採面積建議由1.1596平方公里增至4.12平方公里（「凱源擴大範圍」），估計煤礦資源約為131.18百萬噸。

## MAJOR EVENTS (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

As stated in the Company's announcement dated 15 August 2017, as requested by the Department of Land and Resources of Changji Hui Autonomous Prefecture\* (昌吉回族自治州國土資源局) (the "Changji Land Department"), with the aim of expediting the resources restructuring work and accelerating and completing the process to fix the mining area for each mining right owner inside Zhudong Meitian Xiheishan Coal Mining Area\* (准東煤田西黑山煤炭礦區), where the Zexu Mine and Kaiyuan Mine of the Company are located, Qitai County Zexu Trading Company Limited\* (奇台縣澤旭商貿有限責任公司) ("Zexu Company") and Mulei County Kai Yuan Coal Company Limited\* (木壘縣凱源煤炭有限責任公司) ("Kaiyuan Company"), the subsidiaries of the Company, respectively entered into the following four undisputed agreements (the "Four Undisputed Agreements") with the relevant parties to dispose of Zexu Mine and acquire Kaiyuan Extended Area:

**1. First Undisputed Agreement**

On 15 August 2017, Zexu Company entered into an undisputed agreement (the "First Undisputed Agreement") with Xinjiang Jinneng Mining Company Limited ("Jinneng Company"), pursuant to which Jinneng Company should occupy an area of 0.297 km<sup>2</sup> within the Zexu Mine and could apply to the Xinjiang Land Department to fix such mining area. Jinneng Company should, within 10 working days upon signing the agreement, compensate Zexu Company with an amount of RMB505,197, which was calculated by multiplying the area of 0.297 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

## 重大事項(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)**

誠如本公司日期為二零一七年八月十五日之公告所述，按照昌吉回族自治州國土資源局(「昌吉國土資源局」)之要求，為促進資源整合工作，以及加快完成准東煤田西黑山煤炭礦區(該區為本公司澤旭煤礦及凱源煤礦之所在地)內各礦權人劃定礦區範圍程序之目的，本公司之附屬公司奇台縣澤旭商貿有限責任公司(「澤旭公司」)及木壘縣凱源煤炭有限責任公司(「凱源公司」)分別與相關公司簽訂了以下四份無爭議協議(「該四份無爭議協議」)，以處置澤旭煤礦及獲得凱源擴大範圍：

**1. 第一份無爭議協議**

於二零一七年八月十五日，澤旭公司與新疆金能礦業有限公司(「金能公司」)簽訂了一份無爭議協議(「第一份無爭議協議」)，據此，金能公司將佔用澤旭煤礦內面積0.297平方公里的範圍，及可向新疆國土資源廳申請劃定該礦區範圍。金能公司將於協議簽訂後十個工作日內，向澤旭公司支付補償款人民幣505,197元。該補償款是以面積0.297平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

\* English translation for identification purposes only



## MAJOR EVENTS (continued)

## (A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)

## 2. Second Undisputed Agreement

On 15 August 2017, Zexu Company entered into an undisputed agreement (the “Second Undisputed Agreement”) with Xinjiang Beishan Mining Company Limited (“Beishan Company”), pursuant to which Beishan Company should occupy an area of 2.582 km<sup>2</sup> within the Zexu Mine and could apply to the Xinjiang Land Department to fix such mining area. Beishan Company should, within 10 working days upon signing the agreement, compensate Zexu Company with an amount of RMB4,391,982, which was calculated by multiplying the area of 2.582 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

## 3. Third Undisputed Agreement

On 15 August 2017, Kaiyuan Company entered into an undisputed agreement (the “Third Undisputed Agreement”) with Jinneng Company, pursuant to which Kaiyuan Company should occupy an area of 1.292 km<sup>2</sup> within the exploration area of the mine of Jinneng Company (the “First Extended Area”) and could apply to the Xinjiang Land Department to fix such mining area. Kaiyuan Company should, within 10 working days upon signing the agreement, compensate Jinneng Company with an amount of RMB2,197,692, which was calculated by multiplying the area of 1.292 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

The First Extended Area to be occupied by Kaiyuan Company from Jinneng Company is located next to the Kaiyuan Mine currently operated by Kaiyuan Company.

## 重大事項(續)

## (A) 優化升級方案#及優化升級更新方案##之進展(續)

## 2. 第二份無爭議協議

於二零一七年八月十五日，澤旭公司與新疆北山礦業有限公司(「北山公司」)簽訂了一份無爭議協議(「第二份無爭議協議」)，據此，北山公司將佔用澤旭煤礦內面積2.582平方公里的範圍，及可向新疆國土資源廳申請劃定該礦區範圍。北山公司將於協議簽訂後十個工作日內，向澤旭公司支付補償款人民幣4,391,982元。該補償款是以面積2.582平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

## 3. 第三份無爭議協議

於二零一七年八月十五日，凱源公司與金能公司簽訂了一份無爭議協議(「第三份無爭議協議」)，據此，凱源公司將佔用金能公司煤礦探礦範圍內面積1.292平方公里的範圍(「第一擴大範圍」)，及可向新疆國土資源廳申請劃定該礦區範圍。凱源公司將於協議簽訂後十個工作日內，向金能公司支付補償款人民幣2,197,692元。該補償款是以面積1.292平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

凱源公司將從金能公司佔用的第一擴大範圍乃位於凱源公司現正運營的凱源煤礦旁邊。

MAJOR EVENTS (continued)

(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)

4. Fourth Undisputed Agreement

On 15 August 2017, Kaiyuan Company entered into an undisputed agreement (the “Fourth Undisputed Agreement”) with Beishan Company, pursuant to which Kaiyuan Company should occupy an area of 0.016 km<sup>2</sup> within the mining area of the mine of Beishan Company (the “Second Extended Area”) and could apply to the Xinjiang Land Department to fix such mining area. Kaiyuan Company should, within 10 working days upon signing the agreement, compensate Beishan Company with an amount of RMB27,216, which was calculated by multiplying the area of 0.016 km<sup>2</sup> with the agreed compensation amount of RMB486,000 per km<sup>2</sup> and the agreed compensation multiples of 3.5. The above compensation standard was determined by the Changji Land Department.

The Second Extended Area to be occupied by Kaiyuan Company from Beishan Company is located next to the Kaiyuan Mine currently operated by Kaiyuan Company.

The total area of 2.879 km<sup>2</sup> of Zexu Mine being occupied by Jinneng Company and Beishan Company under the First Undisputed Agreement and the Second Undisputed Agreement respectively represent the whole area of the Zexu Mine. Since the said two agreements had been completed, the Exploration Permit became invalid. Since the Zexu Mine has not commenced mining, it has not generated any revenue for the Group in the past years.

重大事項(續)

(A) 優化升級方案#及優化升級更新方案##之進展(續)

4. 第四份無爭議協議

於二零一七年八月十五日，凱源公司與北山公司簽訂了一份無爭議協議（「第四份無爭議協議」），據此，凱源公司將佔用北山公司煤礦採礦範圍內面積0.016平方公里的範圍（「第二擴大範圍」），及可向新疆國土資源廳申請劃定該礦區範圍。凱源公司將於協議簽訂後十個工作日內，向北山公司支付補償款人民幣27,216元。該補償款是以面積0.016平方公里乘以協議補償價每平方公里人民幣486,000元及協議補償倍數3.5計算得出。上述補償標準乃由昌吉國土資源局決定。

凱源公司將從北山公司佔用的第二擴大範圍乃位於凱源公司現正運營的凱源煤礦旁邊。

金能公司及北山公司分別根據第一份無爭議協議及第二份無爭議協議佔用的澤旭煤礦總面積2.879平方公里的範圍，為澤旭煤礦的所有面積範圍。由於該兩份協議已完成，故礦產資源勘查許可證將失效。由於澤旭煤礦未開始開採，因此於過去年間其未為本集團帶來收入。

## MAJOR EVENTS (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

So far as the Company is aware, the First Extended Area and the Second Extended Area being occupied by Kaiyuan Company under the Third Undisputed Agreement and Fourth Undisputed Agreement respectively have not yet commenced mining. After having completed such agreements, the Company was required to go through official procedures with the relevant land and resources departments to obtain the exploration right and then the mining right in respect of these extended areas. When the related exploration right or mining right is obtained, the Company will appoint professional parties to evaluate possible coal reserves and perform valuation on the First Extended Area and Second Extended Area. For accounting purposes, these extended area were booked as “Non-refundable deposits” under non-current assets with value of approximately RMB2,099,000 (equivalent to approximately HK\$2,604,000) in the Group’s consolidated statement of financial position, which, if appropriate, would be transferred to the intangible assets after conclusion is reached with the government departments. Upon obtaining the exploration right or mining right, the Company will discuss again with professional parties (including its valuer and auditor) regarding the possible coal reserves, valuation and accounting treatment of the First Extended Area and Second Extended Area. The Company has not received any update from the relevant government departments since the completion of the Four Undisputed Agreements.

According to the Updated Optimization and Upgrading Plan, the mining area of the Kaiyuan Mine was proposed to be increased from 1.1596 km<sup>2</sup> to 4.12 km<sup>2</sup>. For the First Extended Area and the Second Extended Area, since they were originally owned by Jinneng Company and Beishan Company respectively, the Third Undisputed Agreement and the Fourth Undisputed Agreement were required to be signed respectively for transfer of such area and as one of the important procedures for obtaining the exploration right and then the mining right. Upon completion of the Third Undisputed Agreement and Fourth Undisputed Agreement, the area of the Kaiyuan Mine will only increase to approximately 2.4676 km<sup>2</sup>. Concerning the outstanding proposed increased area of approximately 1.6524 km<sup>2</sup> (the “Outstanding Mining Area”), so far as the Company is aware, such area is located next to the Kaiyuan Mine and is currently owned by the government. To obtain the exploration right and then the mining right of such area, the Company is still required to go through official procedures with the relevant land and resources departments.

## 重大事項(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)**

就本公司所知，凱源公司分別根據第三份無爭議協議及第四份無爭議協議佔用的第一擴大範圍及第二擴大範圍仍未開始開採。該兩份協議完成後，本公司須向相關國土資源部門辦理正式程序以取得該等擴大範圍的勘察權及隨後的採礦權。當取得相關勘察權或採礦權後，本公司將聘請專業人士對第一擴大範圍及第二擴大範圍的煤潛在儲存量進行評估及對該等擴大範圍進行估值。於會計方面，該等擴大範圍將會以非流動資產內的「不可退還訂金」入賬於本集團之綜合財務狀況表中，數額約為人民幣2,099,000元(相等於約2,604,000港元)。如合適，於與政府部門落實後，該入賬將會轉為無形資產。於取得勘察權或採礦權後，本公司將會就第一擴大範圍及第二擴大範圍的煤潛在儲存量、估值及會計入賬方面再與專業人士(包括其估值師及審計師)商討。自第四份無爭議協議完成起，本公司並無收到來自相關政府部門之最新資料。

根據優化升級更新方案，凱源煤礦之開採面積建議由1.1596平方公里增至4.12平方公里。就第一擴大範圍及第二擴大範圍而言，由於該等範圍原分別由金能公司及北山公司所擁有，因此需分別簽署第三份無爭議協議及第四份無爭議協議，以轉讓該等範圍及作為取得該等範圍的勘察權及隨後的採礦權的重要程序之一。於第三份無爭議協議及第四份無爭議協議完成後，凱源煤礦之面積將僅增至約2.4676平方公里。至於餘下建議增加面積約1.6524平方公里(「餘下採礦面積」)，就本公司所知，該範圍位於凱源煤礦旁邊及現由政府所擁有。為取得該範圍的勘察權及隨後的採礦權，本公司仍需向相關國土資源部門辦理正式程序。

## MAJOR EVENTS (continued)

### (A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)

By a letter dated 6 February 2018 from the Zhundong Economic and Technological Development Zone Division of the Ministry of Land and Resources of Changji Hui Autonomous Prefecture\* (昌吉回族自治州國土資源局准東經濟技術開發區分局) (the “Zhundong Division of the Ministry of Land and Resources”), as part of the application, the Zhundong Division of the Ministry of Land and Resources required Kaiyuan Company to sign a deed of undertaking (the “Deed of Undertaking”).

Since the Outstanding Mining Area is a national resource of the PRC government, the Deed of Undertaking requires Kaiyuan Company to undertake to (1) apply for a bid invitation, auction and listing (the “Bid, Auction and Listing”) for exploration right of the Outstanding Mining Area and to grant state-owned enterprises within the Zhundong Economic and Technological Development Zone\* (准東經濟技術開發區) (the “State-Owned Enterprises”) a priority to participate in the Bid, Auction and Listing (the “Priority”); and (2) grant the State-Owned Enterprises who obtain exploration right in the Outstanding Mining Area a right to invest in the mining of the Outstanding Mining Area (the “Right to Invest”). As at the date of the announcement on 28 March 2018, no concrete terms of the Priority and the Right to Invest have been provided by the Zhundong Division of the Ministry of Land and Resources. Detailed terms and conditions of the possible business cooperation with the State-Owned Enterprises in the Outstanding Mining Area will be subject to further development on the Updated Optimization and Upgrading Plan and government policy.

## 重大事項(續)

### (A) 優化升級方案#及優化升級更新方案##之進展(續)

透過一封由昌吉回族自治州國土資源局准東經濟技術開發區分局(「准東經濟技術開發區分局」)於二零一八年二月六日發出的信函，作為申請的一部分，准東經濟技術開發區分局要求凱源公司簽署一份承諾函(「該承諾函」)。

因餘下採礦面積為國家資源，該承諾函要求凱源公司承諾(1)對餘下採礦面積的勘察權申請進行公開招標、拍賣及掛牌(「招拍掛」)，在同等條件下，由准東開發區的國有投資公司(「國有企業」)優先參與(「優先權」)；及(2)授予取得勘察權的國有企業以參股形式參與到餘下採礦面積的開採(「參股權」)。於二零一八年三月二十八日之公告日期，准東經濟技術開發區分局未有提供任何關於優先權及參股權之詳細條款。有關與國有企業於餘下採礦面積之商業合作可能性的詳細條款及條件將受限於優化升級更新方案之進一步發展及政府政策。

\* English translation for identification purposes only

## MAJOR EVENTS (continued)

**(A) Progress of the Optimization and Upgrading Plan# and the Updated Optimization and Upgrading Plan## (continued)**

Upon receiving the Deed of Undertaking, the Company proactively contacted the Zhundong Division of the Ministry of Land and Resources in order to understand or obtain the concrete terms of the Priority and the Right to Invest as stated in the Deed of Undertaking. However, after a few weeks of contact and communication, with the intervening Chinese New Year holiday from 13 February 2018 to 8 March 2018 in Xinjiang, the Zhundong Division of the Ministry of Land and Resources confirmed that it was not able to provide any concrete terms of the Priority and the Right to Invest. In light of these circumstances, the Company sought legal opinion from a PRC lawyer in Xinjiang. According to the PRC legal opinion obtained by the Company:

1. three out of the four companies with mines in the Xiheishan Mining Area had executed the Deed of Undertaking;
2. if Kaiyuan Company did not execute the Deed of Undertaking, the Zhundong Division of the Ministry of Land and Resources will cease to process Kaiyuan Company's application for exploration right and mining right in the Kaiyuan Extended Area; and
3. no concrete terms of the Priority and the Right to Invest had been provided by the Zhundong Division of the Ministry of Land and Resources.

To further facilitate the Updated Optimization and Upgrading Plan and to enable Kaiyuan Company to continue to apply for exploration right and mining right in the Kaiyuan Extended Area, Kaiyuan Company had executed the Deed of Undertaking within 7 days of the date of the announcement on 28 March 2018. The Priority and the Right to Invest may or may not be exercised by the State-Owned Enterprises. The Board considers that any possible business cooperation with the State-Owned Enterprises in the Outstanding Mining Area is to comply with the execution of the Updated Optimization and Upgrading Plan. In the event that the Right to Invest is exercised by the State-Owned Enterprises, the Company will negotiate for fair and reasonable terms taking into account the interests of the Company and shareholders as a whole.

## 重大事項(續)

**(A) 優化升級方案#及優化升級更新方案##之進展(續)**

在收到該承諾函後，本公司積極與准東經濟技術開發區分局聯繫，希望瞭解或取得該承諾函內所述之優先權和參股權之詳細條款。但經過數週的聯繫和溝通，當中包括新疆由二零一八年二月十三日至二零一八年三月八日的中國新年假期，准東經濟技術開發區分局確認其未能提供任何關於優先權及參股權之詳細條款。本公司亦就此情況向位於新疆的中國律師尋求法律意見。根據本公司取得之中國法律意見：

1. 西黑山開採區擁有礦權的四家公司其中三家公司已簽署了該承諾函；
2. 如凱源公司不簽署該承諾函，准東經濟技術開發區分局則不會繼續辦理凱源公司於凱源擴大範圍的勘察權及採礦權申請；及
3. 准東經濟技術開發區分局未有提供任何關於優先權及參股權之詳細條款。

為令優化升級更新方案能進一步推進及能繼續辦理凱源公司於凱源擴大範圍的勘察權及採礦權申請，凱源公司已於二零一八年三月二十八日之公告日期起7天內進行簽署該承諾函。國有企業可能會或不會行使優先權及參股權。董事會認為任何可能與國有企業於餘下採礦面積之商業合作是為配合優化升級更新方案的執行。在國有企業行使參股權的情況下，本公司將會爭取公平合理之交易條款，並符合本公司及股東整體利益。

## MAJOR EVENTS (continued)

### (A) Progress of the Optimization and Upgrading Plan<sup>#</sup> and the Updated Optimization and Upgrading Plan<sup>##</sup> (continued)

The management of Kaiyuan Company has been communicating and negotiating with the Zhundong Division of the Ministry of Land and Resources in order to protect the Company's best interest in the Outstanding Mining Area.

The application for exploration right and mining right of the Outstanding Mining Area is irrelevant to the renewal of the mining right in the Kaiyuan Mine (the "Mining Right") as stated in the announcement of the Company dated 27 December 2017.

<sup>#</sup> "Optimization and Upgrading Plan" was previously referred to as "Management Restructuring Plan" in the announcement of the Company dated 11 November 2011 and in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

<sup>##</sup> "Updated Optimization and Upgrading Plan" was previously referred to as "Updated Restructuring Proposals" in the announcement of the Company dated 15 June 2012 and in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

## 重大事項(續)

### (A) 優化升級方案<sup>#</sup>及優化升級更新方案<sup>##</sup>之進展(續)

為保障本公司於餘下採礦面積的最大利益，凱源公司之管理層一直與准東經濟技術開發區分局溝通與協商。

餘下採礦面積之勘察權及採礦權申請與本公司日期為二零一七年十二月二十七日之公告所述的凱源煤礦採礦權(「採礦權」)重續無關。

<sup>#</sup> 「優化升級方案」之前於本公司日期為二零一一年十一月十一日的公告及於該日期後之本公司公告、通知、通函、中期報告及年報中被提述為「管理重組計劃」。

<sup>##</sup> 「優化升級更新方案」之前於本公司日期為二零一二年六月十五日的公告及於該日期後之本公司公告、通知、通函、中期報告及年報中被提述為「更新重組建議」。

## MAJOR EVENTS (continued)

**(B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station**

As stated in the Company's announcement dated 25 September 2017, Kaiyuan Company received notices from the relevant government departments requesting for suspension of the production at Kaiyuan Mine and demolishment of gas station therein.

**1. Suspension of Production at Kaiyuan Mine**

At the night of 19 September 2017, Kaiyuan Company received a notice dated 16 September 2017 from the Environmental Protection Bureau of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區環境保護局) and a notice dated 19 September 2017 from the Environmental Protection Committee of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區環境保護委員會), requesting Kaiyuan Company to suspend production at its Kaiyuan Mine since Kaiyuan Company had yet to implement the coal mine environmental comprehensive remediation proposal in accordance with the requirements of, among other things, the "Implementation Opinion on Environmental Protection Specific Remediation in Zhundong Development Area\*" (准東開發區環境保護專項整治實施意見)".

**2. Production Resumption at Kaiyuan Mine**

As stated in the Company's announcement dated 26 October 2017, Kaiyuan Company received notices from the relevant government departments to resume the production at Kaiyuan Mine.

At the night of 23 October 2017, Kaiyuan Company received a notice (the "Notice") dated 23 October 2017 from the Party and Government Office of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區黨政辦公室) requesting the relevant enterprises in the development area, including Kaiyuan Company, to thoroughly implement the requirements of the "Emergency notice to better implement the work to safeguard supply of coal\*" (關於做好保障煤炭供應工作的緊急通知)" (the "Emergency Notice") issued by the Office of the People's Government of Changji Hui Autonomous Prefecture\* (昌吉回族自治州人民政府辦公室). According to the Emergency Notice, several coal mines, including the Kaiyuan Mine, were requested to conduct coal production and at the same time implement the environmental protection remedial works.

## 重大事項(續)

**(B) 凱源煤礦之停產及復產以及拆除加油站**

誠如本公司日期為二零一七年九月二十五日之公告所述，凱源公司收到相關政府部門之通知，要求凱源煤礦停產及拆除該處之加油站。

**1. 凱源煤礦之停產**

於二零一七年九月十九日晚上，凱源公司收到一份由新疆准東經濟技術開發區環境保護局發出的日期為二零一七年九月十六日的通知及一份由新疆准東經濟技術開發區環境保護委員會發出的日期為二零一七年九月十九日的通知，要求凱源公司的凱源煤礦停產，原因為凱源公司並未按照(其中包括)《准東開發區環境保護專項整治實施意見》的要求，落實煤礦環境綜合整治方案。

**2. 凱源煤礦之復產**

誠如本公司日期為二零一七年十月二十六日之公告所述，凱源公司收到相關政府部門之通知，恢復凱源煤礦之生產。

於二零一七年十月二十三日晚上，凱源公司收到一份由新疆准東經濟技術開發區黨政辦公室所發出的日期為二零一七年十月二十三日的通知(「該通知」)，要求開發區相關企業(包括凱源公司)貫徹執行昌吉回族自治州人民政府辦公室所發出的《關於做好保障煤炭供應工作的緊急通知》(「該緊急通知」)的要求。根據該緊急通知，要求多個煤礦(包括凱源煤礦)進行煤炭生產及同時進行環境保護整改工作。

\* English translation for identification purposes only

## MAJOR EVENTS (continued)

### (B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station (continued)

#### 2. Production Resumption at Kaiyuan Mine (continued)

Upon discussion with the relevant government departments, Kaiyuan Company was confirmed that the Kaiyuan Mine could resume normal production while fulfilling the requirements of conducting the environmental protection remedial works.

The Kaiyuan Mine had resumed production according to the Notice and the Emergency Notice. Although the production at the Kaiyuan Mine was suspended for around one month, it did not create material financial impact on the Group since Kaiyuan Company continued to sell its inventory of slack coal during the production suspension period. So far as the Company is aware, Kaiyuan Company has not received any claims arising from non-supply of coal during the production suspension period. Meanwhile, Kaiyuan Company will cooperate with the relevant government departments to complete the requested environmental protection remedial works.

#### 3. Demolishment of Gas Station

On 21 September 2017, Kaiyuan Company received an “Administrative Enforcement Document of Production Safety\* (安全生產行政執法文書)” dated 21 September 2017 from the Production Safety Supervision and Administration Bureau\* (安全生產監督管理局) of the Administration Committee of Xinjiang Zhundong Economy and Technology Development Area\* (新疆准東經濟技術開發區管委會) (the “Document”), alleging that there were illegal storage and use of diesel at the Kaiyuan Mine and the gas station constructed therein was not in compliance with the “Regulations on Design and Construction of Gas Station\* (加油站設計與施工規範)”. Kaiyuan Company was requested to cease usage of the gas station immediately and demolish the gas station before 6 October 2017.

## 重大事項(續)

### (B) 凱源煤礦之停產及復產以及拆除加油站(續)

#### 2. 凱源煤礦之復產(續)

於與相關政府部門討論後，凱源公司獲確認，凱源煤礦可於滿足其進行環境保護整改工作要求的同時，恢復正常生產。

凱源煤礦已根據該通知及該緊急通知恢復生產。雖然凱源煤礦停產約一個月，但由於停產期間凱源公司仍繼續銷售其沫煤存貨，因此停產並沒有對本集團帶來重大財務影響。據本公司所認知，凱源公司未曾收過因停產期間未能供應煤炭而所出現的任何索償。在此期間，凱源公司將與相關政府部門合作，以完成所要求的環境保護整改工作。

#### 3. 拆除加油站

於二零一七年九月二十一日，凱源公司收到一份由新疆准東經濟技術開發區管委會安全生產監督管理局發出的日期為二零一七年九月二十一日的安全生產行政執法文書(「該文書」)，提出凱源煤礦中有非法儲存使用柴油的情況，以及礦內的加油站未按照《加油站設計與施工規範》建設。凱源公司被要求立即停止使用加油站，以及於二零一七年十月六日前拆除加油站。

\* English translation for identification purposes only



## MAJOR EVENTS (continued)

**(B) Suspension of Production and Production Resumption at Kaiyuan Mine and Demolishment of Gas Station (continued)****3. Demolishment of Gas Station (continued)**

The gas station at the Kaiyuan Mine was constructed long time ago to supply diesel to the facilities and transportation vehicles at the Kaiyuan Mine. Demolishment of the gas station would not affect the operation of the Kaiyuan Mine seriously. Upon receipt of the Document, the management of Kaiyuan Company had negotiated with the relevant government departments, which on 22 September 2017, verbally allowed Kaiyuan Company to use up all the diesel remained in the gas station first and then demolish such station thereafter. The management of Kaiyuan Company looked for other effective means to supply diesel to the facilities and transportation vehicles at the Kaiyuan Mine. Kaiyuan Company selected a contractor for the renovation of the gas station after the design was approved by the relevant government departments.

**(C) Suspension of Production at Kaiyuan Mine**

On 11 April 2018, Kaiyuan Company received an on-site punishment decision\* (現場處理決定書) dated 11 April 2018 (the "Decision") from the Production Safety Supervision and Administration Bureau\* (安全生產監督管理局) of the Xinjiang Zhundong Economic and Technological Development Zone\* (新疆准東經濟技術開發區) (the "Bureau"), ordering Kaiyuan Company to suspend all production, construction and operation at the Kaiyuan Mine. However, the construction work of basic facilities and sale of its inventory of slack coal during the production suspension period were permitted. The Decision was issued as the Mining Right and the work safety permit\* (安全生產許可證) (the "Work Safety Permit") of Kaiyuan Company had expired on 26 December 2017 and 18 January 2018 respectively.

## 重大事項(續)

**(B) 凱源煤礦之停產及復產以及拆除加油站(續)****3. 拆除加油站(續)**

凱源煤礦中的加油站已建設多年，以提供柴油予凱源煤礦中的設施及運輸車輛。拆除加油站將不會嚴重地影響凱源煤礦的營運。收到該文書後，凱源公司的管理層已與相關政府部門討論，其於二零一七年九月二十二日口頭准許本公司可先使用完畢加油站餘下的柴油及其後拆除該油站。另外，凱源公司的管理層亦尋找其他有效方法以提供柴油予凱源煤礦中的設施及運輸車輛。凱源公司於設計獲相關政府部門批准後，挑選承包商翻修加油站。

**(C) 凱源煤礦之停產**

於二零一八年四月十一日，凱源公司收到由新疆准東經濟技術開發區安全生產監督管理局(「安監局」)發出日期為二零一八年四月十一日之現場處理決定書(「該決定書」)，要求凱源公司停止於凱源煤礦之一切生產、建設及經營活動。然而，於停產期間的基本設施建設和沫煤存貨銷售是允許的。該決定書的發出是由於凱源公司之採礦權及安全生產許可證(「安全生產許可證」)已分別於二零一七年十二月二十六日及二零一八年一月十八日屆滿。

\* English translation for identification purposes only

## MAJOR EVENTS (continued)

### (C) Suspension of Production at Kaiyuan Mine (continued)

The renewal of the Work Safety Permit is conditional on the renewal of the Mining Right.

#### 1. Impacts on the group and measures to be taken

Kaiyuan Mine is the only operating business of the Group. After preliminary assessment, it was expected that the production suspension at the Kaiyuan Mine will lead to a decrease in the production volume of coal. Nevertheless, since the Group can still sell its existing inventory of slack coal during the production suspension period, the production suspension shall not have material financial impact on the Group in short-term. The Company expects that the slack coal inventory may support the coming sales until around end of August 2018. If, after the slack coal inventory is sold out, the production still cannot be resumed, the production suspension may create adverse impact on the financial position and operation of the Group.

Immediately upon receipt of the Decision, Kaiyuan Company proactively liaised with officers of the Bureau in order to understand the implementation of the punishment and the affected area of the Kaiyuan Mine as stated in the Decision. Upon preliminary communication with the officers, Kaiyuan Company was informed that the construction of basic facilities (including, among others, road hardening within the mine, domestic sewage treatment and backup gas station) and sale of its inventory of slack coal during the production suspension period are permitted. Kaiyuan Company will continue to closely follow up with the Bureau for the renewal of the Work Safety Permit in order to resume the production of the Kaiyuan Mine.

## 重大事項(續)

### (C) 凱源煤礦之停產(續)

安全生產許可證重續須待採礦權重續後，方可辦理。

#### 1. 對本集團的影響及將採取的措施

凱源煤礦為本集團的唯一營運業務。經初步評估後，預計凱源煤礦停產將會導致產煤量減少。然而，由於本集團於停產期間仍然可銷售其沫煤存貨，因此於短期內停產將不會對本集團有重大財務影響。本公司預計沫煤存貨可支持未來銷售直至約二零一八年八月底。若沫煤存貨售罄後生產仍未能恢復，停產將或會對本集團的財務狀況及營運帶來不利影響。

收到該決定書時，凱源公司立即積極和安監局的官員聯繫以瞭解該決定書所載的責令之落實及凱源煤礦之受影響範圍。根據與官員之初步溝通，凱源公司得悉於停產期間的基本設施建設(包括礦區道路硬化、生活污水處理設施及自備加油站改建等)和沫煤存貨銷售是允許的。凱源公司會繼續與安監局緊密聯繫安全生產許可證的重續以便凱源煤礦復產。

## MAJOR EVENTS (continued)

## (C) Suspension of Production at Kaiyuan Mine (continued)

## 2. Updates on the renewal of mining rights

In light of the Decision, the Company has sought legal opinion from a PRC lawyer in Xinjiang. According to the PRC legal opinion obtained by the Company, Kaiyuan Company had commenced renewal application in September 2017 to renew the Mining Right which was expired on 26 December 2017. The Mining Right was subsequently granted on 28 May 2018.

According to the PRC legal opinion obtained by the Company, based on PRC laws and regulations, the renewal application of Mining Right was to be submitted to and reviewed by different governmental departments in a hierarchical order. Kaiyuan Company commenced the renewal application for the Mining Right in September 2017 at the Zhudong Economic and Technological Development Zone Division of the Department of Land and Resources\* (新疆准東經濟技術開發區分局) and in turn the Changji Land Department.

On 9 November 2017, Kaiyuan Company already applied to the Xinjiang Land Department for the renewal of the Mining Right. After initial review by the Xinjiang Land Department, Kaiyuan Company submitted supplemental information on 14 December 2017.

The renewal application of the Mining Right was accepted at the office of the head of the Xinjiang Land Department meeting\* (廳長辦公會議) on 9 March 2018 and the Xinjiang Land Department requested the Administration Committee of Xinjiang Zhudong Economy and Technology Development Area\* (新疆准東經濟技術開發區管委會) (the "Administration Committee") to issue renewal approval documents so that the Mining Right can be renewed.

On 9 April 2018, Kaiyuan Company submitted the application report on consent to the renewal of the mining permit of 90,000 tonnes/year of Kaiyuan Company (同意木壘縣凱源煤炭有限責任公司9萬噸/年採礦證研續的申請報告) to the Administration Committee which processed the renewal application.

## 重大事項(續)

## (C) 凱源煤礦之停產(續)

## 2. 採礦權重續之最新情況

本公司就該決定書向位於新疆的中國律師尋求法律意見。根據本公司取得之中國法律意見，凱源公司已在二零一七年九月展開重續申請以重續已於二零一七年十二月二十六日屆滿之採礦權。採礦權隨後於二零一八年五月二十八日授出。

根據本公司取得之中國法律意見，按照中國之法律和法規，採礦權之重續申請須逐級向不同政府部門提交及經審閱。凱源公司於二零一七年九月依次序向新疆准東經濟技術開發區分局及昌吉國土資源局展開採礦權重續申請。

於二零一七年十一月九日，凱源公司已將採礦權延續報件上報至新疆國土資源廳。經新疆國土資源廳初步審閱後，凱源公司於二零一七年十二月十四日提交補充資料。

採礦權重續申請於二零一八年三月九日經廳長辦公會議通過，但新疆國土資源廳已要求新疆准東經濟技術開發區管委會(「管委會」)出具同意延續的文件才可下發新的採礦權。

於二零一八年四月九日，凱源公司已將《同意木壘縣凱源煤炭有限責任公司9萬噸/年採礦證研續的申請報告》上報至管委會，由管委會處理重續申請。

\* English translation for identification purposes only

## MAJOR EVENTS (continued)

### (C) Suspension of Production at Kaiyuan Mine (continued)

#### 2. Updates on the renewal of mining rights (continued)

The PRC lawyer opined that, based on past experience, the renewal application of Mining Right shall be approved in approximately three months after the expiry. However, due to the local situation and the priority to deal with the social stability of the local area, the Xinjiang government has been highly occupied with stability maintenance work, which has been causing delay to the renewal application process of Mining Right.

The PRC lawyer further opined that the Decision would not affect the renewal application of the Mining Right, documentations for the Work Safety Permit renewal application are completed but the renewal of Mining Right must be obtained in order to proceed with the application. Kaiyuan Company will continue to communicate with the relevant government departments in order to facilitate the renewal of Mining Right and in turn the renewal of the Work Safety Permit. It is unable to estimate the time for the renewal application process hence the Company is unable to estimate the exact time for the resumption of production at the Kaiyuan Mine at this stage.

On 28 May 2018, the Kaiyuan Company successfully renewed and was granted a Mining Right by the Xinjiang Land Department. The Mining Right is valid for 1 year from 26 December 2017 to 31 December 2018 to conduct mining activities at the Kaiyuan Mine.

The Company had immediately on 29 May 2018 applied to the Xinjiang Coal Mine Safety Supervision and Administration Bureau\* (新疆煤礦安全監察局) (the "Coal Mine Safety Bureau") for the renewal of the Work Safety Permit.

## 重大事項(續)

### (C) 凱源煤礦之停產(續)

#### 2. 採礦權重續之最新情況(續)

中國律師認為，按照以往經驗，採礦權重續申請於屆滿後大概三個月的時間獲批。然而，基於當地的情況及當地社會穩定的優先處理，新疆政府維護國家局勢和社會的整體穩定的工作任務十分繁重，並導致採礦權重續申請的延遲辦理。

中國律師進一步認為該決定書不會影響採礦權之重續申請，凱源煤礦安全生產許可證重續的申請資料已齊備，但必須先取得採礦權的重續方可辦理申請。凱源公司會繼續與相關政府部門溝通以推進採礦權重續及其後之安全生產許可證重續。因為無法預計重續申請程序的時間，所以本公司現階段無法預計凱源煤礦復產的準確時間。

於二零一八年五月二十八日，凱源公司成功重續並獲得新疆國土資源廳授予採礦權。採礦權之有效期為一年，自二零一七年十二月二十六日至二零一八年十二月三十一日止，可於凱源煤礦進行採礦活動。

本公司已立即於二零一八年五月二十九日向新疆煤礦安全監察局(「新疆煤監局」)申請辦理安全生產許可證的延續。

\* English translation for identification purposes only

**MAJOR EVENTS (continued)****(C) Suspension of Production at Kaiyuan Mine (continued)****2. Updates on the renewal of mining rights (continued)**

According to the PRC legal opinion obtained by the Company, based on past experience, the renewal application of the Work Safety Permit shall be approved in approximately thirty business days upon receipt of the renewal application by the Coal Mine Safety Bureau. However, due to the local situation and the priority to deal with the social stability of the local area, the Xinjiang government has been highly occupied with stability maintenance work, which made it difficult to estimate the processing time of the renewal application of the Work Safety Permit.

Once the renewal application is approved and the Company is granted the Work Safety Permit, the Company shall promptly apply to the Bureau for resumption of production at the Kaiyuan Mine. The PRC lawyer further opined that, the Company can only resume production at the Kaiyuan Mine once the Bureau has approved the application.

**PRE-EMPTIVE RIGHTS**

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

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

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

**RESERVES**

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 24(a) to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

**DISTRIBUTABLE RESERVES**

As at 31 March 2018, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of approximately HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of approximately HK\$191,534,000 may be distributed in the form of fully paid bonus shares.

**重大事項(續)****(C) 凱源煤礦之停產(續)****2. 採礦權重續之最新情況(續)**

根據本公司取得之中國法律意見，按照以往經驗，安全生產許可證重續申請於新疆煤監局收到重續申請後大概三十個工作天的時間獲批。然而，基於當地的情況及當地社會穩定的優先處理，新疆政府維護國家局勢和社會的整體穩定的工作任務十分繁重，並導致重續申請的處理時間難以預計。

一旦重續申請獲得批准及本公司獲得安全生產許可證，本公司將及時向安監局申請凱源煤礦之復產。中國律師進一步認為，本公司只能在安監局批准申請後恢復生產。

**優先購買權**

本公司之公司細則或百慕達法例並無有關優先購買權之條文，要求本公司必須向現有股東按比例發行新股份。

**購入、出售或贖回本公司上市證券**

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司任何上市證券。

**儲備**

本公司及本集團於本年度之儲備變動詳情分別載於綜合財務報表附註24(a)及綜合權益變動表。

**可供分派儲備**

於二零一八年三月三十一日，本公司並無可作現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘約為128,013,000港元，於若干情況下可供分派。此外，本公司之股份溢價賬結餘約為191,534,000港元，可以繳足紅股形式分派。

## MAJOR CUSTOMERS AND SUPPLIERS

For the Year, sales to the Group's five largest customers accounted for 85.95% of the total sales for the Year and sales to the largest customer included therein amounted to 38.68%. Purchases of goods and services from the Group's five largest suppliers accounted for 97.56% of the total purchases for the Year and purchases from the largest supplier included therein amounted to 72.31%.

## DIRECTORS

The Directors during the Year and up to the date of this annual report were:

### Executive Directors:

Kwan Man Fai (Chairman and Managing Director)  
Lo Fong Hung  
Wang Xiangfei

### Independent Non-executive Directors:

Wong Man Hin Raymond  
Chan Yiu Fai Youdey  
Pak Wai Keung Martin (appointed on 19 September 2017)  
Lam Ka Wai Graham (retired on 7 September 2017)

### Alternate Director:

Wong Sze Wai (alternate to Wang Xiangfei)  
(appointed on 18 July 2017)

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Wang Xiangfei and Mr. Wong Man Hin Raymond will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with bye-law 86 of the Company's Bye-laws, Mr. Pak Wai Keung Martin shall hold office only until the first general meeting of the Company after his appointment and being eligible, offer himself for re-election at the forthcoming annual general meeting.

In accordance with bye-law 92 of the Company's Bye-laws, Mr. Wong Sze Wai shall hold office only until the next annual election of Directors, or if earlier, the date on which Mr. Wang Xiangfei ceases to be a Director, or until Mr. Wang Xiangfei removes him as an alternate Director. Mr. Wang Xiangfei, if he is re-elected at the forthcoming annual general meeting, will re-appoint Mr. Wong Sze Wai as his alternate Director.

## 主要客戶及供應商

於本年度，本集團五大客戶之銷售額佔本年度總銷售額85.95%，而當中最大客戶之銷售額則佔38.68%。本集團五大供應商之貨品及服務採購額佔本年度總採購額97.56%，而當中最大供應商之採購額則佔72.31%。

## 董事

以下為本年度及截至本年報日期之董事：

### 執行董事：

關文輝(主席兼董事總經理)  
羅方紅  
王翔飛

### 獨立非執行董事：

黃文顯  
陳耀輝  
白偉強(於二零一七年九月十九日獲委任)  
林家威(於二零一七年九月七日退任)

### 替代董事：

王四維(替代王翔飛)  
(於二零一七年七月十八日獲委任)

根據本公司之公司細則第87條規定，王翔飛先生及黃文顯先生將輪值退任，並符合資格及願意於應屆股東周年大會重選連任。

根據本公司之公司細則第86條規定，白偉強先生之任期僅自彼獲委任後至本公司首屆股東大會為止，惟彼符合資格及願意於應屆股東周年大會重選連任。

根據本公司之公司細則第92條規定，王四維先生之任期僅直至下屆董事周年選舉或王翔飛先生不再擔任董事之日為止(以較早者為準)或直至王翔飛先生罷免其替代董事職務為止。倘王翔飛先生於應屆股東周年大會獲重選連任，彼將重新委任王四維先生為其替代董事。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 35 to 38 of this annual report.

## CHANGES IN DIRECTORS' INFORMATION

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the 2017 interim report of the Company are set out below:

- (1) Subsequent to a review of Directors' duties and responsibilities in the Company as well as the market conditions at the Board meeting on 14 March 2018, the Directors' emoluments were approved and revised by the Board with effect from 1 April 2018. The monthly emolument of Mr. Wang Xiangfei, the executive Director, was changed from HK\$44,000 to HK\$64,000. The monthly emolument of Mr. Kwan Man Fai, the chairman and managing director of the Company, was changed from HK\$66,000 to HK\$86,000. Ms. Lo Fong Hung, the executive Director, was granted leave without pay;
- (2) The service agreements of the independent non-executive Directors, namely Mr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey, entered with the Company expired on 24 March 2018 and their service agreements had been extended for one year commencing on 25 March 2018;
- (3) The service agreements of the executive Directors, namely Mr. Kwan Man Fai, Ms. Lo Fong Hung and Mr. Wang Xiangfei, entered with the Company expired on 24 March 2018 and their service agreements had been extended for one year commencing on 25 March 2018; and
- (4) Mr. Pak Wai Keung Martin, the independent non-executive Director, had been appointed as the independent non-executive director of Convoy Global Holdings Limited (Stock Code: 1019) on 8 December 2017, the shares of which are listed on the Main Board of the Stock Exchange.

## DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment other than statutory compensation.

## 董事及高級管理人員簡歷

董事及本集團高級管理人員簡歷詳情載本年報第35至38頁。

## 董事資料變動

自本公司二零一七中期報告刊發後，根據上市規則第13.51B(1)條須予披露之董事資料變動載列如下：

- (1) 於二零一八年三月十四日召開之董事會會議上審閱董事於本公司之職務及職責以及市場情況後，董事會批准修訂董事酬金，自二零一八年四月一日起生效。執行董事王翔飛先生之每月酬金由44,000港元變更至64,000港元。本公司主席兼董事總經理關文輝先生之每月酬金由66,000港元變更至86,000港元。執行董事羅方紅女士獲批准停薪留職；
- (2) 獨立非執行董事黃文顯先生及陳耀輝先生與本公司訂立之服務協議於二零一八年三月二十四日屆滿，且彼等之服務協議已自二零一八年三月二十五日起延期一年；
- (3) 執行董事關文輝先生、羅方紅女士及王翔飛先生與本公司訂立之服務協議於二零一八年三月二十四日屆滿，且彼等之服務協議已自二零一八年三月二十五日起延期一年；及
- (4) 獨立非執行董事白偉強先生已於二零一七年十二月八日獲委任為康宏環球控股有限公司(股份代號：1019，其股份於聯交所主板上市)之獨立非執行董事。

## 董事服務合約

本公司並無與擬於應屆股東周年大會上重選連任之董事訂立任何不可由本公司於一年內無償終止(法定補償除外)之服務合約。

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No Director or his/her connected entity had a material interest, whether directly or indirectly in any transactions, arrangements and contracts of significance to the business of the Group to which the Company or any its subsidiaries was party at the end of the Year or at any time during the Year.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

### Long positions

Interests in shares of an associated corporation of the Company

## 董事於交易、安排及合約之權益

董事或其關連實體概無於本公司或其任何附屬公司於本年度末或本年度內任何時間所訂立與本集團業務有重大關連之任何交易、安排及合約中，直接或間接擁有任何重大權益。

## 董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一八年三月三十一日，本公司董事及主要行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須登記於本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉；或根據上市規則附錄十所載標準守則須另行知會本公司及聯交所之權益及淡倉如下：

### 好倉

於本公司相聯法團股份之權益

Name of Directors 董事姓名	Notes 附註	Name of associated corporation 相聯法團名稱	Capacity 身份	Number of shares interested 持有權益之 股份數目	Approximate percentage of the issued share capital of the associated corporation 佔相聯法團 已發行股本 概約百分比
Ms. Lo Fong Hung 羅方紅女士	1	New Bright International Development Limited ("New Bright") 創輝國際發展有限公司 （「創輝」）	Beneficial owner 實益擁有人	3,000 (L)	30%
Mr. Wang Xiangfei 王翔飛先生	2	New Bright 創輝	Interest of spouse 配偶權益	3,000 (L)	30%

(L) denotes as long position

(L) 指好倉



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

- Ms. Lo Fong Hung, an executive Director, is interested in 3,000 shares in New Bright, representing 30% of the issued share capital of New Bright, which currently owns 70% shareholding interests in China Sonangol International Limited ("China Sonangol"). China Sonangol is the holding company of Ascent Goal Investments Limited ("Ascent Goal"), the controlling shareholder of the Company. The shareholding interests of Ascent Goal in the Company is set out in the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" of this annual report.
- Mr. Wang Xiangfei is the husband of Ms. Lo Fong Hung and is deemed to be interested in 3,000 shares of New Bright under the SFO.

Save as disclosed above, as at 31 March 2018, neither the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Year or at the end of the Year.

## SHARE OPTION SCHEME

The Group has not adopted any share option scheme during the Year.

## 董事及主要行政人員於股份及相關股份之權益及淡倉(續)

附註：

- 執行董事羅方紅女士於3,000股創輝股份中擁有權益，相當於創輝已發行股本30%，而創輝目前擁有安中國際石油有限公司(「安中國際」)70%持股權益。安中國際為晉標投資有限公司(「晉標」)之控股公司，以及本公司控股股東。晉標於本公司之持股權益載於本年報「主要股東於股份及相關股份之權益及淡倉」一節。
- 王翔飛先生為羅方紅女士之丈夫，故根據證券及期貨條例被視為於3,000股創輝股份中擁有權益。

除上文所披露者外，於二零一八年三月三十一日，概無董事或本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中，擁有須登記於本公司根據證券及期貨條例第352條須所存置之登記冊之權益及淡倉；或根據標準守則須另行通知本公司及聯交所之任何權益或淡倉。

## 董事購買股份或債券之權利

於本年度任何時間或於本年度結束時，本公司或其任何附屬公司概無訂立任何安排，致使董事可透過購入本公司或任何其他法人團體之股份或債券獲得任何利益。

## 購股權計劃

於本年度，本集團並無採納任何購股權計劃。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2018, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

## 主要股東於股份及相關股份之權益及淡倉

於二零一八年三月三十一日，下列人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有須登記於本公司根據證券及期貨條例第336條所存置之登記冊之權益或淡倉：

### Long positions in shares or underlying shares of the Company

### 於本公司股份或相關股份之好倉

Name of Shareholders 股東名稱／姓名	Notes 附註	Nature of interest 權益性質	Number of shares held 所持股份數目	Total number of shares and underlying shares held		Approximate percentage of the total number of issued shares of the Company (Note 6) 佔本公司已發行股份總數概約百分比 (附註6)
				Number of shares held 所持相關股份數目	Number of underlying shares held 所持股份及相關股份總數	
Ascent Goal 晉標	1,4	Beneficial owner 實益擁有人	569,616,589	1,000,000,000	1,569,616,589	205.08%
China Sonangol 安中國際	2,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
New Bright 創輝	2,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
Ms. Fung Yuen Kwan Veronica 馮婉筠女士	3,4	Interests of controlled corporation 受控法團之權益	569,616,589	1,000,000,000	1,569,616,589	205.08%
Mr. Lev Leviev Lev Leviev先生	5	Beneficial owner 實益擁有人	1,000,000	–	1,000,000	0.13%
	5	Interests of controlled corporation 受控法團之權益	66,542,000	–	66,542,000	8.69%

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

### Long positions in shares or underlying shares of the Company (continued)

Notes:

- Ascent Goal was directly interested in 569,616,589 shares and further 1,000,000,000 underlying shares which may be fully allotted and issued if the Convertible Bond are converted at the conversion price of HK\$0.20 per share. These 1,569,616,589 shares were held by Ascent Goal directly as beneficial owner. It includes (i) interests in 569,616,589 shares and (ii) the Convertible Bond giving rise to an interest in 1,000,000,000 underlying shares.
- Since Ascent Goal is a wholly-owned subsidiary of China Sonangol which is beneficially owned as to 70% by New Bright, the interests of Ascent Goal is deemed to be the interests of China Sonangol and in turn the interests of New Bright under the SFO.
- Ms. Fung Yuen Kwan Veronica is deemed to have interests in the shares and underlying shares through her 70% interests in New Bright.
- The 569,616,589 shares and 1,000,000,000 underlying shares under the Convertible Bond represent approximately 74.42% and approximately 130.66% of the total number of issued shares of the Company respectively, thus the total of 569,616,589 shares and 1,000,000,000 underlying shares represent approximately 205.08% of the total number of issued shares of the Company. The conversion rights attaching to the Convertible Bond will not be exercised and the Company will not issue the conversion shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
- For the shares held by Mr. Lev Leviev, of these shares, 37,580,000 shares were held by Africa Israel Investments Ltd., a company controlled by Mr. Lev Leviev through his approximately 48.13% interests in Africa Israel Investments Ltd.; 28,962,000 shares were held by Memorand Management (1998) Ltd., a company controlled by Mr. Lev Leviev through his 100% interests in Memorand Ltd. which holds 100% interest in Memorand Management (1998) Ltd.; and 1,000,000 shares were held by Mr. Lev Leviev directly.
- The approximate percentage of shareholdings is based on 765,373,584 shares as at 31 March 2018, not the enlarged number of issued shares of the Company upon full conversion of the Convertible Bond.

Save as disclosed above, as at 31 March 2018, the Company had not been notified by any persons (other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares" above), who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## 主要股東於股份及相關股份之權益及淡倉(續)

### 於本公司股份或相關股份之好倉(續)

附註：

- 晉標於569,616,589股股份中擁有直接權益，並於可換股債券按轉換價每股0.20港元轉換時可能全面配發及發行之額外1,000,000,000股相關股份中擁有直接權益。該1,569,616,589股股份由晉標作為實益擁有人直接持有，包括(i)於569,616,589股股份之權益及(ii)涉及1,000,000,000股相關股份權益之可換股債券。
- 由於晉標為安中國際之全資附屬公司，而安中國際由創輝實益擁有70%，故根據證券及期貨條例，晉標之權益被視為安中國際之權益，繼而被視為創輝之權益。
- 馮婉筠女士因擁有創輝70%權益而被視為擁有股份及相關股份之權益。
- 該569,616,589股股份及可換股債券項下1,000,000,000股相關股份分別相當於本公司已發行股份總數約74.42%及約130.66%，因此，該569,616,589股股份及1,000,000,000股相關股份合共相當於本公司已發行股份總數約205.08%。倘緊隨兌換後，本公司未能達到上市規則之公眾持股量規定，則可換股債券附帶之兌換權將不予行使，而本公司亦將不會發行兌換股份。
- 就Lev Leviev先生所持有股份而言，該等股份中之37,580,000股股份由Lev Leviev先生透過於其中擁有約48.13%權益而受其控制之Africa Israel Investments Ltd.持有；28,962,000股股份則由Lev Leviev先生透過於其中擁有100%權益之Memorand Ltd.所持有100%權益之公司Memorand Management (1998) Ltd.持有；而1,000,000股股份則由Lev Leviev先生直接持有。
- 股權概約百分比根據於二零一八年三月三十一日之765,373,584股股份計算，而非根據於可換股債券獲悉數兌換後本公司之經擴大已發行股份計算。

除上文所披露者外，於二零一八年三月三十一日，本公司概無接獲任何人士（董事及本公司主要行政人員除外，彼等之權益載於上文「董事及主要行政人員於股份及相關股份之權益及淡倉」一節）通知於本公司股份或相關股份中擁有須登記於本公司根據證券及期貨條例第336條所存置之登記冊之權益或淡倉。

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the Year and up to the date of this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, over 25% of the total number of issued shares of the Company is held by the public as required under the Listing Rules.

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

### AUDITOR

The consolidated financial statements for the Year have been audited by Mazars CPA Limited who will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of Mazars CPA Limited as the auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board

**Kwan Man Fai**

*Chairman and Managing Director*

Hong Kong, 20 June 2018

### 董事於競爭業務之權益

於本年度及截至本年報日期，董事概無於與本集團業務直接或間接構成競爭或可能構成競爭之業務(定義見上市規則)中擁有權益。

### 足夠公眾持股量

按本公司所取得公開資料及據董事所知，於本年報日期，公眾人士持有本公司已發行股份總數超過25%，符合上市規則所規定。

### 確認獨立身分

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立身分所作出年度確認，並認為所有獨立非執行董事均為獨立人士。

### 核數師

本年度之綜合財務報表已由中審眾環(香港)會計師事務所有限公司審核，彼將退任並符合資格及願意重新獲委任。重新委任中審眾環(香港)會計師事務所有限公司為本公司核數師之決議案將於本公司應屆股東周年大會上提呈。

代表董事會

**關文輝**

*主席兼董事總經理*

香港，二零一八年六月二十日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



M A Z A R S  
中 审 众 环

### MAZARS CPA LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAN NAN RESOURCES ENTERPRISE LIMITED

*(incorporated in Bermuda with limited liability)*

#### OPINION

We have audited the consolidated financial statements of Nan Nan Resources Enterprise Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 93 to 206, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致南南資源實業有限公司股東之獨立核數師 報告

*(於百慕達註冊成立之有限公司)*

#### 意見

我們已完成審核第93至206頁所載南南資源實業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零一八年三月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一八年三月三十一日之財務狀況以及 貴集團截至該日止年度之財務表現及現金流量，並已根據香港公司條例之披露規定妥善編製。

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

### 意見的基礎

我們已按照香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審核工作。我們根據該等準則之責任進一步描述於本報告「核數師就審核綜合財務報表承擔之責任」一節。按照香港會計師公會之「專業會計師操守守則」(「守則」)，我們獨立於貴集團，且我們已按照守則履行其他道德責任。我們相信，我們獲取之審核憑證屬充分、適當，為發表審核意見提供了基礎。

### 關鍵審核事項

關鍵審核事項指根據我們之專業判斷，在我們對本期綜合財務報表之審核中最重要之事項。該等事項在我們對綜合財務報表進行整體審核及就此出具意見時處理，我們不會對該等事項另外提供意見。

**KEY AUDIT MATTERS (continued)****Impairment assessment on coal mines related non-current assets**

Refer to significant accounting policy in Note 2(j), critical accounting estimate and judgement in Notes 4(a), (b), (c) and Notes 14 and 15 to the consolidated financial statements.

**關鍵審核事項(續)****煤礦相關非流動資產減值評估**

請參閱主要會計政策附註2(j)、關鍵會計估計及判斷附註4(a)、(b)、(c)以及綜合財務報表附註14及15。

**Key Audit Matter****關鍵審核事項**

As at 31 March 2018, the Group had various property, plant and equipment and intangible assets in the People's Republic of China with carrying amounts of approximately HK\$9,166,000 and approximately HK\$23,095,000 respectively.

In view of expected capital expenditure to be incurred for environmental protection remedial works, the management identified the existence of an impairment indication on certain coal mines related non-current assets. The management engaged an independent valuer (the "Valuer") to assess the value-in-use of coal mines related non-current assets. The impairment assessment involves the management's estimates in certain areas including the discount rate and the underlying cash flow projection based on future market supply and demand conditions. Any changes in the management's estimates may result in significant financial impact to the Group.

We have identified the impairment assessment on coal mines related non-current assets as a key audit matter due to significant estimates made by management in determining the recoverable amounts of the corresponding cash-generating unit using discounted cash flow method.

As set out in Note 15 to the consolidated financial statements, impairment losses on property, plant and equipment and intangible assets of approximately HK\$3,511,000 and HK\$12,618,000, respectively, were recognised in profit or loss during the year ended 31 March 2018.

**How our audit addressed the Key Audit Matter****我們之審核如何處理該事項**

Our key procedures in relation to the Valuer's valuation on coal mines related non-current assets included:

- a) evaluated the competence, capabilities and objectivity of the Valuer engaged by the management to assess the value-in-use of coal mines related non-current assets;
- b) assessed the valuation methodologies adopted in the valuation with reference to the requirements of the prevailing accounting standards;
- c) challenged the suitability of the source data as the basis for the valuation by comparing key financial information in the source data with the financial statements and operational forecast approved by the management;
- d) challenged the key assumptions underlying the operational forecasts by comparison with historical financial performance together with market and other externally available information;
- e) assessed the discount rates applied in the cash flow forecasts, by benchmarking against those of similar companies in the markets; and
- f) re-performed the management's calculations of the sensitivity of the key assumptions adopted in the cash flow forecasts and considered possible management bias in the selection of assumptions.

## KEY AUDIT MATTERS (continued)

## Impairment assessment on coal mines related non-current assets (continued)

## Key Audit Matter

## 關鍵審核事項

於二零一八年三月三十一日，貴集團於中華人民共和國擁有多個物業、廠房及設備以及無形資產，賬面值分別約為9,166,000港元及約23,095,000港元。

鑒於環境保護整改工作將產生預期資金開支，管理層已識別若干煤礦相關非流動資產之減值跡象。管理層已委聘獨立估值師（「估值師」）對煤礦相關非流動資產進行使用價值評估。有關減值評估涉及管理層若干方面估計，包括貼現率以及基於未來市場供求情況之相關現金流量預測。管理層估計之任何改變均可能會對貴集團造成重大財務影響。

我們已識別對煤礦相關非流動資產進行減值評估為關鍵審核事項，原因為管理層於釐定相應現金產生單位之可回收金額通過貼現現金流量法確定所作出之重大估計。

誠如綜合財務報表附註15所述，物業、廠房及設備以及無形資產減值虧損分別約為3,511,000港元及12,618,000港元，已於截至二零一八年三月三十一日止年度的損益內確認。

## 關鍵審核事項(續)

## 煤礦相關非流動資產減值評估(續)

## How our audit addressed the Key Audit Matter

## 我們之審核如何處理該事項

就估值師對煤礦相關非流動資產進行評估，我們執行之主要程序包括：

- a) 評核管理層所委聘估值師在評估煤礦相關非流動資產使用價值情況之技能、能力及客觀性；
- b) 經參考現行會計準則之要求，評估所採用之估值方法；
- c) 透過將源數據之主要財務資料與財務報表及管理層批准之經營預測進行比較，質疑源數據是否適合作為估值基準；
- d) 透過比較歷史財務表現連同市場及其他從外部獲取之資料，質疑有關經營預測之主要假設；
- e) 以市場上類似公司作為基準，評估現金流量預測所採用貼現率；及
- f) 重新進行管理層對現金流量預測所採用主要假設之敏感度計算及考慮選擇假設時管理層可能存在之偏見。



**KEY AUDIT MATTERS (continued)****Valuation of convertible bond designated as financial liabilities at fair value through profit or loss (the "Convertible Bond")**

Refer to significant accounting policy in Note 2(f), critical accounting estimate and judgement in Note 4(d) and Note 25 to the consolidated financial statements.

**關鍵審核事項(續)**

指定為按公平值列賬並在損益內處理之金融負債之可換股債券(「可換股債券」)之估值

請參閱主要會計政策附註2(f)、關鍵會計估計及判斷附註4(d)以及綜合財務報表附註25。

**Key Audit Matter****關鍵審核事項****How our audit addressed the Key Audit Matter****我們之審核如何處理該事項**

As at 31 March 2018, the fair value of the Convertible Bond was approximately HK\$247,242,000.

Our key procedures in relation to the Valuer's valuation of the Convertible Bond included:

The management has engaged the Valuer to estimate the fair value of the Convertible Bond as at 31 March 2018.

(a) evaluated the Valuer's competence, capabilities and objectivity;

We have identified the valuation of the Convertible Bond as a key audit matter due to the valuation of the Convertible Bond and the related disclosures require market data and modelling techniques which rely on a range of inputs. Where observable market data are not available, or where instruments are not liquid, estimates must be developed based on the most appropriate source data. These estimates are subject to significant judgement. In addition, we have identified the disclosure of the fair value of the Convertible Bond in the fair value hierarchy as an area of focus. Besides, the recognition and measurement of the Convertible Bond involved significant judgement and estimates by the management.

(b) assessed the appropriateness of the valuation methodology, and assessed the reasonableness of the key inputs used by the Valuer and agreed by the management including the discount rate and share price; and

(c) evaluated the sensitivity analysis performed by the Valuer in relation to the fluctuation on the discount rate and share price of the Company's shares.

於二零一八年三月三十一日，可換股債券之公平值約為247,242,000港元。

就估值師對可換股債券進行評估，我們執行之主要程序包括：

管理層已委聘估值師對於二零一八年三月三十一日可換股債券之公平值進行估值。

(a) 評估估值師之技能、能力及客觀性；

我們已識別可換股債券之估值為關鍵審核事項，原因為可換股債券之估值及有關披露需要市場數據及倚賴大量輸入數據之建模技巧。倘可觀察市場數據無法取得，或倘工具未具流通性，則必須根據最適當之來源數據作出估計。該等估計受重大判斷限制。除此之外，我們已將於公平值層級內披露可換股債券之公平值識別為重心。此外，可換股債券之確認及計量牽涉管理層之重大判斷及估計。

(b) 評估估值方法是否合適，及評估估值師所用及管理層所同意之重大輸入數據(包括貼現率及股價)的合理程度；及

(c) 評估估值師就貼現率及 貴公司股份之股價波動所實施之敏感度分析。

## OTHER INFORMATION

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

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

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

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

## 其他資料

貴公司董事須對其他資料負責。其他資料包括載於本年報之資料，但不包括綜合財務報表及我們核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式之鑒證結論。

就審核綜合財務報表而言，我們的責任是查閱其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所理解之情況有重大抵觸，或可能有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們須報告該事實。就此方面，我們並無任何報告。

## 董事及該等負責管治人員就綜合財務報表承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而中肯之綜合財務報表，並對其認為使綜合財務報表之編製不存在由於欺詐或錯誤而導致之重大錯誤陳述所必需之內部控制負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營作為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際之替代方案。

審核委員會協助董事履行監督貴集團之財務報告過程之責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

## 核數師就審核綜合財務報表承擔之責任

我們之目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告。我們僅向閣下(整體)報告我們之意見，並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

合理保證為高水平之保證，但不能保證按香港核數準則進行之審核在某一重大錯誤陳述存在時總能被發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期其個別或匯總起來可能影響綜合財務報表使用者所作出之經濟決定，則有關錯誤陳述可被視為重大事項。

於根據香港核數準則進行審核之過程中，我們運用專業判斷並保持專業懷疑態度。我們亦：

- 識別並評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計並執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險較因錯誤而導致之重大錯誤陳述之風險為高。
- 理解與審核相關之內部控制，以設計按適當情況之審核程序，但並非為對貴集團內部控制之成效發表意見。
- 評價董事所採用會計政策之合適性及所作出會計估計及相關披露之合理性。

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

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

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

## 核數師就審核綜合財務報表承擔之責任(續)

- 對董事採用持續經營會計基礎之合適性作出結論，並按照所獲得之審核憑證，確定是否存在與事件或情況有關之重大不確定因素，從而可能對貴集團之持續經營能力構成重大疑慮。倘我們總結認為存在重大不確定因素，則須於核數師報告中提請使用者垂注綜合財務報表之相關披露，或倘有關披露資料不足，則我們須修正意見。該結論為基於截至核數師報告日止所取得之審核憑證所作出。然而，未來事件或情況可能導致貴集團無法繼續持續經營。
- 評估綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動之財務資料獲取充足及適當之審核憑證，以對綜合財務報表發表意見。我們負責指導、監督並執行集團之審核。我們就審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通計劃之審核範圍及審核時間安排以及重大審核發現等其他事項，包括我們於審核期間所識別出內部控制之任何重大缺失。

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

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

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

### **Mazars CPA Limited**

Certified Public Accountants  
Hong Kong, 20 June 2018

The engagement director on the audit resulting in this independent auditor's report is:

### **She Shing Pang**

Practising Certificate number: P05510

## 核數師就審核綜合財務報表承擔之責任(續)

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性之相關專業道德規定，並與彼等溝通有可能合理被視為影響我們獨立性之所有關係及其他事項，以及於適用之情況下，相關之防範措施。

就與審核委員會溝通之事項中，我們確定對本期綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或於極端罕見之情況下，我們認為於報告中溝通該事項所預期合理造成之負面結果超過其產生之公眾利益，則我們將不會反映於報告中。

### 中審眾環(香港)會計師事務所有限公司

執業會計師  
香港，二零一八年六月二十日

就本獨立核數師報告進行審核工作之委聘董事為：

### 余勝鵬

執業證書編號：P05510

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	6	182,445	73,024
Cost of sales	銷售成本		(130,398)	(48,426)
Gross profit	毛利		52,047	24,598
Other revenue	其他收益	7	6,332	9,943
Selling and distribution expenses	銷售及分銷費用		(414)	(733)
Administrative and other operating expenses	行政及其他經營費用		(22,456)	(20,755)
Exchange gain/(loss), net	匯兌收益/(虧損)淨額		8,866	(11,490)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	14	(3,511)	-
Impairment loss on intangible assets	無形資產減值虧損	15	(12,618)	-
Finance costs	融資成本		-	(176)
Change in fair value and loss arising from modification of convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券之公平值變動及修訂可換股債券產生之虧損	25	14,374	56,034
Profit before tax	除稅前溢利	9	42,620	57,421
Income tax expense	所得稅開支	10	(5,942)	(9,154)
Profit for the year	年內溢利		36,678	48,267
<b>Other comprehensive income/(loss)</b>	<b>其他全面收入/(虧損)</b>			
Item that maybe reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:			
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額		13,671	(5,787)
Other comprehensive income/(loss) for the year, net of nil tax	年內其他全面收入/(虧損), 扣除零稅項		13,671	(5,787)
Total comprehensive income for the year	年內全面收入總額		50,349	42,480
Profit for the year attributable to:	以下人士應佔年內溢利:			
- Owners of the Company	- 本公司擁有人		36,678	48,267
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收入總額:			
- Owners of the Company	- 本公司擁有人		50,349	42,480
Earnings/(Loss) per share (expressed in Hong Kong cents)	每股盈利/(虧損) (以港仙呈列)			
- Basic	- 基本	12	4.79	6.31
- Diluted	- 攤薄	12	(0.07)	0.65

The notes on pages 100 to 206 form an integral part of these financial statements.

列載於第100至206頁之附註構成該等財務報表之一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 March 2018  
於二零一八年三月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	9,166	11,070
Intangible assets	無形資產	15	23,095	37,787
Goodwill	商譽	16	–	–
Security deposit	保證按金	17	5,048	4,601
Non-refundable deposits	不可退還按金	20	2,604	–
Deferred tax assets	遞延稅項資產	27	1,940	–
			41,853	53,458
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	7,221	50,923
Trade and other receivables	應收貨款及 其他應收款項	20	4,209	12,517
Cash and cash equivalents	現金及現金等值項目	22	440,437	331,606
			451,867	395,046
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貨款及 其他應付款項	23	69,798	56,524
Tax payable	應付稅項		7,890	4,278
			(77,688)	(60,802)
<b>Net current assets</b>	<b>流動資產淨值</b>		374,179	334,244
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		416,032	387,702

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 March 2018  
於二零一八年三月三十一日

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	24	76,537	76,537
Reserves	儲備		89,179	38,830
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>165,716</b>	115,367
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	25	247,242	261,616
Provision for close down, restoration and environmental costs	關閉、復墾及環境成本撥備	26	3,074	2,802
Deferred tax liabilities	遞延稅項負債	27	–	7,917
			<b>250,316</b>	272,335
			<b>416,032</b>	387,702

Approved and authorised for issue by board of directors on 20 June 2018 and signed on its behalf by

於二零一八年六月二十日由董事會批准及授權刊發，並由以下人士代表簽署

**Kwan Man Fai**  
關文輝  
Director  
董事

**Wang Xiangfei**  
王翔飛  
Director  
董事

The notes on pages 100 to 206 form an integral part of these financial statements.

列載於第100至206頁之附註構成該等財務報表之一部分。



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

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

		Share capital 股本	Share premium 股份溢價 (Note 24 a(i)) (附註24 a (i))	Capital reserve 資本儲備 (Note 24 a(ii)) (附註24 a (ii))	Statutory reserves 法定儲備 (Note 24 a(iii)) (附註24 a (iii))	Exchange translation reserve 匯兌儲備 (Note 24 a(iv)) (附註24 a (iv))	Special reserve 特別儲備 (Note 24 a(v)) (附註24 a (v))	Accumulated losses 累計虧損	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 April 2016	於二零一六年四月一日	76,537	191,534	14,882	14,730	12,226	27,143	(264,165)	72,887
Profit for the year	年內溢利	-	-	-	-	-	-	48,267	48,267
<b>Total other comprehensive loss:</b>	<b>其他全面虧損總額：</b>								
<i>Item that maybe reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>								
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額								
		-	-	-	-	(5,787)	-	-	(5,787)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(5,787)	-	48,267	42,480
<b>Transactions with owners:</b>	<b>與擁有人進行之交易：</b>								
Appropriation of statutory reserve	法定儲備之分配	-	-	-	1,868	-	-	(1,868)	-
Appropriation for maintenance and production funds	維簡及生產基金之分配	-	-	-	25,935	-	-	(25,935)	-
Utilisation of maintenance and production funds	維簡及生產基金之動用	-	-	-	(25,935)	-	-	25,935	-
As at 31 March 2017	於二零一七年三月三十一日	76,537	191,534	14,882	16,598	6,439	27,143	(217,766)	115,367

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

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital 股本	Share premium 股份溢價 (Note 24 a(i)) (附註24 a (i))	Capital reserve 資本儲備 (Note 24 a(ii)) (附註24 a (ii))	Statutory reserves 法定儲備 (Note 24 a(iii)) (附註24 a (iii))	Exchange translation reserve 匯兌儲備 (Note 24 a(iv)) (附註24 a (iv))	Special reserve 特別儲備 (Note 24 a(v)) (附註24 a (v))	Accumulated losses 累計虧損	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	76,537	191,534	14,882	16,598	6,439	27,143	(217,766)	115,367
Profit for the year	年內溢利	-	-	-	-	-	-	36,678	36,678
<b>Total other comprehensive income:</b>	<b>其他全面收入總額：</b>								
<i>Item that maybe reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>								
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額								
		-	-	-	-	13,671	-	-	13,671
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	13,671	-	36,678	50,349
<b>Transactions with owners:</b>	<b>與擁有人進行之交易：</b>								
Appropriation of statutory reserve	法定儲備之分配	-	-	-	3,826	-	-	(3,826)	-
Appropriation for maintenance and production funds	維簡及生產基金之分配	-	-	-	28,017	-	-	(28,017)	-
Utilisation of maintenance and production funds	維簡及生產基金之動用	-	-	-	(28,017)	-	-	28,017	-
As at 31 March 2018	於二零一八年三月三十一日	76,537	191,534	14,882	20,424	20,110	27,143	(184,914)	165,716

The notes on pages 100 to 206 form an integral part of these financial statements.

列載於第100至206頁之附註構成該等財務報表之一部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Profit before tax	除稅前溢利	42,620	57,421
Adjustments for:	就下列項目作調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,022	3,501
Amortisation of intangible assets which was included in "cost of sales"	無形資產攤銷 (計入「銷售成本」)	5,478	1,598
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	3,511	—
Impairment loss on intangible assets	無形資產減值虧損	12,618	—
Accretion expense	遞增開支	—	176
Change in fair value and loss arising from modification of convertible bond designated at fair value through profit or loss	指定為按公平值列賬並在損益內處理之可換股債券之公平值變動及修訂可換股債券產生之虧損	(14,374)	(56,034)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	132	—
Exchange difference	匯兌差額	(22,090)	19,318
Interest income	利息收入	(4,322)	(2,822)
<b>Operating cash flow before movements in working capital</b>	<b>營運資金變動前之經營現金流量</b>	<b>26,595</b>	<b>23,158</b>
Decrease/(Increase) in inventories	存貨減少/(增加)	47,918	(5,573)
Decrease/(Increase) in trade and other receivables	應收貨款及其他應收款項減少/(增加)	9,868	(10,489)
Increase in trade and other payables	應付貨款及其他應付款項增加	1,524	7,279
<b>Cash generated from operations</b>	<b>經營業務所得現金</b>	<b>85,905</b>	<b>14,375</b>
Income tax paid	已付所得稅	(13,025)	(6,421)
<b>Net cash generated from operating activities</b>	<b>經營業務所得現金淨額</b>	<b>72,880</b>	<b>7,954</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Investing activities</b>	<b>投資業務</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(4,167)	(405)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	93	–
Payment of non-refundable deposits	支付不可退還按金	(2,604)	–
Non-refundable deposits received	已收不可退還按金	6,075	–
Increase in security deposit	保證按金增加	–	(351)
Interest received	已收利息	4,322	2,822
<b>Net cash generated from investing activities</b>	<b>投資業務所得現金淨額</b>	<b>3,719</b>	<b>2,066</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等值項目之增加淨額</b>	<b>76,599</b>	<b>10,020</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>年初之現金及現金等值項目</b>	<b>331,606</b>	<b>343,587</b>
Effect on foreign exchange rate changes	匯率變動之影響	32,232	(22,001)
<b>Cash and cash equivalents at end of the year, represented by bank balances and cash</b>	<b>年終之現金及現金等值項目，可分為銀行結存及現金</b>	<b>440,437</b>	<b>331,606</b>

The notes on pages 100 to 206 form an integral part of these financial statements.

列載於第100至206頁之附註構成該等財務報表之一部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 1. GENERAL

Nan Nan Resources Enterprise Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors of the Company, its parent company is Ascent Goal Investments Limited (“Ascent Goal”), a company incorporated in the British Virgin Islands (“BVI”) with limited liability and its ultimate holding company is New Bright International Development Limited, a company incorporated in Hong Kong with limited liability. Its ultimate controlling party is Ms. Fung Yuen Kwan, Veronica. These entities do not produce financial statements available for public use.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the “Group”).

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders as the Company is listed in Hong Kong.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in mining and sales of coal. The principal activities of its subsidiaries are set out in Note 18 to the consolidated financial statements.

### 1. 一般資料

南南資源實業有限公司(「本公司」)於百慕達註冊成立為一間獲豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)上市。本公司董事認為，其母公司為於英屬處女群島(「英屬處女群島」)註冊成立之有限公司晉標投資有限公司(「晉標」)，而其最終控股公司則為於香港註冊成立之有限公司創輝國際發展有限公司。其最終控制方為馮婉筠女士。該等實體並未編製可供公眾使用之財務報表。

本公司註冊辦事處及主要營業地點之地址均披露於年報之公司資料一節。

截至二零一八年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

本公司之功能貨幣為人民幣(「人民幣」)。由於本公司於香港上市，為方便股東，綜合財務報表以港元(「港元」)呈列。

本公司為投資控股公司。本公司之附屬公司之主要業務為煤炭開採及銷售。其附屬公司之主要業務載於綜合財務報表附註18。

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

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

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in Note 3 to the consolidated financial statements. A summary of the significant accounting policies adopted by the Group is set out below.

## 2. 主要會計政策

### 合規聲明

該等綜合財務報表已根據香港財務報告準則(「香港財務報告準則」,包括由香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編製。該等綜合財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

除另有註明者外,所有數額均約整至最接近之千位數。

除採納綜合財務報表附註3所詳述與本集團相關並於本年度生效之新訂/經修訂香港財務報告準則外,該等綜合財務報表是根據與二零一七年綜合財務報表所採納之會計政策一致之基準編製。本集團採納之重大會計政策概要載列如下。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

### a) Basis of consolidation

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

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

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

## 2. 主要會計政策(續)

### 計量基準

除若干金融工具如下文會計政策所述按公平值計量外，該等綜合財務報表乃以歷史成本基準編製。歷史成本一般按換取貨品及服務所給予代價之公平值計量。

### a) 綜合賬目基準

綜合財務報表包括本公司以及本公司及其附屬公司控制之實體之財務報表。當本公司：

- 有權控制被投資公司；
- 因參與被投資公司業務而獲得可變動回報之風險或權利；及
- 擁有運用權力影響該等回報金額之能力時，則本公司對該投資公司擁有控制權。

倘有事實及情況顯示上述三項控制因素中的一項或以上出現變動，本集團會重新評估其是否控制被投資公司。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### a) Basis of consolidation (continued)

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

## 2. 主要會計政策(續)

### a) 綜合賬目基準(續)

當本集團取得對附屬公司之控制權，則將該附屬公司綜合入賬；當本集團失去對附屬公司之控制權，則終止將該附屬公司綜合入賬。具體而言，年內收購或出售附屬公司之收入及開支會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司當日為止。

損益及其他全面收入各部分均歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

於必要時，將對附屬公司之財務報表作出調整，使其會計政策與本集團所應用者保持一致。

所有集團內公司間之資產及負債、權益、收入、開支及本集團成員公司間交易之現金流量均於綜合入賬時悉數對銷。

### 本集團於現有附屬公司之擁有權益變動

本集團於現有附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益與已付或已收代價公平值之間之任何差額直接於權益確認，並歸屬於本公司擁有人。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### a) Basis of consolidation (continued)

#### Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position which is presented within these notes, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

## 2. 主要會計政策(續)

### a) 綜合賬目基準(續)

#### 本集團於現有附屬公司之擁有權益變動(續)

倘本集團失去附屬公司之控制權，則收益或虧損於損益確認，並按以下兩項之間的差額計算：(i)所收取代價公平值及任何保留權益之公平值的總額；與(ii)資產(包括商譽)之賬面值及本公司擁有人應佔附屬公司負債。先前於其他全面收益內確認與該附屬公司有關之所有金額按猶如已直接出售有關資產或負債之方式入賬(即按適用香港財務報告準則所指定/批准者，重新分類至損益或轉撥至其他權益類別)。於失去控制權當日於該前附屬公司保留之任何投資之公平值被視為初步確認時之公平值供其後根據香港會計準則第39號進行會計處理，或(如適用)被視為初步確認於聯營公司或合營企業之投資時之成本。

在該等附註所載本公司財務狀況表中，於附屬公司之投資按成本扣除減值虧損(見附註2(j))列賬，除非該項投資被分類為持作出售(或計入被分類為持作出售之出售組別)則作別論。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Incomes Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

## 2. 主要會計政策(續)

### b) 業務合併

收購業務以收購法入賬。業務合併所轉讓代價以公平值計量，而該公平值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期之公平值總和計算。收購有關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債均按其公平值確認，惟以下各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債乃分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份為基礎支付安排或為替代被收購方以股份為基礎支付安排而訂立之本集團以股份為基礎支付安排有關之負債或股本工具，乃根據香港財務報告準則第2號以股份為基礎支付於收購日期進行計量；及

2. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## b) Business combinations (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

## 2. 主要會計政策(續)

## b) 業務合併(續)

- 根據香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售之資產(或出售組合)按該準則計量。

商譽按所轉讓代價、於被收購方之任何非控股權益金額及收購方過往所持被收購方股本權益(如有)公平值之總和超出所收購可識別資產及所承擔負債於收購日期之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債於收購日期之淨額超出所轉讓代價、於被收購方之任何非控股權益金額及收購方過往所持被收購方權益(如有)公平值之總和，其差額即時於損益確認為議價收購收益。

屬現有所有權權益並授權持有人於清盤時按比例分佔相關附屬公司之資產淨值之非控股權益可初步按公平值或按非控股權益按比例分佔被收購方可識別資產淨值之已確認數額計量。計量基準可按個別交易選擇。其他非控股權益類型按其公平值計量。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Business combinations (continued)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

## 2. 主要會計政策(續)

### b) 業務合併(續)

當本集團於一項業務合併轉移之代價包括或然代價安排所產生之資產或負債，則或然代價乃按其於收購日期之公平值計量並計入業務合併中的轉移代價之一部分。合資格作計量期間調整之或然代價之公平值變動乃追溯調整，並對商譽作出相應調整。計量期間調整為於「計量期間」(不得超過收購日期起計一年)因取得於收購日期已存在之事實及情況之額外資料而作出之調整。

不合資格作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，而其後結算於權益入賬。分類為資產或負債之或然代價於其後報告日期重新計量，而相應收益或虧損乃於損益中確認。

於業務合併乃分階段完成時，本集團先前持有之被收購方股權乃按於收購日期之公平值(即本集團取得控制權當日)重新計量，而所產生之收益或虧損(如有)乃於損益內確認。先前已於其他全面收益確認之於收購日期前被收購方之權益所產生之金額重新分類至損益，惟條件是倘有關權益被出售時此處理方法屬妥當。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which goodwill is monitored for internal management purpose and not larger than an operating segment or group of cash-generating units.

A cash-generating unit or group of cash-generating units to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising from an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of the reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill, and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in the profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 2. 主要會計政策(續)

### b) 業務合併(續)

倘業務合併之初步會計處理於合併發生之報告期間結束前仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出調整，或確認額外資產或負債，以反映所獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

### c) 商譽

收購業務產生之商譽按收購業務當日之成本減累計減值虧損(如有)列賬。

為進行減值測試，商譽會被分配至預期因合併之協同效應而得益之本集團各現金產生單位(或現金產生單位組別)，其代表基於內部管理之目的所記錄之商譽最低水平且不大於經營分類或現金產生單位組別。

獲分配商譽之一個或一組現金產生單位會每年進行減值測試，或於出現可能減值之跡象時更頻密地進行減值測試。就報告期間因收購產生之商譽而言，已獲分配商譽之現金產生單位(或現金產生單位組別)須於報告期間結束前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會先分配以扣減任何商譽之賬面值，其後按單位內各項資產之賬面值之比例扣減該單位(或現金產生單位組別)之其他資產。商譽之任何減值虧損直接於損益內確認。已確認之商譽減值虧損不會於往後期間撥回。

當出售相關現金產生單位時，商譽之應佔金額將於釐定出售溢利或虧損金額時考慮在內。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### d) Intangible assets

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Mining right

Mining right is stated at cost less accumulated amortisation and impairment losses and is amortised based on the units of production method utilising only recoverable coal reserves as the depletion base.

#### Exploration right

Exploration right is stated at cost less impairment losses. Cost of the exploration right is transferred to mining right upon the government's approval of the mining license and the commencement of the mining activities.

## 2. 主要會計政策(續)

### d) 無形資產

#### 於業務合併中收購之無形資產

於業務合併中收購及與商譽分開確認之無形資產於收購當日按其公平值作初步確認(視為其成本)。

有限可使用年期之無形資產於初步確認後，按成本減累計攤銷及累計減值虧損入賬。估計可使用年期及攤銷方法於各報告期間結束時檢討，任何估計變動之影響按預期基準列賬。

#### 終止確認無形資產

無形資產於出售或預計不會從使用或出售該項資產中獲得未來經濟利益時終止確認。因終止確認無形資產而產生之收益及虧損，按出售所得款項淨額與資產賬面值間之差額計量，並於終止確認該資產時於損益內確認。

#### 採礦權

採礦權按成本減累計攤銷及減值虧損列賬，並僅根據煤炭可採儲量按生產單位法以剝離基準攤銷。

#### 勘探權

勘探權按成本扣除減值虧損列賬。勘探權之成本於政府批准採礦許可證及開始採礦活動時轉撥至採礦權。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### d) Intangible assets (continued)

#### Exploration and evaluation assets

Exploration and evaluation assets comprise costs which are directly attributable to the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

## 2. 主要會計政策(續)

### d) 無形資產(續)

#### 勘探及評估資產

勘探及評估資產包括尋找礦物資源、決定技術之可行性及評估已識別資源之商業可行性直接應佔之成本：

- 研究及分析過往勘探數據；
- 透過地形學、地球化學及地球物理學研究收集勘探數據；
- 探測鑽探、鑽挖及取樣；
- 確定及檢定資源量及品位；
- 檢測運輸及基建設備所需；及
- 進行市場及融資研究。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### d) Intangible assets (continued)

#### Exploration and evaluation assets (continued)

Expenditure during the initial exploration preparation stage of a project is charged to profit or loss as incurred. Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project.

Once the final feasibility study has been completed and a development decision has been taken, accumulated capitalised exploration and evaluation expenditures in respect of an area of interest are transferred to property, plant and equipment. In circumstances when an area of interest is abandoned or management decides it is not commercially viable, any accumulated costs in respect of that area are written off in the period the decision is made.

### e) Property, plant and equipment

Property, plant and equipment including leasehold land and building held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any (see Note 2(j)).

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

## 2. 主要會計政策(續)

### d) 無形資產(續)

#### 勘探及評估資產(續)

於項目之初期勘探準備階段產生之開支於產生時在損益扣除。勘探及評估成本(包括購入許可證之成本)待確定項目之技術可行性及商業可行性後,按個別項目基準撥充資本,列作勘探及評估資產。

一旦完成最終可行性研究及作出開發決定,有關權益範圍之累計資本化勘探及評估開支轉撥至物業、廠房及設備。在權益範圍被廢棄或管理層認定其不具商業可行性之情況下,有關該權益範圍之任何累計成本於作出決定之期間內撇銷。

### e) 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務所用或作行政用途之租賃土地及樓宇,乃按成本減其後累計折舊及其後累計減值虧損列賬(如有)(見附註2(j))。

物業、廠房及設備項目之折舊乃按直線法於其估計可使用年期內確認,以撇銷其成本。估計可使用年期、剩餘價值及折舊法乃於各報告期間結束時檢討,任何估計變動之影響乃按預期基準入賬。



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****e) Property, plant and equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in profit or loss during the period in which they are incurred.

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

**f) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2. 主要會計政策(續)****e) 物業、廠房及設備(續)**

僅當有關項目之未來經濟利益有可能流入本集團及該項目之成本能可靠計量時，其後成本計入資產之賬面值或確認為獨立資產(倘適用)。被取代部分之賬面值予以終止確認。所有其他維修及保養乃於其產生期間於損益支銷。

物業、廠房及設備項目於出售時或於預期不會從持續使用該項資產中獲得未來經濟利益時終止確認。任何因出售或棄用物業、廠房及設備項目而產生之收益或虧損按出售所得款項與該資產之賬面值間之差額釐定，並於損益確認。

**f) 金融工具**

金融資產及金融負債於某集團實體成為工具合同條文之訂約方時確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(按公平值列賬並在損益內處理之金融資產及金融負債除外)於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除(如適用)。收購按公平值列賬並在損益內處理之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Financial instruments (continued)

#### Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### *Effective interest method*

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

## 2. 主要會計政策(續)

### f) 金融工具(續)

#### 金融資產

本集團之金融資產分為按公平值列賬並在損益內處理(「按公平值列賬並在損益內處理」)之金融資產以及貸款及應收款項。有關分類取決於金融資產之性質及目的，於初步確認時釐定。所有常規買賣金融資產按交易日基準確認及終止確認。常規買賣指按市場規則或慣例須在指定時限內交付資產的金融資產買賣。

#### *實際利息法*

實際利息法為計算債務工具之攤銷成本及於相關期間分配利息收入之方法。實際利率為於初步確認時按債務工具之預計年期或適用之較短期間，準確貼現估計未來現金收入(包括構成實際利率整體部分之一切已付或已收費用及點子、交易成本及其他溢價或折讓)至賬面淨值之利率。

除分類為按公平值列賬並在損益內處理之金融資產外，債務工具之利息收入按實際利息基準確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Financial instruments (continued)

#### Financial assets (continued)

##### Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

## 2. 主要會計政策(續)

### f) 金融工具(續)

#### 金融資產(續)

##### 按公平值列賬並在損益內處理之金融資產

當金融資產為持作買賣或指定為按公平值列賬並在損益內處理時，該等金融資產分類為按公平值列賬並在損益內處理之金融資產。

倘符合以下條件，某項金融資產分類為持作買賣：

- 其購入之主要目的為於不久將來出售；或
- 於初步確認時為本集團集中管理之已識別金融工具組合之一部分，而近期出現短期獲利之實際模式；或
- 為並非指定亦非有效作為對沖工具之衍生工具。

倘符合下列條件，金融資產(持作買賣之金融資產除外)於初步確認時可被指定為按公平值列賬並在損益內處理之金融資產：

- 該等指定能消除或大幅減低計量或確認方面原應會出現之不一致之情況；或
- 該金融資產構成一組金融資產或金融負債(或同時兩者)之一部分，並依據本集團已成文之風險管理或投資策略以公平值基準管理及評估表現，而關於該分類之資料已據此對內公佈；或

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Financial instruments (continued)

#### Financial assets (continued)

##### Financial assets at FVTPL (continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 5 to the consolidated financial statements.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including security deposit, trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

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

#### Financial liabilities and equity instruments

##### Classification as debt or equity

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

## 2. 主要會計政策(續)

### f) 金融工具(續)

#### 金融資產(續)

##### 按公平值列賬並在損益內處理之金融資產(續)

- 構成包含一個或多個嵌入式衍生工具之合約一部分，而香港會計準則第39號允許整份合併合約(資產或負債)被指定為按公平值列賬並在損益內處理類別。

按公平值列賬並在損益內處理之金融資產按公平值列賬，而重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額包括任何就金融資產所賺取股息及利息。公平值乃按載於綜合財務報表附註5所述之方式釐定。

##### 貸款及應收款項

貸款及應收款項指並非於活躍市場報價而具備固定或可釐定款項之非衍生金融資產。初步確認後，貸款及應收款項(包括保證按金、應收貸款及其他應收款項以及現金及現金等值項目)均按採用實際利息法計算之已攤銷成本減任何減值計量(見下文有關金融資產減值虧損之會計政策)。

除利息確認無關緊要之短期應收款項外，利息收入乃採用實際利息法確認。

#### 金融負債及股權工具

##### 分類為債務或權益

由集團實體所發行之債務及股權工具根據合約安排之性質以及金融負債及股權工具之定義分類為金融負債或股權工具。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Financial instruments (continued)

#### Financial liabilities and equity instruments (continued)

##### Equity instruments

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

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

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

## 2. 主要會計政策(續)

### f) 金融工具(續)

#### 金融負債及股權工具(續)

##### 股權工具

股權工具為證明於實體經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團發行之股權工具於扣除直接發行成本後按已收所得款項確認。

本公司所購回其本身之股權工具於權益內確認及直接扣除。本公司購買、銷售、發行或註銷其本身之股權工具並不會於損益確認收益或虧損。

##### 按公平值列賬並在損益內處理之金融負債

當金融負債為持作買賣或指定為按公平值列賬並在損益內處理時，該等金融負債分類為按公平值列賬並在損益內處理之金融負債。

倘符合以下條件，某項金融負債分類為持作買賣：

- 其發生之主要目的為於不久將來購回；或
- 於初步確認時為本集團集中管理之已識別金融工具組合之一部分，而近期出現短期獲利之實際模式；或
- 為並非指定亦非有效作為對沖工具之衍生工具。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Financial instruments (continued)

#### Financial liabilities and equity instruments (continued)

##### Financial liabilities at FVTPL (continued)

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excluded any interest paid on the financial liability. Fair value is determined in the manner described in Note 5 to the consolidated financial statements.

##### Other financial liabilities

Other financial liabilities including trade and other payables is subsequently measured at amortised cost, using the effective interest method.

## 2. 主要會計政策(續)

### f) 金融工具(續)

#### 金融負債及股權工具(續)

##### 按公平值列賬並在損益內處理之金融負債(續)

倘符合下列條件，金融負債(持作買賣之金融負債除外)於初步確認時可被指定為按公平值列賬並在損益內處理之金融負債：

- 該等指定能消除或大幅減低計量或確認方面原應會出現之不一致之情況；或
- 該金融負債構成一組金融資產或金融負債(或同時兩者)之一部分，並依據本集團已成文之風險管理或投資策略以公平值基準管理及評估表現，而關於該分類之資料已據此對內公佈；或
- 構成包含一個或多個嵌入式衍生工具之合約一部分，而香港會計準則第39號允許整份合併合約(資產或負債)被指定為按公平值列賬並在損益內處理類別。

按公平值列賬並在損益內處理之金融負債按公平值列賬，而重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括任何就金融負債支付之利息。公平值乃按載於綜合財務報表附註5所述之方式釐定。

##### 其他金融負債

其他金融負債包括應付貨款及其他應付款項，其後採用實際利息法按已攤銷成本計量。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

## f) Financial instruments (continued)

## Financial liabilities and equity instruments (continued)

*Effective interest method*

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

Interest expenses is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

*Convertible bond*

Convertible bond designated as financial liabilities at FVTPL

Convertible bond issued by the Group (including related embedded derivatives) is designated as financial liabilities at FVTPL on initial recognition. Subsequent to initial recognition, the entire convertible bond is measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

*Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## 2. 主要會計政策(續)

## f) 金融工具(續)

## 金融負債及股權工具(續)

*實際利息法*

實際利息法為計算金融負債之攤銷成本及於相關期間分配利息支出之方法。實際利率為於初步確認時按金融負債之預計年期或(如適用)較短期間, 準確貼現估計未來現金付款(包括構成實際利率整體部分之一切已付或已收費用及點子、交易成本及其他溢價或折讓)至賬面淨值之利率。

除分類為按公平值列賬並在損益內處理之金融負債外, 利息支出乃按實際利息基準確認。

*可換股債券*

指定為按公平值列賬並在損益內處理之金融負債之可換股債券

本集團發行之可換股債券(包括相關嵌入式衍生工具)於初步確認時指定為按公平值列賬並在損益內處理之金融負債。初步確認後, 全部可換股債券按公平值計量, 而公平值變動則於產生期間於損益確認。

*終止確認*

僅當從資產收取現金流量之合約權利屆滿, 或本集團轉讓金融資產而該資產之絕大部分擁有權風險及回報已轉移至另一實體時, 本集團會終止確認該金融資產。倘本集團並無轉移或保留已轉讓資產之絕大部分擁有權風險及回報, 本集團繼續按其持續參與之程度確認資產並確認相關負債。倘本集團保留已轉移金融資產之絕大部分擁有權風險及回報, 則本集團繼續確認該金融資產及確認已收所得款項之有抵押借款。

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****f) Financial instruments (continued)****Financial liabilities and equity instruments (continued)***Derecognition (continued)*

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

**g) Provisions and contingent liabilities**

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

**2. 主要會計政策(續)****f) 金融工具(續)****金融負債及股權工具(續)***終止確認(續)*

於終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認並於權益累計之累計收益或虧損的總和之間之差額，於損益確認。

於非全部終止確認金融資產時，本集團將金融資產之過往賬面值，根據其繼續在持續參與下確認部分及不再確認部分於轉讓日期之相關公平值在兩者間作出分配。不再確認部分獲分配之賬面值與不再確認部分之已收代價及其獲分配已於其他全面收入確認之任何累計收益或虧損總和間之差額，於損益確認。已於其他全面收入確認之累計收益或虧損乃根據繼續確認部分及不再確認部分之相關公平值在該兩者間作出分配。

本集團僅於其責任獲解除、註銷或屆滿時，方會終止確認金融負債。終止確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

**g) 撥備及或然負債**

當本集團因過往事件須承擔法定或推定責任，很可能須以經濟利益流出之方式履行有關責任且該金額能可靠估計時，則對不確定時間及金額之負債確認為撥備。倘貨幣之時間價值屬重大，撥備乃按預計履行責任之支出之現值列賬。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

## g) Provisions and contingent liabilities (continued)

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

**Provision for close down, restoration and environmental costs**

One consequence of coal mining is land subsidence caused by the resettlement of the land at the mining sites. Depending on the circumstances, the Group may relocate inhabitants from the mining sites prior to conducting mining activities or the Group may compensate the inhabitants for losses or damage from close down and land subsidence after the sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the sites have been mined.

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Close down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs.

## 2. 主要會計政策(續)

## g) 撥備及或然負債(續)

倘不大可能導致經濟利益流出或其金額不能可靠估計，則責任披露為或然負債，除非經濟利益流出之可能性極低。可能出現之責任將僅取決於日後是否會發生一項或多項事件，亦披露為或然負債，除非經濟利益流出之可能性極低。

**關閉、復墾及環境成本撥備**

煤礦開採之一個後果為因在礦場搬運泥土而造成土地下陷。視乎各種情況，本集團可於進行開採活動前先將居民遷離礦場，或可於礦場開採後就關閉礦場及土地下陷所造成之損失或損害向居民作出賠償。本集團亦可能須支付礦場開採後之土地復墾、修復或環保費用。

關閉及復墾成本包括拆除及拆卸基建設施、清理殘餘材料及修復受干擾區域之成本。關閉及復墾成本於產生有關干擾引起之責任之會計期間，按估計未來成本之淨現值計提撥備，而不論該責任是在煤礦開發期間或生產階段產生。有關成本於其產生未來利益時資本化，而不論修復活動預期會在經營期限內或在關閉時產生。資本化成本按經營期限攤銷，而撥備淨現值之增加則計入借款成本。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### g) Provisions and contingent liabilities (continued)

#### Provision for close down, restoration and environmental costs (continued)

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in the consolidated statement of profit or loss and other comprehensive income on a prospective basis over the remaining life of the operation. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of the reporting period to reflect changes in conditions.

### h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

## 2. 主要會計政策(續)

### g) 撥備及或然負債(續)

#### 關閉、復墾及環境成本撥備(續)

倘預期拆除及復墾成本出現變動，撥備及相關資產賬面值將作出調整，所產生影響屆時將於剩餘經營期限內按預期基準於綜合損益及其他全面收益表確認。關閉及復墾成本之撥備不包括未來干擾事件預期會產生之任何額外責任。成本估計於報告期間結束時檢討及修正，以反映情況變化。

### h) 存貨

存貨按成本與可變現淨值之較低者列賬。

成本採用加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨運至現址及達成現狀之其他成本。

可變現淨值乃日常業務過程中之估計售價減估計完工成本及銷售所需之估計成本。

當售出存貨時，該等存貨之賬面值於確認有關收益之期間內確認為開支。任何由存貨撇減至可變現淨值之金額及所有存貨虧損均於撇減或虧損產生期間確認開支。任何存貨撇減之撥回金額確認為於撥回期間確認為開支之存貨金額減少。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

### j) Impairment of assets

#### i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

## 2. 主要會計政策(續)

### i) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、存放於銀行及其他金融機構之活期存款以及可隨時兌換為已知金額之現金且價值變動風險不大，並在購入後三個月內到期之短期高流動性投資。就綜合現金流量表而言，須應要求償還並構成本集團現金管理組成部分之銀行透支亦列為現金及現金等值項目。

### j) 資產減值

#### i) 股本證券投資及其他應收款項之減值

股本證券投資及其他按成本或攤銷成本列賬之即期與非即期應收款項於各報告期間結束時審閱，以釐定是否有出現減值之客觀證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事件之可觀察數據：

- 債務人有重大財務困難；
- 逾期或拖欠利息或本金等違約情況；
- 債務人有可能面臨破產或其他財務重組；及
- 科技、市場、經濟或法律環境出現對債務人產生不利影響之重大變動。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### j) Impairment of assets (continued)

#### i) Impairment of investments in equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other receivables, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

## 2. 主要會計政策(續)

### j) 資產減值(續)

#### i) 股本證券投資及其他應收款項之減值(續)

倘存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就應收貨款及其他應收款項而言，如貼現影響屬重大，減值虧損乃按資產之賬面值與估計未來現金流量按金融資產原實際利率(即初步確認該等資產時計算之實際利率)貼現之現值間之差額計量。倘金融資產具備類似風險特徵，如類似之逾期情況及並未單獨評估為減值，則有關評估會一併進行。共同評估有否減值的金融資產，其未來現金流量會根據與整個組別具有類似信貸風險特徵的資產之過往虧損情況而評估。

倘於往後期間，減值虧損金額減少，而有關減少可客觀地與確認減值虧損後發生之事件聯繫，則減值虧損透過損益撥回。減值虧損撥回不得導致資產賬面值超出在過往年度並無確認減值虧損之情況下原應釐定之金額。

2. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## j) Impairment of assets (continued)

## i) Impairment of investments in equity securities and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

## ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investment in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

## 2. 主要會計政策(續)

## j) 資產減值(續)

## i) 股本證券投資及其他應收款項之減值(續)

除就可收回性被確認為難以預料但並非極低的應收貨款及其他應收款項所確認之減值虧損外，減值虧損於相應資產直接撇銷。於此情況下，呆賬之減值虧損計入撥備賬。倘本集團信納可收回性極低，則視為不可收回之金額會從應收貨款及其他應收款項中直接撇銷，而在撥備賬中就有關債務持有之任何金額則會撥回。倘先前自撥備賬扣除之款項在其後收回，則相關款項會於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項，均於損益確認。

## ii) 其他資產之減值

於各報告期間結束時，本公司會審核內部及外部資料，以識別下列資產是否出現減值跡象，或先前確認之減值虧損是否不再存在或已減少(商譽除外)：

- 物業、廠房及設備；
- 無形資產；及
- 在本公司財務狀況表所示於附屬公司之投資。

倘存在任何有關跡象，則對資產之可收回金額作出估計。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### j) Impairment of assets (continued)

#### ii) Impairment of other assets (continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value-in-use (if determinable).

## 2. 主要會計政策(續)

### j) 資產減值(續)

#### ii) 其他資產之減值(續)

- 計算可收回金額

資產之可收回金額為其公平值減出售成本與使用價值間之較高者。於評估使用價值時，估計未來現金流量會採用可反映當時市場對貨幣時間價值及該資產特定風險評估之除稅前貼現率，貼現至其現值。倘資產所產生之現金流入基本上不能獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。

- 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超過其可收回金額時，則於損益確認減值虧損。就現金產生單位確認之減值虧損首先予以分配，以減低分配予現金產生單位(或單位組別)之任何商譽之賬面值，其後再按比例減低該單位(或該單位組別)其他資產之賬面值，惟資產之賬面值不得低於其個別公平值減出售成本(如可計量)或使用價值(如可釐定)。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### j) Impairment of assets (continued)

#### ii) Impairment of other assets (continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### iii) Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed at least annually and whenever there is an indication that they may be impaired. Impairment test is performed in accordance with HKAS 36 "Impairment of Assets" whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

## 2. 主要會計政策(續)

### j) 資產減值(續)

#### ii) 其他資產之減值(續)

- 減值虧損撥回

就資產(商譽除外)而言，倘用作釐定可收回金額之估算出現有利變動，則會撥回減值虧損。有關商譽之減值虧損不予撥回。

所撥回之減值虧損僅限於在過往年度並未確認減值虧損時原應釐定之資產賬面值。所撥回之減值虧損於確認撥回之年度計入損益。

#### iii) 勘探及評估資產之減值

倘以下其中一項事件或情況顯示勘探及評估資產之賬面值或可能無法收回(並未詳列)，則根據香港會計準則第36號「資產減值」至少每年對有關資產之賬面值進行審閱及減值測試：

- 該實體有權勘探特定地區之期限於期內已屆滿或將於不久將來屆滿，且預期不獲重續；
- 並無預算或計劃進一步勘探及評估特定地區礦產資源之龐大開支；

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### j) Impairment of assets (continued)

#### iii) Impairment of exploration and evaluation assets (continued)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the account can be reliably measured: when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

## 2. 主要會計政策(續)

### j) 資產減值(續)

#### iii) 勘探及評估資產之減值(續)

- 勘探及評估特定地區之礦產資源並未導致發現商業上可行之礦產資源量，且該實體已決定終止於特定地區之有關活動；或
- 有足夠數據顯示，儘管可能進行特定地區之發展項目，惟不能從成功發展或銷售中悉數收回勘探及評估資產之賬面值。

倘某項資產之賬面值超出其可收回金額，則於損益確認減值虧損。

撥回減值虧損僅限於在過往年度並無確認減值虧損而原應釐定之資產賬面值。所撥回減值虧損於確認撥回之年度計入損益。

### k) 收益確認

收益按已收或應收代價之公平值計量。當金額能可靠地計量、未來經濟利益可能流入本集團及下述本集團各業務已符合特定條件時，方確認收益。

銷售貨品之收益於擁有權之風險及回報轉移時確認，一般與貨品交付予客戶及所有權轉移之時間相同。



2. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## k) Revenue recognition (continued)

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

## l) Share-based payment

**Share options granted by the Company to directors and employees of the Company**

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

## 2. 主要會計政策(續)

## k) 收益確認(續)

金融資產之利息收入按時間基準，參照未償還本金及適用之實際利率計算，而該利率為於初步確認時將金融資產於預計年內之估計未來現金收入準確貼現至該資產之賬面淨值之利率。

## l) 股份付款交易

**本公司授予本公司董事及僱員之購股權**

由於授出購股權須待特定歸屬條件獲達成後，方可作實，故已收取服務之公平值乃參照於授出日期授出之購股權之公平值釐定，並於歸屬期間以直線法支銷，而股權亦作相應增加(購股權儲備)。

本集團會於報告期間結束時修訂其對預期歸屬之購股權數目之估計。對原估算作出修訂(如有)之影響在損益確認，以便累計開支反映經修訂估計，而購股權儲備亦會作出相應調整。

由於購股權於授出日期即時歸屬，所授出購股權之公平值即時於損益支銷。

倘購股權獲行使，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則先前於購股權儲備確認之金額將轉撥至累計虧損。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

## 2. 主要會計政策(續)

### m) 所得稅

年內所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動乃於損益確認，惟於其他全面收入或直接於權益確認與其有關之項目除外，在此情況下，稅項之有關金額則分別於其他全面收入或直接於權益確認。

即期稅項乃按年內應課稅收入以報告期間結束時已生效或實際上已生效之稅率計算之預期應付稅項，加過往年度應付稅項之任何調整。

遞延稅項資產及負債分別來自可扣減及應課稅暫時差額，即資產及負債就財務報表目的而呈列之賬面值與稅基間之差額。遞延稅項資產亦來自未使用稅務虧損及未使用稅項抵免。

除若干有限例外情況，所有遞延稅項負債及所有遞延稅項資產（以未來應課稅溢利可能在該資產中動用者為限）均予以確認。可能足以支持確認產生自可扣減暫時差額之遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生之金額，惟該等差額必須與同一稅務機關及同一應課稅實體有關，且預期在預計撥回可扣減暫時差額之同一期間或遞延稅項資產所產生之稅務虧損可予撥回或結轉之期間內撥回。在釐定現有應課稅暫時差額是否足以支持確認由未使用稅務虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，即須計及與同一稅務機關及同一應課稅實體有關之差額，並預期在能使用稅務虧損或抵免之期間內撥回。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

## 2. 主要會計政策(續)

### m) 所得稅(續)

遞延稅項資產及負債確認之有限例外情況包括：不得為稅務目的扣減之商譽之暫時差額、不影響會計或應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初步確認，以及有關於附屬公司之投資之暫時差額。倘為應課稅差額，則以本集團可控制撥回時間，且在可預見將來不大可能撥回差額為限；或倘為可扣減差額，則可在將來撥回差額為限。

已確認之遞延稅項金額乃根據變現或償付資產及負債賬面值之方式，按於報告期間結束時已生效之稅率計量。遞延稅項資產及負債均不予貼現。

遞延稅項資產之賬面值於各報告期間結束時審閱，倘日後不再可能有足夠應課稅溢利用以動用相關稅項利益，則扣減遞延稅項資產之賬面值。倘日後可能有足夠應課稅溢利予以動用，則撥回任何該等扣減之金額。

產生自分派股息之額外所得稅於確認支付有關股息之責任時確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## 2. 主要會計政策(續)

### m) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及其相關變動，乃分別呈列且不會互相抵銷。倘本公司或本集團有合法權利以將即期稅項資產抵銷即期稅項負債，而且符合以下額外條件時，即期稅項資產與即時稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷：

- 就即期稅項資產及負債而言，本集團擬按淨額基準結算，或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘其與同一稅務機關所徵收之所得稅有關，且有關所得稅乃向：
  - 同一應課稅實體徵收；或
  - 不同應課稅實體徵收，而該等實體擬在預期有大額遞延稅項負債或資產予以清償或收回之各個未來期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### n) Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve (attributing to non-controlling interests as appropriate).

## 2. 主要會計政策(續)

### n) 外幣

於編製各個別集團實體之財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易按於交易日期之通行匯率確認。於各報告期間結束時，以外幣計值之貨幣項目按當日之通行匯率重新換算。按公平值列賬並以外幣計值之非貨幣項目按釐定公平值當日之通行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

貨幣項目結算及貨幣項目重新換算所產生之匯兌差額於產生期間在損益確認，惟下列情況除外：應收或應付一項海外業務之貨幣項目之匯兌差額，既無計劃償付且出現之可能性亦不大(因此構成海外業務投資淨額之一部分)，初步於其他全面收入中確認，並於出售或部分出售本集團權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團實體之資產及負債按報告期間結束時之通行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目按該期間之平均匯率換算，惟倘匯率於該期間出現大幅波動則除外，在此情況下，則採用交易日期之匯率換算。所產生之匯兌差額(如有)於其他全面收入及累計權益中「匯兌儲備」(倘適用時歸屬於非控股權益)一項中確認。

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****n) Foreign currencies (continued)**

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

**o) Leased assets**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

**i) Classification of assets leased to the Group**

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

**2. 主要會計政策(續)****n) 外幣(續)**

出售海外業務後(即出售本集團於海外業務之全部權益,或涉及失去附屬公司(包含海外業務)之控制權之出售事項,或出售於合營安排或聯營公司(包含海外業務)之部分權益而其保留權益成為金融資產),就本公司擁有人應佔該業務於權益中累計之所有匯兌差額重新分類至損益。

**o) 租賃資產**

倘本集團決定在協定之時期內將一項或多項特定資產使用權出讓以換取一筆或一連串付款之安排,則該項包括一項交易或一連串交易之安排為或包括一項租賃。該決定乃基於安排內容之估值而作出,而不論該安排是否以法律形式進行之租賃。

**i) 租賃予本集團資產之分類**

倘本集團根據租賃持有之資產將擁有權之絕大部分風險及回報轉移至本集團時,租賃分類為根據融資租賃持有。擁有權之絕大部分風險及回報並不會轉移至本集團之租賃分類為經營租賃,惟下列者除外:

- 倘根據經營租賃持有之物業可另行符合投資物業之定義,則按個別物業之基準分類為投資物業,而倘分類為投資物業,則猶如根據融資租賃持有入賬;及

2. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## o) Leased assets (continued)

i) Classification of assets leased to the Group  
(continued)

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

## ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset. Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(j) to the consolidated financial statements. Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

## 2. 主要會計政策(續)

## o) 租賃資產(續)

i) 租賃予本集團資產之分類  
(續)

- 根據經營租賃持作自用之土地，而其公平值無法與於其上蓋興建之樓宇於租賃生效時之公平值分開計量，有關土地則根據融資租賃持有入賬，惟有關樓宇已明確地根據經營租賃持有者則例外。就此而言，租賃生效之時間為本集團首次訂立租賃之時間，或從先前承租人接管租賃之時間。

## ii) 以融資租賃所收購之資產

倘本集團根據融資租賃收購資產之使用權，則按照所租賃資產之公平值或該資產最低租賃付款之現值(倘為較低者)列入物業、廠房及設備，而扣除融資費用後之相應負債則列為融資租賃項下之負債。折舊乃於相關租賃期或資產之可使用期限(如本集團可能取得該資產之所有權)內按撇銷資產成本之比率計提。減值虧損按照綜合財務報表附註2(j)所載之會計政策入賬。租賃付款內含之融資費用於租賃期內於損益內扣除，使每個會計期間之融資費用所佔負債餘額之比率大致相同。或然租金在其產生之會計期間列作損益扣除。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### o) Leased assets (continued)

#### iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property.

### p) Employee benefits

#### i) Short-term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

#### ii) Defined contribution plans

The obligations for contributions to defined contribution retirement scheme in Hong Kong are recognised as expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group's entities established in Hong Kong in an independently administered fund.

## 2. 主要會計政策(續)

### o) 租賃資產(續)

#### iii) 經營租賃費用

倘本集團擁有根據經營租賃持有之資產之使用權，則根據租賃作出之付款會於租賃期所涵蓋之會計期間內，以等額在損益內扣除，惟倘有其他基準能更清楚反映租賃資產所產生之收益模式則除外。租賃優惠於損益內確認為租賃淨付款總額之組成部分。或然租金在其產生之會計期間列作損益扣除。

根據經營租賃持有之土地收購成本於租賃期內以直線法攤銷，惟該物業分類為投資物業者則除外。

### p) 僱員福利

#### i) 短期僱員福利

薪金、年度花紅、有薪年假、定額供款退休計劃供款以及非貨幣福利之成本於僱員提供相關服務之期間內計提。

#### ii) 定額供款計劃

香港定額供款退休計劃供款之責任於產生時在損益中確認為開支。該計劃之資產與本集團於香港成立之實體之資產分開，並由獨立管理基金持有。



2. SIGNIFICANT ACCOUNTING POLICIES  
(continued)

## p) Employee benefits (continued)

## ii) Defined contribution plans (continued)

In accordance with the rules and regulations in the People's Republic of China (the "PRC"), the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by local governments. Contributions to those plans are expensed as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

## iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

## q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

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

## 2. 主要會計政策(續)

## p) 僱員福利(續)

## ii) 定額供款計劃(續)

根據中華人民共和國(「中國」)之規則及規例，本集團於中國成立之實體僱員須參與由地方政府組織之定額供款退休計劃。對該等計劃之供款於產生時支銷，而除該等每月供款外，本集團概無向其僱員支付退休福利之其他責任。

## iii) 終止福利

終止福利於本集團再無能力撤回提供有關福利時或本集團確認重組成本(涉及支付終止福利)時(以較早者為準)確認。

## q) 借貸成本

與收購、建設或生產需要長時間才可投入擬定用途或銷售之資產直接相關之借貸成本會資本化為該資產成本之一部分。其他借貸成本於其產生期間支銷。

屬於合資格資產成本一部分之借貸成本在用於資產之開支產生、產生借貸成本及使資產投入擬定用途或銷售所必需之準備工作進行期間開始資本化。當使合資格資產投入擬定用途或銷售所必需之絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### r) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- i) has control or joint control over the Group;
  - ii) has significant influence over the Group; or
  - iii) is a member of the key management personnel of the Group or the holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities are joint ventures of the same third party.
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

## 2. 主要會計政策(續)

### r) 關連方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- i) 控制或共同控制本集團；
  - ii) 對本集團有重大影響；或
  - iii) 為本集團或本集團控股公司之主要管理人員。
- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - iii) 兩間實體均為同一第三方之合營企業。
  - iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### r) Related parties (continued)

#### (b) (continued)

- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

## 2. 主要會計政策(續)

### r) 關連方(續)

#### (b) (續)

- v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- vi) 實體受(a)所識別人士控制或受共同控制。
- vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之控股公司)主要管理人員。
- viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團之控股公司提供主要管理人員服務。

個人之近親家庭成員指預期可影響，或受該人士影響彼等與該實體交易之家庭成員，其中包括：

- (a) 該名人士之子女及配偶或家庭伴侶；
- (b) 該名人士之配偶或家庭伴侶之子女；及
- (c) 該名人士或該名人士之配偶或家庭伴侶之受供養人。

於界定關連方時，聯營公司包括該聯營公司之附屬公司，而合營企業包括該合營企業之附屬公司。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### s) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's executive directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 2. 主要會計政策(續)

### s) 分類報告

經營分類及財務報表內呈報之各分類項目之金額自定期提供予本集團執行董事之財務資料中識別，旨在將資源分配至本集團之各項業務及評估本集團各項業務及地區之表現。

就財務報告而言，除非分類具備相似之經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法以及監管環境之性質方面相似，否則各重大經營分類不會彙集計算。個別非重大之經營分類，倘符合上述大部分標準，則可彙集計算。

### 3. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new/ revised HKFRSs issued by the HKICPA, which are effective for the current financial reporting period.

#### Amendments to HKAS 7: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of the amendments results in the additional disclosures in Note 28 to the consolidated financial statements.

#### Amendments to HKAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value. The adoption of the amendments did not have any significant impact on the consolidated financial statements.

#### Annual Improvements 2014-2016 Cycle: HKFRS 12 – Clarification of the scope

The amendments clarify that except for the summarised financial information for subsidiaries, joint ventures and associates in which the interests are classified or included in a disposal group that is classified as held for sale in accordance with HKFRS 5, the requirements of HKFRS 12 apply to interests in entities within the scope of HKFRS 5. The adoption of the amendments did not have any significant impact on the consolidated financial statements.

The possible impacts of new/ revised HKFRSs issued by the HKICPA but not yet effective for the current financial reporting period are set out in Note 33 to the consolidated financial statements.

### 3. 採納新訂／經修訂香港財務報告準則

於本年度，本集團已應用以下由香港會計師公會所頒佈之新訂／經修訂香港財務報告準則，該等準則自本財務報告期間起生效。

#### 香港會計準則第7號之修訂本：披露計劃

該等修訂規定實體披露能讓財務報表使用者評估融資活動產生之負債之變動，包括現金流量引致之變動及非現金變動。採納該等修訂導致綜合財務報表附註28之額外披露。

#### 香港會計準則第12號之修訂本：就未變現虧損確認遞延稅項資產

該等修訂釐清(其中包括)有關以公平值計量之債務工具之遞延稅項資產之入賬方式。採納該等修訂對綜合財務報表並無任何重大影響。

#### 二零一四年至二零一六年週期之年度改進：香港財務報告準則第12號－釐清範圍

該等修訂釐清，除根據香港財務報告準則第5號將權益分類或計入分類為持作出售組別之附屬公司、合營企業及聯營公司之財務資料概要外，香港財務報告準則第12號之規定適用於屬於香港財務報告準則第5號範圍內之實體權益。採納該等修訂並無對綜合財務報表構成任何重大影響。

由香港會計師公會頒佈但於本財務報告期間尚未生效之新訂／經修訂香港財務報告準則可能產生之影響載列於綜合財務報表附註33。

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the consolidated financial statements, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Reserve estimates

Reserves are estimates of the amount of products that can be economically and legally extracted from the Group's coal reserves. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用綜合財務報表附註2所述本集團之會計政策時，本公司董事須對未能透過其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃以過往經驗及其他視為相關之因素為基準。實際結果可能有別於該等估計。

該等估計及相關假設會持續予以檢討。如修訂會計估計僅影響修訂期間，則有關估計之修訂在該期間確認，或如修訂影響現時及未來期間，則在修訂期間及未來期間確認。

##### 估計不明朗因素之主要來源

以下為有關未來之主要假設及於報告期間結束時估計不明朗因素之其他主要來源，該等假設及來源存在可能導致對下一個財政年度之資產及負債賬面值須作出重大調整之重大風險。

##### a) 儲量估計

儲量為可按經濟原則合法自本集團之煤礦儲量取得之估計產品數量。為計算儲量，須就地質、技術及經濟因素範疇作出估計及假設，其中包括數量、品位、生產技術、採收率、生產成本、運輸成本、商品需求及商品價格。估計儲量之數量及／或品位時，須按鑽探採樣等地質數據分析，釐定礦體或礦場之規模、形狀及深度。此工序或涉及繁複艱鉅之地質判斷及計算以解釋有關數據。

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Key sources of estimation uncertainty (continued)

##### a) Reserve estimates (continued)

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- i) Asset carrying values may be affected due to changes in estimated future cash flows.
- ii) Depreciation, depletion and amortisation charged to the profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.
- iii) Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.
- iv) The carrying value of deferred tax may change as a result of changes in the asset carrying values as discussed above.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### a) 儲量估計(續)

由於估計儲量所用經濟假設會隨著不同期間而改變，而營運過程中會額外產生地質數據，故儲量估計或會隨不同期間而有所變動。呈報儲量之變動可循不同方法影響本集團之財務業績及財務狀況，其中包括下列各項：

- i) 因估計未來現金流量之變動可能影響資產賬面值。
- ii) 倘折舊、耗減及攤銷支出按生產單位為基準予以釐定，或資產之可使用經濟年限有所變動，於損益內扣除之折舊、耗減及攤銷可能有所變動。
- iii) 倘估計儲量之變動影響拆撤、礦場復墾及環保工作預期之時間表或成本，拆撤、礦場復墾及環保撥備可能有所變動。
- iv) 遞延稅項之賬面值或因上文所討論之資產賬面值改變而有所變動。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

b) Carrying value of property, plant and equipment and intangible assets

The Group's property, plant and equipment and intangible assets (exclude exploration and evaluation assets classified as intangible assets) are carried at cost less accumulated depreciation and amortisation and impairment losses, where appropriate. These carrying amounts are reviewed for impairment whenever internal and external sources of information indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. The impairment assessment of the Group's mining right and exploration and evaluation assets included in intangible assets is further discussed below.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

b) 物業、廠房及設備以及無形資產賬面值

本集團之物業、廠房及設備以及無形資產(不包括分類為無形資產之勘探及評估資產)按成本減累計折舊與攤銷及減值虧損(如適用)列賬。倘內部及外界資料來源顯示賬面值可能無法收回，則會檢討該等項目之賬面值是否出現減值。若資產賬面值超過其可收回金額時，會就其差額確認減值虧損。可收回金額為資產公平值減出售成本或使用價值之較高者。在估計資產之可收回金額時作出多項假設，包括與非流動資產有關之未來現金流量及貼現率。倘未來事項與該等假設不符，可收回金額將需要作出修訂，此修訂可能影響本集團之經營業績或財務狀況。計入無形資產之本集團採礦權以及勘探及評估資產，其減值評估於下文進一步論述。



#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Key sources of estimation uncertainty (continued)

##### c) Impairment of mining right and exploration and evaluation assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists, which included internal and external sources of information for mining right, and facts and circumstances for exploration and evaluation assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value-in-use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. It is difficult to precisely estimate fair value because quoted market prices are not readily available. In determining the value-in-use, expected cash flows generated by the asset are discounted to their present value, which require significant judgement and estimates such as sale volume, selling price and amount of operating costs. The directors of the Company have assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

##### 估計不明朗因素之主要來源(續)

##### c) 採礦權以及勘探及評估資產之減值

本集團每年評估各現金產生單位，以確定是否存在任何減值跡象，包括有關採礦權之內部及外界資料來源以及勘探及評估資產之實情及情況。倘出現減值跡象，則會作出可收回金額之正式估計，有關金額即公平值減出售成本與使用價值間之較高者。該等評估須採用有關估計及假設，如長期商品價格、貼現率、未來資金規定、勘探潛力及經營表現。由於該等資產可能缺乏現成之市場報價，故難以準確地估計公平值。在釐定使用價值時，資產產生之預期現金流量貼現至其現值，須作出銷量、售價及經營成本等重大判斷及估計。本公司董事已評估其現金產生單位作為某個別礦場，其為主要獨立於其他資產之現金流量之最低水平。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

d) Fair value measurements and valuation process

The Group's convertible bond is measured at fair value for financial reporting purposes. The directors of the Company have to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuer to perform the valuation. The directors of the Company work closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 5 to the consolidated financial statements provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

Changes in subjective input assumptions can materially affect the fair value estimate.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

d) 公平值計量及估值過程

就財務報告而言，本集團之可換股債券以公平值計量。本公司董事須就公平值計量釐定合適估值方法及輸入數據。

於估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級輸入數據之情況下，本集團委聘第三方合資格估值師進行估值。本公司董事與合資格外聘估值師緊密合作，以設立模式適用之估值方法及輸入數據。

於估計若干類別金融工具之公平值時，本集團採用包括並非根據可觀察市場數據之估值方法。有關用於釐定各種資產及負債公平值之估值方法、輸入數據及主要假設之詳細資料載於綜合財務報表附註5。

主觀輸入數據假設之變動可對公平值估值造成重大影響。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

e) Useful lives of property, plant and equipment

The directors of the Company determine the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. The directors of the Company will increase the depreciation charges where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

f) Write down of inventories

The directors of the Company review the ageing analysis of inventories at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production or sales. The directors of the Company estimate the net realisable value for consumables and coals based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a item-by-item basis at the end of each reporting period and makes allowance for obsolete items.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

e) 物業、廠房及設備之可使用年限

本公司董事釐定其物業、廠房及設備之估計可使用年限及有關折舊費用。該估計以具相似性質及功能之物業、廠房及設備之實際可使用年限過往經驗為基準，並可能因科技創新及競爭對手應對嚴峻行業周期之行動而大幅改變。倘可使用年限較先前所估計年限為短，則本公司董事將增加折舊費用，或撇銷或撇減已棄置或出售之技術過時或非策略性資產。

f) 存貨撇減

本公司董事於各報告期間結束時檢討存貨賬齡分析，並就確定為不再適合用作生產或銷售之過時及滯銷存貨項目作出撥備。本公司董事主要根據最近期發票價格及當時市況估計該等消費品及煤炭之可變現淨值。本集團於各報告期間結束時進行逐項存貨盤點，並就過時項目作出撥備。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

g) Provision for close down, restoration and environmental costs

The provision for close down, restoration and environmental costs is determined by the directors of the Company based on their past experience and best estimation of future expenditures, after taking into account existing relevant in the PRC regulations. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future years, the estimate of the associated costs may be subject to revision from time to time.

h) Recognition of deferred tax assets

The Group has recognised deferred tax assets which arose from deductible temporary differences as set out in Note 27 to the consolidated financial statements. The realisability of the deferred tax assets mainly depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which the assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such reversal takes place.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

g) 關閉、復墾及環境成本撥備

關閉、復墾及環境成本撥備由本公司董事考慮現有相關中國規例後，根據過往經驗及對未來支出之最佳估計釐定。然而，在目前採礦活動於未來數年對土地及環境之影響變得明顯之情況下，有關成本之估計可能須不時予以修訂。

h) 確認遞延稅項資產

本集團已確認遞延稅項資產，其源自可扣減暫時差額，詳情載於綜合財務報表附註27。遞延稅項資產之可變現性主要取決於是否存在未來應課稅溢利或應課稅暫時差額可供抵銷可動用資產。倘所產生之實際未來應課稅溢利或應課稅暫時差額較預期為低，則可能出現撥回遞延稅項資產，其於有關撥回發生期間於損益確認。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS

#### a) Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	448,608	348,533
Financial liabilities at amortised cost	按已攤銷成本計量之金融負債	21,954	22,078
Financial liabilities designated at FVTPL	指定為按公平值列賬並在損益內處理之金融負債	247,242	261,616

#### b) Financial risk management objectives and policies

The Group's major financial instruments include security deposit, trade and other receivables, cash and cash equivalents, trade and other payables and convertible bond. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### i) Currency risk

Several subsidiaries of the Company have foreign currency expenditures, which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 5. 金融工具

#### a) 金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	448,608	348,533
Financial liabilities at amortised cost	按已攤銷成本計量之金融負債	21,954	22,078
Financial liabilities designated at FVTPL	指定為按公平值列賬並在損益內處理之金融負債	247,242	261,616

#### b) 財務風險管理目標及政策

本集團之主要金融工具包括保證按金、應收貸款及其他應收款項、現金及現金等值項目、應付貸款及其他應付款項以及可換股債券。該等金融工具詳情於各相關附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。如何降低該等風險之政策載於下文。本公司董事管理及監察該等風險，以確保及時與有效地採取適當措施。

##### i) 貨幣風險

本公司若干附屬公司有外幣開支，令本集團承受外幣風險。本集團並無任何外幣對沖政策。然而，本公司董事監察外匯風險，並於有需要時考慮對沖重大外幣風險。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (continued)

#### b) Financial risk management objectives and policies (continued)

##### i) Currency risk (continued)

Certain receivables, cash and cash equivalents, payables, security deposit and convertible bond of the Group are denominated in currencies other than the functional currency of the group entity to which they relate.

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets	資產	155,044	164,158
Liabilities	負債	(248,388)	(262,819)

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### i) 貨幣風險(續)

本集團若干應收款項、現金及現金等值項目、應付款項、保證按金及可換股債券均以集團實體之相關功能貨幣以外之貨幣計值。

下表顯示本集團於報告期間結束時因已確認以相關實體功能貨幣以外之貨幣計值之資產或負債所產生之貨幣風險。

5. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management objectives and policies (continued)

i) Currency risk (continued)

*Sensitivity analysis*

The group entities are mainly exposed to foreign currency risk of HK\$.

The following table details the group entities' sensitivity to a 10% (2017: 5%) increase and decrease in HK\$ against each group entity's functional currency. 10% (2017: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% (2017: 5%) change in foreign currency rates. A negative number below indicates a decrease in profit for the year and increase in accumulated losses of the Group where each group entity's functional currency weaken 10% (2017: 5%) against HK\$. For a 10% (2017: 5%) strengthening of each group entity's functional currency against HK\$, there would be an equal and opposite impact.

5. 金融工具(續)

b) 財務風險管理目標及政策(續)

i) 貨幣風險(續)

*敏感度分析*

集團實體主要承受港元之外幣風險。

下表詳列集團實體對港元兌各集團實體之功能貨幣之匯率升跌10%(二零一七年: 5%)之敏感度。10%(二零一七年: 5%)為向主要管理人員內部匯報外幣風險所用之敏感度比率, 並指管理層對外幣匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之未償還貨幣項目, 並就外幣匯率之10%(二零一七年: 5%)變動調整於年終之換算。當各集團實體之功能貨幣兌港元貶值10%(二零一七年: 5%)時, 下表負數顯示本集團年內溢利減少及累計虧損增加。倘各集團實體之功能貨幣兌港元升值10%(二零一七年: 5%), 則構成金額相等但效果相反之影響。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit or loss and accumulated losses	溢利或虧損及累計虧損	(9,334)	(4,933)

## 5. FINANCIAL INSTRUMENTS (continued)

### b) Financial risk management objectives and policies (continued)

#### ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank balances and security deposit carried at prevailing market rate. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

#### *Sensitivity analysis*

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for the whole year.

If interest rate had been 50 basis points (2017: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2018 would increase and accumulated losses as at the reporting date would decrease by approximately HK\$786,000 (2017: approximately HK\$1,681,000). This was mainly attributable to the exposure to interest rates on its variable-rate bank balances of the Group.

## 5. 金融工具(續)

### b) 財務風險管理目標及政策(續)

#### i) 利率風險

本集團須承受有關以當前市場利率計息之銀行結存及保證按金之現金流量利率風險。本集團並無運用任何衍生合約對沖其利率風險。本集團並無制定政策管理其利率風險。

#### *敏感度分析*

下文之敏感度分析乃根據非衍生工具於報告期間結束時之利率風險釐定。編製分析時假設於報告期間結束時之未償還金融工具於整個年度均未償還。

倘利率上調／下滑50個基點(二零一七年：50個基點)，而所有其他變數維持不變，則本集團截至二零一八年三月三十一日止年度之溢利將增加，而於報告日期之累計虧損將減少約786,000港元(二零一七年：約1,681,000港元)，主要原因為本集團面對其浮動利率銀行結存之利率風險。



## 5. FINANCIAL INSTRUMENTS (continued)

## b) Financial risk management objectives and policies (continued)

## iii) Equity price risk

The Group was required to estimate the fair value of the convertible bond (see Note 25) at the end of the reporting period with changes in fair value to be recognised in the profit or loss. The fair value adjustment would be affected either positively or negatively, amongst others, by the changes in the Company's share market price.

*Sensitivity analysis*

The sensitivity analysis below had been determined based on the exposure to the Company's share price risk at the reporting date only. If the Company's share price had been 5% (2017: 5%) higher and all other variables were held constant, the Group's post-tax profit for the year (as a result of changes in fair value of convertible bond) would decrease and accumulated losses would increase by approximately HK\$5,411,000 (2017: approximately HK\$7,692,000) during the year ended 31 March 2018. If the input of share price to the valuation model of the derivatives embedded in the convertible bond had been 5% (2017: 5%) lower while all other variables were held constant, the Group's post-tax profit for the year (as a result of changes in fair value of convertible bond) would increase and accumulated losses would decrease by approximately HK\$6,697,000 (2017: approximately HK\$7,401,000) during the year ended 31 March 2018.

## 5. 金融工具(續)

## b) 財務風險管理目標及政策(續)

## iii) 股本價格風險

本集團須於報告期間結束時估計可換股債券(見附註25)之公平值，並於損益內確認其公平值變動。公平值調整將受(其中包括)本公司股份市價變動之正面或負面影響。

*敏感度分析*

下述敏感度分析僅根據本公司於報告日期所承受之股價風險釐定。倘本公司股價上升5%(二零一七年：5%)，而所有其他變數維持不變，則本集團於截至二零一八年三月三十一日止年度之除稅後年內溢利(乃源自可換股債券之公平值變動)將下跌，而累計虧損將增加約5,411,000港元(二零一七年：約7,692,000港元)。倘可換股債券內含衍生工具估值模式有關之股價輸入數據減少5%(二零一七年：5%)，而所有其他變數維持不變，則本集團於截至二零一八年三月三十一日止年度之除稅後年內溢利(乃源自可換股債券之公平值變動)將增加，而累計虧損將下跌約6,697,000港元(二零一七年：約7,401,000港元)。

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### 5. FINANCIAL INSTRUMENTS (continued)

#### b) Financial risk management objectives and policies (continued)

##### iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### iv) 流動資金風險

就管理流動資金風險而言，本集團監察並維持現金及現金等值項目於本公司董事認為足夠之水平，為本集團業務提供資金，減少現金流量波動之影響。

下表載有本集團金融負債剩餘合約到期日之詳情。有關列表乃基於本集團可能須還款之最早日期，根據金融負債之合約未貼現現金流量而編製。列表載有利息及主要現金流量。

		Within 1 year or on demand 一年內或 應要求 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	2 years to 5 years 兩年至 五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>As at 31 March 2018</b>	<b>於二零一八年三月三十一日</b>					
Trade and other payables	應付貨款及其他應付款項	21,954	-	-	21,954	21,954
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬 並在損益內處理之 金融負債之可換股債券	-	200,000	-	200,000	247,242
		<b>21,954</b>	<b>200,000</b>	<b>-</b>	<b>221,954</b>	<b>269,196</b>

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### 5. FINANCIAL INSTRUMENTS (continued)

#### b) Financial risk management objectives and policies (continued)

##### iv) Liquidity risk (continued)

### 5. 金融工具(續)

#### b) 財務風險管理目標及政策(續)

##### iv) 流動資金風險(續)

		Within 1 year or on demand 一年內或 應要求 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	2 years to 5 years 兩年 至五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>As at 31 March 2017</b>	<b>於二零一七年三月三十一日</b>					
Trade and other payables	應付貨款及其他應付款項	22,078	-	-	22,078	22,078
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬 並在損益內處理之 金融負債之可換股債券	-	-	200,000	200,000	261,616
		22,078	-	200,000	222,078	283,694

## 5. FINANCIAL INSTRUMENTS (continued)

### b) Financial risk management objectives and policies (continued)

#### v) Credit risk

As at 31 March 2018 and 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and structured deposit is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and counterparties rather than the industry or country in which the customers and counterparties operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers and counterparties. The Group has no significant concentration of credit risk, with exposure spread over a wide range of counterparties and customers.

## 5. 金融工具(續)

### b) 財務風險管理目標及政策(續)

#### v) 信貸風險

於二零一八年及二零一七年三月三十一日，因對手方未能履行責任而導致本集團蒙受財務虧損之本集團最高信貸風險即綜合財務狀況表所列各項已確認金融資產之賬面值。

為將信貸風險減至最低，本公司董事已指派一支團隊，負責釐定信貸額、審批信貸及執行其他監察程序，確保採取跟進行動收回逾期債務。此外，本集團審閱每筆貿易債務於各報告期間結束時之可收回金額，確保就不能收回之金額作出足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大幅減低。

由於對手方為獲國際信貸評級機構給予高信貸評級之銀行，故有關流動資金及結構性存款之信貸風險有限。

本集團所承受之信貸風險主要受各客戶及對手方之個別特點所影響，而非客戶及對手方經營所在之行業或國家，因此信貸風險高度集中之情況主要於本集團就個別客戶及對手方承擔重大風險時產生。本集團並無重大信貸風險集中之問題，風險分佈於多名對手方及客戶。

## 5. FINANCIAL INSTRUMENTS (continued)

## c) Fair value

The carrying amounts of the Group's financial instruments carried amortised cost are not materially different from their fair values as at 31 March 2018 and 2017.

**Fair value hierarchy**

The following table presents the Group's financial instruments measured at fair value 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.

The Group uses an independent valuer to perform valuations of financial instruments which are categorised into Level 2 and Level 3 of the fair value hierarchy. Valuation reports with analysis of changes in fair value measurement are prepared by the independent valuer at each interim and annual reporting date, and are reviewed and approved by the financial controller. Discussion of the valuation process and results with the financial controller is held twice a year to coincide with the reporting dates.

## 5. 金融工具(續)

## c) 公平值

本集團以攤銷成本列賬之金融工具之賬面值與於二零一八年及二零一七年三月三十一日之公平值並無重大分別。

**公平值層級**

下表呈列本集團金融工具，乃於報告期間結束時按經常性基準之公平值計量，並分類為香港財務報告準則第13號「公平值計量」所界定之三級公平值層級。將公平值計量分類之等級乃經參考如下估值方法所用輸入數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量之公平值。
- 第二級估值：使用第二級輸入數據(即未能達到第一級之可觀察輸入數據)且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量之公平值。

本集團透過獨立估值師對分類為公平值層級第二級及第三級之金融工具進行估值。載有公平值計量變動分析之估值報告由獨立估值師於各中期及年度報告日期編製，並由財務總監審閱及批准，並配合報告日期與財務總監每年兩次討論估值過程及結果。

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### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Fair value hierarchy (continued)

		Fair value measurements categorised into 公平值計量分類			
		Fair value 公平值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
<b>As at 31 March 2018</b>	<b>於二零一八年 三月三十一日</b>				
<b>Recurring fair value measurements</b>	<b>經常性公平值計量</b>				
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬 並在損益內處理之 金融負債之 可換股債券	247,242	-	-	247,242

		Fair value measurements categorised into 公平值計量分類			
		Fair value 公平值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
<b>As at 31 March 2017</b>	<b>於二零一七年 三月三十一日</b>				
<b>Recurring fair value measurements</b>	<b>經常性公平值計量</b>				
Convertible bond designated as financial liabilities at FVTPL	指定為按公平值列賬 並在損益內處理之 金融負債之 可換股債券	261,616	-	-	261,616

During the years ended 31 March 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一八年及二零一七年三月三十一日止年度，第一級與第二級之間概無轉換，或轉入或轉出第三級。本集團之政策為確認於報告期間結束時所產生之公平值層級之層級間轉換。

## 5. FINANCIAL INSTRUMENTS (continued)

### c) Fair value (continued)

#### Information about Level 3 fair value measurements

The fair value of the convertible bond is equal to the summation of the fair value of the liability component and conversion option component, calculated using discounted cash flows and binomial model, respectively. The assumptions adopted for the valuation of the convertible bond are as follows:

- i) the estimation of risk free rate has made reference to the yield of government bonds and treasury bills with same duration as the convertible bond;
- ii) the estimation of volatility for the underlying share price has considered the historical price movements of those companies engaged in similar industry;
- iii) the discount rate was arrived at based on the Company's credit rating and select comparable corporate bonds with similar maturity and credit risk to derive the range of comparable yield to maturity as of date of valuation and the median range has been adopted; and
- iv) the estimation of dividend yield is based on historical dividend payment of the Company.

## 5. 金融工具(續)

### c) 公平值(續)

#### 有關第三級公平值計量之資料

可換股債券公平值等於負債部分與轉換期權部分分別按貼現現金流量及二項式期權定價模式計算之公平值之總和。可換股債券估值採納之假設如下：

- i) 無風險利率乃參考年期與可換股債券相同之政府債券及國庫債券收益估計；
- ii) 相關股價波幅之估計已考慮從事類似行業之公司之過往價格變動；
- iii) 貼現率乃根據本公司之信貸評級以及具有類似到期日及信貸風險之指定可資比較公司債券而訂定，以得出於估值日之可資比較到期收益範圍，計算時採納中位範圍；及
- iv) 股息率之估計乃基於本公司過往之股息派付。

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### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Information about Level 3 fair value measurements (continued)

Major parameters adopted in the calculation of the fair value are summarised below:

		As at 31 March 2018 於二零一八年 三月三十一日	As at 31 March 2017 於二零一七年 三月三十一日	As at 14 March 2017 於二零一七年 三月十四日
Stock price	股價	<b>HK\$0.42</b> 0.42港元	HK\$0.48 0.48港元	<b>HK\$0.49</b> 0.49港元
Exercise price	行使價	<b>HK\$0.20</b> 0.20港元	HK\$0.20 0.20港元	<b>HK\$0.20</b> 0.20港元
Risk free rate	無風險利率	<b>1.35%</b>	1.07%	<b>1.38%</b>
Discount rate	貼現率	<b>7.62%</b>	9.35%	<b>9.43%</b>
Dividend yield	股息率	<b>0%</b>	0%	<b>0%</b>
Time to expiration	到期時間	<b>1.95 years</b> 1.95年	2.95 year 2.95年	<b>3 years</b> 3年
Stock price volatility	股價波幅	<b>65.46%</b>	76.25%	<b>75.97%</b>

The significant unobservable input used in the fair value measurement is expected stock price volatility. The fair value measurement is positively correlated to the expected stock price volatility. If the expected stock price volatility has been 5% (2017: 5%) higher with all other variables held constant, the Group's profit for the year would decrease and accumulated losses would increase by approximately HK\$597,000 (2017: approximately HK\$773,000) during the year ended 31 March 2018. If the expected stock price volatility has been 5% (2017: 5%) lower with all other variables held constant, the Group's profit for the year would increase and accumulated losses would decrease by approximately HK\$1,863,000 (2017: approximately HK\$591,000) during the year ended 31 March 2018.

### 5. 金融工具(續)

#### c) 公平值(續)

##### 有關第三級公平值計量之資料(續)

計算公平值所採納之主要參數概列如下：

公平值計量中所用之重大不可觀察輸入數據為預期股價波幅。公平值計量與預期股價波幅呈正相關。倘預期股價波幅調高5% (二零一七年：5%)，而所有其他變數維持不變，則本集團於截至二零一八年三月三十一日止年度之年內溢利將減少，而累計虧損將增加約597,000港元(二零一七年：約773,000港元)。倘預期股價波幅調低5%(二零一七年：5%)，而所有其他變數維持不變，則本集團於截至二零一八年三月三十一日止年度之年內溢利將增加，而累計虧損將減少約1,863,000港元(二零一七年：約591,000港元)。



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### 5. FINANCIAL INSTRUMENTS (continued)

#### c) Fair value (continued)

##### Reconciliation of Level 3 fair value measurements

The movement during the year in the balance of financial liability of Level 3 fair value measurements is as follows:

Convertible bond (Note 25):	可換股債券(附註25)：	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	261,616	317,650
Fair value change credited to the profit or loss	計入損益之公平值變動	(14,374)	(61,975)
Derecognition on maturity	於到期時終止確認	-	(258,963)
Recognition on date of extension	於延期日期確認	-	264,904
Loss arising from modification of convertible bond	修訂可換股債券產生之虧損	-	5,941
(Gain)/Loss on translation of convertible bond denominated in a foreign currency into the functional currency, included in administrative and other operating expenses	換算以外幣計值之可換股債券為功能貨幣之(收益)/虧損，計入行政及其他經營費用	(23,569)	19,318
Exchange difference on translation of functional currency to presentation currency recognised in other comprehensive income	於其他全面收入確認之換算功能貨幣為呈列貨幣時產生之匯兌差額	23,569	(19,318)
Balance at end of the year	年末結餘	247,242	261,616

### 5. 金融工具(續)

#### c) 公平值(續)

有關第三級公平值計量之對賬  
第三級公平值計量之金融負債結存之年內變動如下：

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### 6. REVENUE

Revenue represents the amounts received and receivable for coal sold by the Group to external customers, less returns, discounts allowed and value added tax. An analysis of the Group's revenue is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of coal	銷售煤炭	182,445	73,024

### 7. OTHER REVENUE

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income on bank deposits	銀行存款之利息收入	4,322	2,822
Others	其他	2,010	7,121
		6,332	9,943

### 6. 收益

收益指本集團銷售煤炭予外部客戶減去退貨、折扣撥備及增值稅後之已收及應收款項。本集團之收益分析如下：

### 7. 其他收益

## 8. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision makers who are also the executive directors of the Company, for the purpose of resources allocation and performance assessment, is more specifically focused on the types of goods delivered and services provided by the Group's operating divisions.

Coal mine business is the only reportable operating segment, from which the Group derived its revenue from sale of coal. Accordingly, no further segment information is provided.

The geographical location of customers is determined based on the location where the goods are delivered. The Group's turnover and results from operations are mainly derived from revenue in the PRC. Activities outside the PRC are insignificant. The principal assets of the Group are also located in the PRC. Accordingly, no geographical information is provided.

### Information about major customers

Revenue from external customers individually contributing over 10% of the total revenue is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶A	70,563	*
Customer B	客戶B	48,980	*
Customer C	客戶C	18,284	*
Customer D	客戶D	*	20,522
Customer E	客戶E	*	18,920

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group during the years ended 31 March 2018 or 2017.

## 8. 分類資料

本集團經營分類按用作分配資源及評估表現向主要經營決策者(其亦為本公司執行董事)所報告之資料進行分析，尤其注重本集團經營分部所交付貨品及所提供服務之類型。

煤礦業務為唯一可報告經營分類，而本集團收益均來自該分類之煤炭銷售。因此，並無提供進一步分類資料。

客戶地區位置依據貨品交付地點釐定。本集團之收益及經營業績主要源自中國之業務。在中國境外之業務並不重大。本集團之主要資產亦均位於中國。因此，並無提供地區資料。

### 有關主要客戶之資料

個別佔總收益10%以上之對外客戶之收益如下：

\* 於截至二零一八年或二零一七年三月三十一日止年度，相應收益並無佔本集團總收益10%以上。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
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### 9. PROFIT BEFORE TAX

This is stated at after charging/(crediting):

### 9. 除稅前溢利

除稅前溢利扣除/(計入)下列各項後列賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>(a) Staff costs</b>	<b>(a) 員工成本</b>		
Staff costs (excluding directors' remuneration – Note 13)	員工成本(董事酬金除外—附註13)		
Basic salaries, allowances and other short-term employee benefits	基本薪金、津貼及其他短期僱員福利	9,278	9,076
Contributions to defined contribution plan	定額供款計劃供款	988	965
		10,266	10,041
<b>(b) Other items</b>	<b>(b) 其他項目</b>		
Amortisation of intangible assets	無形資產攤銷	5,478	2,710
Less: Amounts capitalised in inventories	減：存貨資本化金額	–	(1,112)
Amounts included in cost of sales	計入銷售成本之金額	5,478	1,598
Auditor's remuneration	核數師酬金		
– audit services	– 核數服務	700	740
– other services	– 其他服務	180	300
		880	1,040
Cost of inventories sold	已出售存貨成本	130,398	48,426
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,022	3,501
Exchange (gain)/loss on convertible bond designated as financial liabilities at FVTPL, net	指定為按公平值列賬並在損益內處理之金融負債之可換股債券之匯兌(收益)/虧損淨額	(23,569)	19,318
Other exchange loss/(gain), net	其他匯兌虧損/(收益)淨額	14,703	(7,828)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	132	–
Operating leases payments	經營租賃款項	2,560	2,495
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	3,511	–
Impairment loss on intangible assets	無形資產減值虧損	12,618	–
Interest income on financial assets not at FVTPL	不按公平值列賬並在損益內處理之金融資產之利息收入	(4,322)	(2,822)

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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### 10. INCOME TAX EXPENSE

### 10. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Income tax expense comprises:</b>	<b>所得稅開支包括：</b>		
PRC Enterprise Income Tax	中國企業所得稅		
– current year	– 本年度	15,871	7,127
– under-provision in prior years	– 過往年度撥備不足	201	206
		<b>16,072</b>	7,333
Deferred tax (Note 27)	遞延稅項(附註27)		
– (Reversal)/Origination of temporary difference	– 暫時差額(撥回)/產生	(10,130)	1,821
		<b>5,942</b>	9,154

Hong Kong Profits Tax has not been provided for in the consolidated financial statements as there was no estimated assessable profits arising in Hong Kong for both years. Where there is Hong Kong assessable profits, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

由於兩個年度內並無於香港產生估計應課稅溢利，故並無於綜合財務報表就香港利得稅作出撥備。倘有源自香港之應課稅溢利，則香港利得稅按估計應課稅溢利之16.5%來計算。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
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### 10. INCOME TAX EXPENSE (continued)

The Company is incorporated in Bermuda and is exempted from income tax in Bermuda. The Company's subsidiaries established in the BVI are exempted from income tax in the BVI.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before tax	除稅前溢利	42,620	57,421
Notional tax on profit before tax, calculated at the rates applicable to profit in the countries concerned	按照在相關國家獲得溢利 之適用稅率計算除稅前 溢利之名義稅項	9,452	10,280
Tax effect of expenses not deductible for tax purposes	不作扣稅開支之稅務影響	1,720	8,267
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(5,437)	(9,606)
Under-provision in prior years	過往年度撥備不足	201	206
Others	其他	6	7
Income tax expense for the year	本年度所得稅開支	5,942	9,154

### 10. 所得稅開支(續)

本公司於百慕達註冊成立並獲豁免繳納百慕達所得稅。本公司於英屬處女群島成立之附屬公司獲豁免繳納英屬處女群島所得稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度之稅率為25%。

本年度稅項開支與綜合損益及其他全面收益表中除稅前溢利之對賬如下：

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 11. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2018, nor has any dividend been proposed since the end of the current reporting period (2017: Nil).

### 12. EARNINGS/(LOSS) PER SHARE

#### a) Basic earnings share

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

### 11. 股息

截至二零一八年三月三十一日止年度內，並無派付或建議派付股息，自本報告期間結束以來亦無建議派付任何股息(二零一七年：無)。

### 12. 每股盈利／(虧損)

#### a) 每股基本盈利

本公司擁有人應佔年內每股基本盈利乃根據下列數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Profit</b>	<b>溢利</b>		
Profit for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	用以計算每股基本盈利之溢利(本公司擁有人應佔年內溢利)	<b>36,678</b>	48,267
		2018 二零一八年 Number of shares 股份數目	2017 二零一七年 Number of shares 股份數目
<b>Weighted average number of ordinary shares</b>	<b>普通股加權平均數</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	<b>765,373,584</b>	765,373,584

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 12. EARNINGS/(LOSS) PER SHARE (continued)

#### b) Diluted (loss)/earnings per share

The calculation of the diluted (loss)/earnings per share attributable to the owners of the Company for the year is based on the following data:

#### i) (Loss)/Profit for the year attributable to owners of the Company (diluted)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit for the year attributable to owners	擁有人應佔年內溢利	36,678	48,267
Change in fair value of convertible bond	可換股債券之公平值變動	(14,374)	(61,975)
Loss arising from modification of convertible bond	修訂可換股債券產生之虧損	-	5,941
Exchange (gain)/loss on convertible bond	可換股債券之匯兌(收益)/虧損	(23,569)	19,318
(Loss)/Profit attributable to owners (diluted)	擁有人應佔(虧損)/溢利(經攤薄)	(1,265)	11,551

#### ii) Weighted average number of ordinary shares (diluted)

		2018 二零一八年 Number of shares 股份數目	2017 二零一七年 Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	765,373,584	765,373,584
Effect of conversion of convertible bond	轉換可換股債券之影響	1,000,000,000	1,000,000,000
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用以計算每股攤薄(虧損)/盈利之普通股加權平均數	1,765,373,584	1,765,373,584

### 12. 每股盈利/(虧損)(續)

#### b) 每股攤薄(虧損)/盈利

本公司擁有人應佔年內每股攤薄(虧損)/盈利乃根據下列數據計算：

#### i) 本公司擁有人應佔年內(虧損)/溢利(經攤薄)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit for the year attributable to owners	擁有人應佔年內溢利	36,678	48,267
Change in fair value of convertible bond	可換股債券之公平值變動	(14,374)	(61,975)
Loss arising from modification of convertible bond	修訂可換股債券產生之虧損	-	5,941
Exchange (gain)/loss on convertible bond	可換股債券之匯兌(收益)/虧損	(23,569)	19,318
(Loss)/Profit attributable to owners (diluted)	擁有人應佔(虧損)/溢利(經攤薄)	(1,265)	11,551

#### ii) 普通股加權平均數(經攤薄)

		2018 二零一八年 Number of shares 股份數目	2017 二零一七年 Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	765,373,584	765,373,584
Effect of conversion of convertible bond	轉換可換股債券之影響	1,000,000,000	1,000,000,000
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用以計算每股攤薄(虧損)/盈利之普通股加權平均數	1,765,373,584	1,765,373,584



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For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 13. INFORMATION ABOUT THE BENEFITS OF DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS

#### a) Directors' remuneration

The aggregate amounts of remuneration received and receivable by the directors of the Company are as follows:

For the year ended 31 March 2018

### 13. 有關董事福利及五位最高薪人士之資料

#### a) 董事薪酬

本公司董事已收及應收之薪酬總額如下：

截至二零一八年三月三十一日止年度

		Other emoluments 其他酬金				
		Salaries, allowances and other short-term employee benefits 薪金、津貼及 其他短期 僱員福利	Discretionary bonus 酌情花紅	Contributions to defined contribution plan 定額供款 計劃供款	Total 總額	
		Fees 袍金 HK\$'000 千港元				
<b>Executive directors:</b>	<b>執行董事：</b>					
Lo Fong Hung	羅方紅	-	528	-	18	546
Wang Xiangfei	王翔飛	-	528	-	-	528
Kwan Man Fai	關文輝	792	-	-	-	792
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Wong Man Hin, Raymond	黃文顯	336	-	-	-	336
Lam Ka Wai, Graham (Note a)	林家威(附註a)	168	-	-	-	168
Chan Yiu Fai, Youdey	陳耀輝	336	-	-	-	336
Pak Wai Keung, Martin (Note b)	白偉強(附註b)	179	-	-	-	179
<b>Alternate director:</b>	<b>替代董事：</b>					
Wong Sze Wai (Note c)	王四維(附註c)	-	-	-	-	-
		1,811	1,056	-	18	2,885

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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截至二零一八年三月三十一日止年度

### 13. INFORMATION ABOUT THE BENEFITS OF DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS (continued)

#### a) Directors' remuneration (continued) For the year ended 31 March 2017

		Other emoluments 其他酬金					
		Salaries, allowances and other short-term employee benefits 薪金、津貼及 其他短期 僱員福利	Discretionary bonus 酌情花紅	Contributions to defined contribution plan 定額供款 計劃供款		Total 總額	
		Fees 袍金					
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
<b>Executive directors:</b>	<b>執行董事：</b>						
Lo Fong Hung	羅方紅	-	700	-	18	718	
Wang Xiangfei	王翔飛	-	480	-	12	492	
Kwan Man Fai	關文輝	500	-	-	-	500	
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>						
Wong Man Hin, Raymond	黃文顯	288	-	-	-	288	
Lam Ka Wai, Graham	林家威	288	-	-	-	288	
Chan Yiu Fai, Youdey	陳耀輝	288	-	-	-	288	
		1,364	1,180	-	30	2,574	

Note:

- On 7 September 2017, Lam Ka Wai, Graham retired as an independent non-executive director of the Company.
- On 19 September 2017, Pak Wai Keung, Martin was appointed as an independent non-executive director of the Company.
- On 18 July 2017, Wong Sze Wai was appointed as an alternate director (alternate to Wang Xiangfei) of the Company.

附註：

- 於二零一七年九月七日，林家威退任本公司獨立非執行董事。
- 於二零一七年九月十九日，白偉強獲委任為本公司獨立非執行董事。
- 於二零一七年七月十八日，王四維獲委任為本公司替代董事（替代王翔飛）。

13. INFORMATION ABOUT THE BENEFITS OF DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS (continued)

b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2017: three) were directors of the Company whose emoluments are set out above. The emoluments of the remaining two (2017: two) highest paid individuals were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and other short-term employee benefits	薪金、津貼及其他短期僱員福利	1,660	1,368
Contributions to defined contribution plan	定額供款計劃供款	38	39
		<b>1,698</b>	<b>1,407</b>

The emoluments of the two (2017: two) highest paid employees fall in the following bands:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
Nil – HK\$1,000,000	零至1,000,000港元	1	2
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	0

No emoluments were paid or payable by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2018 and 2017. There was no arrangement under which a director or waived or agreed to waive any remunerations for the years ended 31 March 2018 and 2017.

13. 有關董事福利及五位最高薪人士之資料(續)

b) 五名最高薪人士

於本集團五名最高薪人士中，三名(二零一七年：三名)為本公司董事，其酬金載於上文。餘下兩名(二零一七年：兩名)最高薪人士之酬金如下：

兩名(二零一七年：兩名)最高薪僱員之酬金介乎下列酬金範圍：

於截至二零一八年及二零一七年三月三十一日止年度，本集團並無向本公司董事或五名最高薪人士支付或應付酬金，以作為彼等加盟本集團或於加盟本集團時之獎勵，或作為彼等之離職賠償。於截至二零一八年及二零一七年三月三十一日止年度，概無任何有關董事放棄或同意放棄任何薪酬之安排。

13. INFORMATION ABOUT THE BENEFITS OF DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS (continued)

c) **Loans, quasi-loans and other dealings in favour of directors**

There are no loans, quasi-loans or other dealings in favour of the directors of the Company that were entered into or subsisted during the years ended 31 March 2018 and 2017.

d) **Directors' material interests in transactions, arrangements or contracts**

After consideration, the directors of the Company are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company, or connected entity of the directors of the Company, had a material interest, whether directly or indirectly, subsisted at the year or at any time during the years ended 31 March 2018 and 2017.

13. 有關董事福利及五位最高薪人士之資料(續)

c) **以董事為受益人之貸款、準貸款及其他交易**

截至二零一八年及二零一七年三月三十一日止年度，概無訂立或存續以本公司董事為受益人之貸款、準貸款或其他交易。

d) **董事於交易、安排或合約中之重大權益**

本公司董事經考慮後認為，於截至二零一八年及二零一七年三月三十一日止年度或年內任何時間，概無存續本公司就本公司業務所訂立，而本公司董事或本公司董事之關連實體直接或間接於其中擁有重大權益之重大交易、安排及合約。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、設備 及汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>				
As at 1 April 2016	於二零一六年四月一日	11,363	25,993	6,374	43,730
Exchange realignment	匯兌調整	(721)	(1,659)	(405)	(2,785)
Additions	添置	-	361	44	405
Disposals	出售	-	-	(16)	(16)
As at 31 March 2017	於二零一七年三月三十一日	10,642	24,695	5,997	41,334
As at 1 April 2017	於二零一七年四月一日	10,642	24,695	5,997	41,334
Exchange realignment	匯兌調整	1,008	2,384	565	3,957
Additions	添置	-	1,564	2,603	4,167
Disposals	出售	(515)	(350)	(435)	(1,300)
As at 31 March 2018	於二零一八年三月三十一日	11,135	28,293	8,730	48,158
<b>Accumulated depreciation and impairment losses</b>	<b>累計折舊及減值虧損</b>				
As at 1 April 2016	於二零一六年四月一日	5,456	18,389	4,837	28,682
Exchange realignment	匯兌調整	(370)	(1,213)	(320)	(1,903)
Charge for the year	本年度支出	1,032	1,953	516	3,501
Eliminated on disposals	出售時對銷	-	-	(16)	(16)
As at 31 March 2017	於二零一七年三月三十一日	6,118	19,129	5,017	30,264
As at 1 April 2017	於二零一七年四月一日	6,118	19,129	5,017	30,264
Exchange realignment	匯兌調整	666	2,062	543	3,271
Charge for the year	本年度支出	303	2,334	385	3,022
Impairment loss	減值虧損	1,320	1,838	353	3,511
Eliminated on disposals	出售時對銷	(355)	(349)	(372)	(1,076)
As at 31 March 2018	於二零一八年三月三十一日	8,052	25,014	5,926	38,992
<b>Net carrying amount</b>	<b>賬面淨值</b>				
As at 31 March 2018	於二零一八年三月三十一日	3,083	3,279	2,804	9,166
As at 31 March 2017	於二零一七年三月三十一日	4,524	5,566	980	11,070

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### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

The above property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the leases or 3.33%
Plant and machinery	10% to 25%
Furniture, equipment and motor vehicles	10% to 25%

The Group's leasehold land and buildings were situated in the PRC under original lease term of 48 years.

During the year ended 31 March 2018, in view of expected capital expenditure to be incurred for environmental protection remedial works, the directors of the Company consider that the recoverable amount (considered to be the same as the value-in-use ("VIU") of the cash generating units ("CGUs") of the non-current mining assets, including property, plant and equipment and mining right of the individual mine site, of the coal mining business of the Group (the "Coal Mining Assets"), mentioned in Note 15(i) below) of the CGUs is lower than the carrying amount. Therefore, an impairment of approximately HK\$3,511,000 was made on property, plant and equipment.

No impairment loss was recognised during the year ended 31 March 2017.

### 14. 物業、廠房及設備(續)

上述物業、廠房及設備以直線法按下列年率計提折舊：

租賃土地及樓宇	按租賃年期或3.33%之間較短者
廠房及機器	10%至25%
傢俬、設備及汽車	10%至25%

本集團之租賃土地及樓宇均位於中國，根據原租賃有關年期為48年。

截至二零一八年三月三十一日止年度，考慮到環保整改工作所引致之預期資本開支，本公司董事認為現金產生單位(「現金產生單位」)之可收回金額(誠如下文附註15(i)所述被視為與本集團煤礦業務之非流動採礦資產(包括各礦場之物業、廠房及設備以及採礦權)(「煤礦資產」)現金產生單位之使用價值(「使用價值」)一致)低於其賬面值。因此，已就物業、廠房及設備作出約3,511,000港元之減值。

截至二零一七年三月三十一日止年度，概無確認減值虧損。

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### 15. INTANGIBLE ASSETS

### 15. 無形資產

		Exploration and evaluation assets 勘探及評估資產 (Note ii & iii) (附註ii及iii) HK\$'000 千港元	Mining right 採礦權 (Note i & iii) (附註i及iii) HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
As at 1 April 2016	於二零一六年四月一日	48,442	102,538	150,980
Exchange realignment	匯兌調整	(3,076)	(6,511)	(9,587)
As at 31 March 2017	於二零一七年三月三十一日	45,366	96,027	141,393
As at 1 April 2017	於二零一七年四月一日	45,366	96,027	141,393
Exchange realignment	匯兌調整	4,410	9,334	13,744
As at 31 March 2018	於二零一八年三月三十一日	49,776	105,361	155,137
<b>Accumulated amortisation and impairment losses</b>	<b>累計攤銷及減值虧損</b>			
As at April 2016	於二零一六年四月	48,442	59,362	107,804
Exchange realignment	匯兌調整	(3,076)	(3,832)	(6,908)
Charge for the year	本年度支出	-	2,710	2,710
As at March 2017	於二零一七年三月	45,366	58,240	103,606
As at 1 April 2017	於二零一七年四月一日	45,366	58,240	103,606
Exchange realignment	匯兌調整	4,410	5,930	10,340
Charge for the year	本年度支出	-	5,478	5,478
Impairment loss	減值虧損	-	12,618	12,618
As at 31 March 2018	於二零一八年三月三十一日	49,776	82,266	132,042
<b>Net carrying amount</b>	<b>賬面淨值</b>			
As at 31 March 2018	於二零一八年三月三十一日	-	23,095	23,095
As at 31 March 2017	於二零一七年三月三十一日	-	37,787	37,787

## 15. INTANGIBLE ASSETS (continued)

### Notes:

The mining right and the exploration and evaluation assets acquired as part of a business combination during the year ended 31 March 2010 were initially recognised at their respective fair values on acquisition with reference to a professional valuation using discounted cash flow method based on the operating environment of each of the operating entities.

#### i) Mining right

The directors of the Company conducted impairment review of the mining right at the end of each reporting period or when impairment indicator exists. In such connection, the Company engaged Roma Appraisals Limited ("Roma"), an independent professional valuer, to assess the VIU of the Coal Mining Assets for the purpose of impairment testing.

During the year ended 31 March 2018, given that the expected capital expenditures for the environmental protection remedial works may result in a decrease in the appraised value of Coal Mining Assets. The directors of the Company have estimated the recoverable amount of the Coal Mining Assets with reference to the valuation report prepared by Roma using discounted cash flow method as at 30 September 2017. Based on the assessment, the VIU of the CGUs of the Coal Mining Assets was approximately HK\$32,170,000 resulting in an impairment loss of approximately HK\$16,129,000 being recognised as at 30 September 2017. The Group allocated the impairment loss based on their relative carrying amounts amongst the Coal Mining Assets. Accordingly, impairment loss for items of property, plant and equipment of approximately HK\$3,511,000 and impairment loss for mining right of approximately HK\$12,618,000 were recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2018.

The directors of the Company had re-assessed the Coal Mining Assets as at 31 March 2018 with reference to the valuation conducted by Roma using the same method as aforementioned, the directors of the Company expected that the VIU of the Coal Mining Assets approximates its carrying amount as at 31 March 2018, and no further impairment loss was recognised.

During the year ended 31 March 2017, with reference to valuations conducted by Roma using discounted cash flow method, the directors of the Company expected that the recoverable amount of the Coal Mining Assets exceeded its carrying amount and thus concluded that no impairment loss was recognised during the year ended 31 March 2017.

## 15. 無形資產(續)

### 附註：

截至二零一零年三月三十一日止年度收購採礦權以及勘探及評估資產作為業務合併一部分，並參照按各經營實體經營環境之已貼現現金流量方法作出之專業估值，初步以收購時各自之公平值確認。

#### i) 採礦權

於各報告期間結束或出現減值跡象時，本公司董事對採礦權進行減值檢討。因此，本公司已委聘獨立專業估值師羅馬國際評估有限公司(「羅馬」)評估煤礦資產之使用價值以作減值測試。

於截至二零一八年三月三十一日止年度，鑒於環保整改工作之預期資本開支或會導致煤礦資產評估值下跌。本公司董事已參考由羅馬於二零一七年九月三十日使用已貼現現金流量方法編製之估值報告評估煤礦資產之可收回金額。根據評估，煤礦資產之現金產生單位之使用價值約為32,170,000港元，導致於二零一七年九月三十日已確認約16,129,000港元之減值虧損。本集團根據煤礦資產內相關賬面值分配減值虧損。據此，物業、廠房及設備項目減值虧損約3,511,000港元以及採礦權減值虧損約12,618,000港元已於截至二零一八年三月三十一日止年度於綜合損益及其他全面收益表內確認。

本公司董事已於二零一八年三月三十一日參照羅馬使用上述相同方法作出之估值重新評估煤礦資產，本公司董事預期煤礦資產之使用價值約為其於二零一八年三月三十一日之賬面值，因而概無確認其他減值虧損。

截至二零一七年三月三十一日止年度，經參照羅馬使用已貼現現金流量方法作出之估值，本公司董事預期煤礦資產之可收回金額超過其賬面值，因而斷定截至二零一七年三月三十一日止年度並無確認任何減值虧損。



**15. INTANGIBLE ASSETS (continued)**

Notes: (continued)

**i) Mining right (continued)**

In assessing the VIU the CGUs, the future cash flows of the coal mining business which covers the remaining periods of the mining right of the mine are discounted to the related present values using a pre-tax discount rate that reflects current assessment of the time value of money and the risks specific to such business. Parameters used in the projected cash flows included but were not limited to selling prices and sales volumes of coal, production cost and other expenses, capital expenditure, production plan and discount rate, respectively, which reflected the current conditions of the market and the Group and estimated trend in the future.

When evaluating the appropriate discount rate for each of the CGUs, the Capital Asset Pricing Model ("CAPM") had been used. Under CAPM, the appropriate expected rate of return was the sum of the risk-free return and the equity risk premium required by investors to compensate for the market risk assumed. In addition, the expected rate of return of the CGUs was expected to be affected by other firm specific risk factors that are independent of the general market. The cost of equity was determined by the risk-free rate, market return, and estimated beta of the CGUs and firm specific risk factors. The pre-tax discount rate of 27%, 36% and 22% was used in assessing the VIU of the CGUs of the Coal Mining Assets as at 31 March 2018, 30 September 2017 and 31 March 2017 respectively.

**ii) Exploration and evaluation assets**

The exploration and evaluation assets represented the exploration right possessed by the Group. For the year ended 31 March 2013, the exploration and evaluation assets were fully impaired in profit or loss based on a professional valuation, which concluded that no defined or reliable future economic benefit could be drawn due to the following facts and circumstances:

- the exploration right had been renewed twice and the expiry date of it would be on 20 February 2014;
- according to a legal opinion obtained by the Group, that under PRC law and regulation the exploration right could only be renewed twice, and no further renewal for period beyond 20 February 2014 could be obtained;
- the directors of the Company re-assessed the status and considered that the Group was not able to obtain a mining right prior to the expiry of the exploration right; and
- that no defined or reliable future economic benefit could be drawn based on the current progress relating to the Optimization and Upgrading Plan (as defined in Note iii below).

**15. 無形資產(續)**

附註：(續)

**i) 採礦權(續)**

於評估現金產生單位之使用價值時，煤礦業務之未來現金流量(涵蓋礦場採礦權之剩餘期間)採用可反映當前所評估之貨幣時間值及相關業務特定風險之除稅前貼現率貼現至其現值。預測現金流量所使用之參數分別包括但不限於反映市場及本集團現狀以及未來估計走勢之煤炭售價及銷量、生產成本及其他開支、資本開支、生產計劃及貼現率。

於評估各現金產生單位之適用貼現率時，已採用資本資產定價模式(「資本資產定價模式」)。根據資本資產定價模式，合適之預期回報率為無風險回報與投資者為彌補所承擔市場風險而須取得之權益風險溢價兩者之總和。此外，預期現金產生單位之預期回報率將受到整體市場以外之其他固定特定風險因素所影響。權益成本乃按無風險利率、市場回報及現金產生單位之估計貝塔系數以及固定特定風險因素釐定。於二零一八年三月三十一日、二零一七年九月三十日及二零一七年三月三十一日，評估煤礦資產之現金產生單位之使用價值時所使用之除稅前貼現率為27%、36%及22%。

**ii) 勘探及評估資產**

勘探及評估資產指本集團擁有之勘探權。截至二零一三年三月三十一日止年度，勘探及評估資產已根據專業估值於損益中悉數減值，由此斷定本集團日後因以下事實及情況而將無法取得明確或可靠之經濟利益：

- 勘探權已重續兩次，並會於二零一四年二月二十日到期；
- 根據本集團所得之法律意見，按照中國法律及法規，勘探權僅可重續兩次，以及於二零一四年二月二十日後無法再重續勘探權；
- 本公司董事重新評估情況，認為本集團未能於勘探權到期前取得採礦權；及
- 基於優化升級方案(定義見下文附註iii)之目前進度，日後無法取得明確或可靠經濟利益。

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### 15. INTANGIBLE ASSETS (continued)

Notes: (continued)

#### ii) Exploration and evaluation assets (Continued)

Subsequent to the year ended 31 March 2013, the following facts happened in relation to the exploration and evaluation assets:

- on 19 March 2014, the relevant government bureau exercised an administrative discretionary right and granted a renewed exploration right with valid period from 25 February 2014 to 25 February 2016;
- on 19 May 2016, the Company further obtained a renewal permit from Department of Land and Resources of Xinjiang Uygur Autonomous Region (the "Xinjiang Land Development") granting the renewal of the Exploration Permit with valid period from 5 April 2016 to 5 April 2017; and
- on 16 May 2017, the Company further obtained a renewal permit from Xinjiang Land Department granting the renewal of the Exploration Permit with valid period from 16 May 2017 to 16 May 2019.

As at 31 March 2018 and 2017, despite the successful renewal of the exploration right, with reference to a professional valuation conducted by Roma, the Group concluded that no defined or reliable future economic benefit could be drawn from it and the impairment loss should not be reversed with the following reasons:

- the Group intends to hold the exploration right until the Optimization and Upgrading Plan is approved;
- due to the Optimization and Upgrading Plan, it is not feasible and practicable for the Group to obtain a mining right; and
- that defined or reliable future economic benefit could not be drawn based on the current progress of the Optimization and Upgrading Plan.

#### iii) Optimization and Upgrading Plan

During the year ended 31 March 2012, the Xinjiang Land Department informed the Group that pursuant to the instructions of the National Development and Reform Commission of the PRC, the Xinjiang Land Department is planning a management restructuring of different coal mines in the Xiheishan Mining Area (the "Optimization and Upgrading Plan"), where the Group's Kaiyuan Open Pit Coal Mine (the "Kaiyuan Mine") and Zexu Open Pit Coal Mine (the "Zexu Mine") are situated.

On 14 March 2012, a proposal (the "Proposal") was issued by the People's Government of Mulei Kazak Autonomous County, where the Group's Kaiyuan Mine is located, to the Administrative Bureau of Coal Industry of Changji Prefecture (the "Changji Administrative Bureau"). According to the Proposal, which is part of the Optimization and Upgrading Plan, the mining area of the Kaiyuan Mine, where the Group is now conducting mining activities, is proposed to be increased to 4.12 square kilometers, with the estimated additional coal resources of approximately 131.18 million tonnes. In the Proposal, it is also stated that the production capacity of the Kaiyuan Mine will increase from 0.9 million tonnes per year to 3 million tonnes per year.

### 15. 無形資產(續)

附註：(續)

#### ii) 勘探及評估資產(續)

截至二零一三年三月三十一日止年度後，發生下列有關勘探及評估資產之事件：

- 於二零一四年三月十九日，有關政府機關行使行政酌情權並授予重續勘探權，有效期由二零一四年二月二十五日至二零一六年二月二十五日；
- 於二零一六年五月十九日，本公司再獲新疆維吾爾自治區國土資源廳(「新疆國土資源廳」)重續礦產資源勘查許可證，批准礦產資源勘查許可證之重續，有效期由二零一六年四月五日起至二零一七年四月五日；及
- 於二零一七年五月十六日，本公司再獲新疆國土資源廳重續礦產資源勘查許可證，批准礦產資源勘查許可證之重續，有效期由二零一七年五月十六日起至二零一九年五月十六日。

於二零一八年及二零一七年三月三十一日，儘管成功重續勘探權，經參照羅馬提供之專業估值後，本集團斷定，本集團日後將無法取得明確或可靠經濟利益及減值虧損不應撥回，原因如下：

- 本集團擬持有勘探權直至優化升級方案獲得批准；
- 基於優化升級方案，本集團認為取得採礦權並非切實可行；及
- 基於優化升級方案之目前進度，日後無法取得明確或可靠經濟利益。

#### iii) 優化升級方案

截至二零一二年三月三十一日止年度，新疆國土資源廳知會本集團，根據中國國家發展和改革委員會之指示，新疆國土資源廳已為西黑山礦區內不同煤礦作出管理重組規劃(「優化升級方案」)，本集團之凱源露天煤礦(「凱源煤礦」)及澤旭露天煤礦(「澤旭煤礦」)位於該礦區內。

於二零一二年三月十四日，本集團凱源煤礦所在之木壘哈薩克自治縣人民政府向昌吉州煤炭工業管理局(「昌吉管理局」)發出建議(「建議」)。根據為優化升級方案一部分之建議，本集團正進行開採活動之凱源煤礦之開採面積建議增至4.12平方公里，估計煤礦資源約為131.18百萬噸。於建議中，亦列明凱源煤礦之產能由每年0.9百萬噸增至每年3百萬噸。

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### 15. INTANGIBLE ASSETS (continued)

Notes: (continued)

#### iii) Optimization and Upgrading Plan (Continued)

The Group received a letter dated 13 June 2012 issued by the Changji Administrative Bureau (the "13 June Letter") informing the updated status of the Management Restructuring Plan. According to the 13 June Letter, the following proposals in relation to the Group's Kaiyuan Mine and Zexu Mine (the "Updated Proposals") have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang Uygur Autonomous Region for consideration and approval:

- The Group's Kaiyuan Mine will be restructured and upgraded, and the exploration rights in the Zexu Mine granted to the Group will be terminated; and
- The mining area of the Kaiyuan Mine, where the Group is now conducting mining activities, is proposed to be increased from 1.1596 square kilometers to 4.12 square kilometers, with the estimated additional coal resources of approximately 131.18 million tonnes.

The directors of the Company are of the view that as the above proposals are still subject to final approval by the People's Government of Xinjiang Uygur Autonomous Region, it is uncertain whether the above changes will be materialised. The Group will engage an independent qualified valuer to value the additional coal resources when the final approval is obtained.

### 15. 無形資產(續)

附註：(續)

#### iii) 優化升級方案(續)

本集團接獲昌吉管理局就通知管理重組規劃之最新情況所發出之日期為二零一二年六月十三日之函件(「六月十三日函件」)。根據六月十三日函件，下列有關本集團凱源煤礦及澤旭煤礦之建議(「更新建議」)已提呈新疆維吾爾自治區煤炭產業結構優化升級工作領導小組辦公室作審批：

- 本集團之凱源煤礦將予以改造及升級，而授予本集團之澤旭煤礦勘探權將予以終止；及
- 本集團正進行開採活動之凱源煤礦之開採面積建議由1.1596平方公里增至4.12平方公里，估計額外煤礦資源約為131.18百萬噸。

本公司董事認為由於上述建議仍有待新疆維吾爾自治區人民政府最終審批，故上述變動會否落實仍屬未知之數。倘取得最終批准，本集團將委聘獨立合資格估值師對額外煤礦資源進行估值。

### 16. GOODWILL

### 16. 商譽

		HK\$'000 千港元
<b>Cost</b>	<b>成本</b>	
As at 1 April 2016, 31 March 2017 and 31 March 2018	於二零一六年四月一日、二零一七年 三月三十一日及二零一八年三月三十一日	37,469
<b>Impairment losses</b>	<b>減值虧損</b>	
As at 1 April 2016, 31 March 2017 and 31 March 2018	於二零一六年四月一日、二零一七年 三月三十一日及二零一八年三月三十一日	(37,469)
<b>Net carrying amount</b>	<b>賬面淨值</b>	
As at 31 March 2018	於二零一八年三月三十一日	-
As at 31 March 2017	於二零一七年三月三十一日	-

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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### 16. GOODWILL (continued)

The goodwill arising on acquisition of 奇台縣澤旭商貿有限責任公司 (Qitai County Zexu Trading Company Limited\*, “Zexu Company”) and 木壘縣凱源煤炭有限責任公司 (Mulei County Kaiyuan Coal Company Limited\*, “Kaiyuan Company”) were fully impaired during the year ended 31 March 2011.

\* English translation for identification purpose only.

### 17. SECURITY DEPOSIT

The balance represents a deposit denominated in RMB placed with a bank to secure the Group’s obligation to restore the environment when mining activities ceased. The deposit bears interest at the prevailing bank saving interest rate and can be withdrawn upon the expiry of the Group’s mining right and fulfillment of environment restoration obligation.

### 18. INVESTMENTS IN SUBSIDIARIES

The amounts due from subsidiaries are unsecured, non interest-bearing and repayable on demand.

### 16. 商譽(續)

收購奇台縣澤旭商貿有限責任公司(「澤旭公司」)及木壘縣凱源煤炭有限責任公司(「凱源公司」)所產生之商譽於截至二零一一年三月三十一日止年度已悉數減值。

### 17. 保證按金

結餘指本集團於採礦活動中止時就履行環境恢復責任而於銀行存置以人民幣計值之存款。存款按當時之銀行儲蓄利率計息，並可於本集團之採礦權屆滿及履行環境恢復責任後提取。

### 18. 於附屬公司之投資

		The Company 本公司	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	—	—

應收附屬公司款項為無抵押、免息及須於要求時償還。

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### 18. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries held by the Company as at 31 March 2018 and 2017 are as follows:

### 18. 於附屬公司之投資(續)

本公司於二零一八年及二零一七年三月三十一日持有之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Class of shares held/ 所持股份類別/ 實繳股本	Place of incorporation/ registration and operation 註冊成立/註冊及 經營地點	Issued share and paid up capital 已發行股份及 實繳股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
				2018 二零一八年 %	2017 二零一七年 %	
<b>Directly held:</b>						
<b>直接持有：</b>						
Lasting Power Investments Limited 力恒投資有限公司	Ordinary share 普通股	The BVI 英屬處女群島	United States Dollars ("US\$")1 1美元 (「美元」)	100	100	Investment holding 投資控股
<b>Indirectly held:</b>						
<b>間接持有：</b>						
Star Fortune International Investment Company Limited ("Star Fortune") 星力富鑫國際投資有限公司 (「星力富鑫」)	Ordinary share 普通股	The BVI 英屬處女群島	US\$100 100美元	100	100	Investment holding 投資控股
Ming Kei Kai Yuan Investment Company Limited 明基凱源投資有限公司	Ordinary share 普通股	Hong Kong 香港	HK\$60,000,000 60,000,000港元	100	100	Investment holding 投資控股
Kaiyuan Company* 凱源公司*	Paid up capital 實繳股本	The PRC 中國	RMB30,000,000 人民幣30,000,000元	100	100	Coal mining and sales 開採及銷售煤炭
Zexu Company* 澤旭公司*	Paid up capital 實繳股本	The PRC 中國	RMB2,000,000 人民幣2,000,000元	100	100	Holding of an exploration right of coal mine 持有煤礦勘探權

\* Registered under the laws of the PRC as wholly-foreign-owned enterprise

\* 根據中國法例註冊為外商獨資企業

# Registered under the laws of the PRC as domestic enterprise

# 根據中國法例註冊為境內企業

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

於報告期間結束時或報告期間內任何時間，概無附屬公司擁有任何已發行之債務證券。

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### 19. INVENTORIES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Consumables	消費品	434	371
Coal	煤炭	6,787	50,552
		<b>7,221</b>	<b>50,923</b>

No inventories were written down for the years ended 31 March 2018 and 2017.

並無於截至二零一八年及二零一七年三月三十一日止年度撇減存貨。

### 20. TRADE AND OTHER RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and bills receivables (Note a)	應收貨款及應收票據 (附註a)	1,116	10,591
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	3,093	1,926
Non-refundable deposits (Note b)	不可退還按金(附註b)	2,604	-
		<b>6,813</b>	<b>12,517</b>

Analysed by:

分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產	2,604	-
Current assets	流動資產	4,209	12,517
		<b>6,813</b>	<b>12,517</b>

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 20. TRADE AND OTHER RECEIVABLES (continued)

All of the trade and other receivables that are classified as current assets are expected to be recovered or recognised as expense within one year.

The Group's sales to coal customers are largely done on payment in advance basis. For certain well-established customers, the Group allows an average credit period of 90 days.

Note:

- a. At the end of reporting period, the ageing analysis of the trade receivables (presented based on the invoice date) and bills receivables (presented based on the issuance date of relevant bills), net of allowance for doubtful debts was as follows:

Within 90 days	90天內
91 days to 180 days	91天至180天

As of the end of reporting period, all trade and bills receivables (2017: HK\$Nil) were neither past due nor impaired related to wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

- b. Non-refundable deposits of approximately RMB2,099,000 (equivalent to approximately HK\$2,604,000) were paid to two independent third parties in accordance with respective undisputed agreements signed during the year regarding the acquisition of areas of coal mine held by the third parties to extend the coal mine of the Group. Further details are set out in the Company's announcement dated 15 August 2017. The Group was required to go through official procedures with the relevant land and resources departments to obtain the exploration right and then the mining right in respect of these extended areas. The non-refundable deposits will be transferred to intangible assets in the consolidated statement of financial position upon completion of acquisition.

These transactions are not yet completed at the date of approving the consolidated financial statements.

### 20. 應收貨款及其他應收款項(續)

所有分類為流動資產之應收貨款及其他應收款項預期於一年內收回或確認為開支。

本集團向煤炭客戶之銷售大部分按預付款項基準作出。就若干關係良好之客戶而言，本集團允許之平均信貸期為90天。

附註：

- a. 於報告期間結束時，應收貨款(按發票日期呈列)及應收票據(按相關票據發出日期呈列)於扣除呆賬撥備後之賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 90 days	1,116	6,421
91 days to 180 days	-	4,170
	1,116	10,591

於報告期間結束時，應收貨款及應收票據均未逾期且並未出現減值(二零一七：零港元)，此乃與近期並無拖欠記錄之多名客戶有關。本集團並無就該等結餘持有任何抵押品。

- b. 根據於年內簽署有關收購第三方持有之礦區以擴展本集團煤礦之各項無爭議協議，已向兩名獨立第三方支付約人民幣2,099,000元(相當於約2,604,000港元)之不可退還按金。有關進一步詳情載於本公司日期為二零一七年八月十五日之公告。本集團須向相關國土資源部門辦理正式程序以取得該等經擴展地區之勘察權及隨後之採礦權。於收購完成後，不可退還按金將轉入綜合財務狀況表之無形資產。

該等交易於批准綜合財務報表之日尚未完成。

## 21. TRANSFERS OF FINANCIAL ASSETS

As at 31 March 2018, the Group endorsed certain bills receivable accepted by banks (the “Banks”) in the PRC (the “Derecognised Bills”), to certain of its suppliers in order to settle the trade payables due to these suppliers with a total carrying amount in aggregate of approximately HK\$21,496,000 (2017: approximately HK\$6,045,000). The Derecognised Bills will mature in one to six months after the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the Banks default (the “Continuing Involvement”). In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills, because it is remote for the Banks to default the payment. Therefore, it derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss arising from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equal to their carrying amounts.

During the year, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills (2017: HK\$Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

## 21. 轉讓金融資產

於二零一八年三月三十一日，本集團就其若干供應商獲多間中國銀行（「銀行」）接納之若干應收票據（「終止確認票據」）進行背書，以償付應付該等供應商賬面總值合共為約21,496,000港元（二零一七年：約6,045,000港元）之應付貨款。終止確認票據將於報告期間結束後一至六個月到期。根據中國票據法，倘銀行拖欠付款，則終止確認票據持有人對本集團擁有追索權（「持續牽涉責任」）。本公司董事認為，由於銀行拖欠付款之可能性極低，故本集團已轉移有關終止確認票據之絕大部分風險及回報。因此，其已終止確認終止確認票據及相關應付貨款之全數賬面值。本集團所承受因終止確認票據之持續牽涉責任以及購回該等終止確認票據之未貼現現金流量而造成損失之最大風險，相當於該等票據之賬面值。

年內，本集團並無於轉讓終止確認票據當日確認任何收益或虧損（二零一七年：零港元）。並無確認來自持續牽涉責任之年度或累計收益或虧損。



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### 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group amounting to approximately HK\$440,437,000 (2017: approximately HK\$331,606,000) comprised bank balances and cash held by the Group and short-term deposits with an original maturity of three months or less. The bank balances and bank deposits carried interest at market rates ranging from 0.01% to 3.85% (2017: 0.01% to 3.50%) per annum.

### 22. 現金及現金等值項目

本集團之現金及現金等值項目約440,437,000港元(二零一七年：約331,606,000港元)，包括本集團持有之銀行結餘及現金以及原到期日為三個月或以內之短期存款。銀行結餘及銀行存款按介乎0.01厘至3.85厘(二零一七年：0.01厘至3.50厘)之市場年利率計息。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank balances	銀行結餘	288,095	170,265
Short term deposits with an original maturity of three months or less	原到期日為三個月或以內之短期存款	152,107	161,210
Cash on hand	手頭現金	235	131
Cash and cash equivalents	現金及現金等值項目	440,437	331,606

Included in cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

現金及現金等值項目包括下列以相關實體功能貨幣以外之貨幣計值之款項：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	153,554	163,851
US\$	美元	67	67

As at 31 March 2018, the Group had balances amounted to approximately RMB230,228,000 (equivalent to approximately HK\$285,584,000) (2017: approximately RMB148,222,000, equivalent to approximately HK\$167,572,000) that were placed with banks in the PRC. Remittance of funds out of the PRC is subject to the exchange controls imposed by the PRC government.

於二零一八年三月三十一日，本集團存於中國境內銀行之結餘為約人民幣230,228,000元(相當於約285,584,000港元)(二零一七年：約人民幣148,222,000元，相當於約167,572,000港元)。匯出中國境外之資金須受中國政府實行之外匯管制所規限。

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### 23. TRADE AND OTHER PAYABLES

At the end of reporting period, the ageing analysis of the trade payables (presented based on the invoice date) were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 90 days	90天內	9,478	8,649
91–180 days	91天至180天	2,032	4,057
181–365 days	181天至365天	2,609	1,243
Over 1 year	超過1年	13	27
Trade payables	應付貨款	14,132	13,976
Receipt in advance	預收款項	1,534	2,261
Other taxes payable	其他應付稅項	6,877	1,357
Government levies payable	應付政府徵費		
– Economic development fees in coal resources areas	– 煤炭資源地方經濟發展費	29,241	26,651
– Others	– 其他	4,117	4,177
Accrued expenses	應計費用	2,325	2,162
Non-refundable deposits received (Note a)	已收不可退還按金(附註a)	6,075	–
Other payables	其他應付款項	5,497	5,940
		<b>69,798</b>	<b>56,524</b>

The average credit period of purchases of goods is 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Note:

- a. Non-refundable deposits received of approximately RMB4,897,000 (equivalent to approximately HK\$6,075,000) were received from two independent third parties in accordance with respective undisputed agreements signed during the year regarding the disposal of areas of coal mine held by the Group. Further details are set out in the Company's announcement dated 15 August 2017. These transactions are not yet completed at the date of approving the consolidated financial statements.

### 23. 應付貨款及其他應付款項

於報告期間結束時，應付貨款(按發票日期呈列)之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 90 days	90天內	9,478	8,649
91–180 days	91天至180天	2,032	4,057
181–365 days	181天至365天	2,609	1,243
Over 1 year	超過1年	13	27
Trade payables	應付貨款	14,132	13,976
Receipt in advance	預收款項	1,534	2,261
Other taxes payable	其他應付稅項	6,877	1,357
Government levies payable	應付政府徵費		
– Economic development fees in coal resources areas	– 煤炭資源地方經濟發展費	29,241	26,651
– Others	– 其他	4,117	4,177
Accrued expenses	應計費用	2,325	2,162
Non-refundable deposits received (Note a)	已收不可退還按金(附註a)	6,075	–
Other payables	其他應付款項	5,497	5,940
		<b>69,798</b>	<b>56,524</b>

採購商品之平均信貸期為180天。本集團已制定財務風險管理政策，確保所有應付款項於信貸期限內清償。

附註：

- a. 根據於年內簽署有關出售本集團持有之礦區之各項無爭議協議，已向兩名獨立第三方收取約人民幣4,897,000元(相當於約6,075,000港元)之不可退還按金。有關進一步詳情載於本公司日期為二零一七年八月十五日之公告。該等交易於批准綜合財務報表之日尚未完成。

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### 24. SHARE CAPITAL AND RESERVES

#### a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### The Company

		Share premium 股份溢價 HK\$'000 千港元 (Note i) (附註i)	Exchange translation reserve 匯兌儲備 HK\$'000 千港元 (Note iv) (附註iv)	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note vi) (附註vi)	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 April 2016	於二零一六年四月一日	191,534	12,510	128,013	(398,015)	(65,958)
Profit for the year	年內溢利	-	-	-	46,499	46,499
<b>Total other comprehensive loss:</b>	<b>其他全面虧損總額：</b>					
<i>Item that maybe reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>					
Exchange differences on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額	-	(1,750)	-	-	(1,750)
Total comprehensive income for the year	年內全面收入總額	-	(1,750)	-	46,499	44,749
As at 31 March 2017 and 1 April 2017	於二零一七年三月三十一日 及二零一七年四月一日	191,534	10,760	128,013	(351,516)	(21,209)
Loss for the year	年內虧損	-	-	-	(71)	(71)
<b>Total other comprehensive income:</b>	<b>其他全面收入總額：</b>					
<i>Item that maybe reclassified subsequently to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>					
Exchange differences on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之匯兌差額	-	5,374	-	-	5,374
Total comprehensive income for the year	年內全面收入總額	-	5,374	-	(71)	5,303
As at 31 March 2018	於二零一八年三月三十一日	191,534	16,134	128,013	(351,587)	(15,906)

Notes:

#### i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

附註：

#### i) 股份溢價

運用股份溢價須受百慕達一九八一年公司法第40條管轄。

### 24. 股本及儲備

#### a) 權益部分變動

本集團之綜合權益各個部分之年初及年末結餘對賬載於綜合權益變動表。本公司個別權益部分之年初及年末變動詳情載列如下：

#### 本公司

## 24. SHARE CAPITAL AND RESERVES (continued)

### a) Movements in components of equity (continued)

#### The Company (continued)

Notes: (continued)

#### ii) Capital reserve

Capital reserve arose from the acquisition of the additional equity interest of subsidiaries in prior years. It represents the difference between the carrying amount of the net assets of the subsidiaries attributable to the additional interest at the dates of acquisition and the fair value of consideration paid by the Group.

#### iii) Statutory reserves

##### *Statutory surplus reserve*

In accordance with the PRC regulations, all of the Group's subsidiaries in the PRC are required to transfer part of their profit after tax to the statutory surplus reserve, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies in accordance with their articles of association.

##### *Specific reserve for maintenance and production funds*

Pursuant to the relevant PRC regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases to a specific reserve account. The maintenance and production funds can be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

#### iv) Exchange translation reserve

Exchange translation reserve comprises all foreign exchange differences arising from the translation of functional currency to presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(n) to the consolidated financial statements.

#### v) Special reserve

The amount in special reserve represents the difference between the consideration paid for acquiring a further 49% equity interest in Star Fortune and the decrease in the carrying amount of the non-controlling interests of Star Fortune.

#### vi) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of the companies being acquired and the value of net assets of the underlying companies acquired at the time of the Group's reorganisation in preparation for its listing in 1995. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of the contributed surplus in certain circumstances.

## 24. 股本及儲備(續)

### a) 權益部分變動(續)

#### 本公司(續)

附註：(續)

#### ii) 股本儲備

股本儲備源於過往年度收購附屬公司額外股本權益。該儲備指於收購日期有關額外權益應佔該等附屬公司資產淨值之賬面值與本集團所付代價公平值之間之差額。

#### iii) 法定儲備

##### *法定盈餘儲備*

根據中國法規，本集團所有在中國之附屬公司須於分派溢利前將其部分除稅後溢利轉撥至法定盈餘儲備，該儲備為不可分派之儲備。轉撥金額須經由該等公司之董事會按照其組織章程細則批准。

##### *維簡及生產資金之專項儲備*

根據中國相關法規，本集團須按照相關基準以固定比率轉撥維簡及生產資金至專項儲備賬。維簡及生產資金可在產生生產維簡及安全措施之開支或資本開支時動用。已動用維簡及生產資金將由專項儲備賬轉撥至保留溢利。

#### iv) 匯兌儲備

匯兌儲備包括換算功能貨幣至呈列貨幣時產生之全部外匯差額。該儲備根據綜合財務報表附註2(n)所載會計政策處理。

#### v) 特別儲備

特別儲備金額相當於進一步收購星力富鑫49%股本權益之已付代價與星力富鑫非控股權益賬面值減額間之差額。

#### vi) 繳入盈餘

本公司之繳入盈餘指本公司為交換所收購公司已發行股份而發行之本公司股份面值，與所收購相關公司於本集團在一九九五年為籌備上市進行重組時之資產淨值之差額。根據百慕達一九八一年公司法，本公司可在若干情況下自繳入盈餘向其股東作出分派。

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### 24. SHARE CAPITAL AND RESERVES (continued)

#### b) Authorised and issued share capital

		Number of ordinary shares of HK\$0.10 each 每股面值 0.10港元之 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Balance as at 1 April 2016, 31 March 2017, 1 April 2017 and 31 March 2018	於二零一六年四月一日、 二零一七年三月三十一日、 二零一七年四月一日及 二零一八年三月三十一日之結餘	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Balance as at 1 April 2016, 31 March 2017, 1 April 2017 and 31 March 2018	於二零一六年四月一日、 二零一七年三月三十一日、 二零一七年四月一日及 二零一八年三月三十一日之結餘	765,373,584	76,537

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

#### c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, and to generate sufficient profit to maintain growth and provide a satisfactory return to its shareholders.

### 24. 股本及儲備(續)

#### b) 法定及已發行股本

Number of  
ordinary shares  
of HK\$0.10 each  
每股面值  
0.10港元之  
普通股數目

Amount  
金額  
HK\$'000  
千港元

5,000,000,000      500,000

765,373,584      76,537

普通股持有人有權收取不時宣派之股息，並可於本公司會議上享有一股可投一票之權利。所有普通股在分攤本公司之剩餘資產方面均享有同等權益。

#### c) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以及賺取足夠利潤以維持增長，並為其股東賺取滿意回報。

## 24. SHARE CAPITAL AND RESERVES (continued)

## c) Capital management (continued)

The directors of the Company actively and regularly review and manage its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic condition. In view of this, the Group will balance its overall capital structure through the payment of dividend or the issue of new debt. No changes were made in the objectives or policies during the year.

The Group monitors its capital structure on the basis of a debt-to-equity ratio. For this purpose, total debt represented convertible bond designated as financial liabilities at fair value through profit or loss. Equity comprises all components of equity.

The debt-to-equity ratio as at 31 March 2018 and 2017 are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current liability</b>	<b>非流動負債</b>		
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	247,242	261,616
Total debt	總負債	247,242	261,616
Total equity	總權益	165,716	115,367
Debt-to-equity ratio	權益負債比率	1.49	2.27

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 24. 股本及儲備(續)

## c) 資本管理(續)

本公司董事積極定期檢討及管理其資本架構，以在較高股東回報情況下可能伴隨之較高借貸水平與穩健資本狀況帶來之好處及保障之間取得平衡，並根據經濟狀況變化對資本結構作出調整。有鑒於此，本集團將透過派付股息或發行新債務平衡其整體資本結構。於年內並無對目標或政策作出任何變動。

本集團以權益負債比率作為監控其資本架構之基準。就此而言，總負債即指定為按公平值列賬並在損益內處理之金融負債之可換股債券。權益包括權益之所有組成部分。

於二零一八年及二零一七年三月三十一日之權益負債比率如下：

本公司或其任何附屬公司均無受到外部施加之資本規定之限制。

## 25. CONVERTIBLE BOND

On 14 March 2008, the Company issued zero-coupon convertible bond with an aggregate principal amount of HK\$200,000,000 to Ascent Goal simultaneously upon completion of the issue and allotment of 400,000,000 ordinary shares of HK\$0.1 each. The bond is denominated in HK\$ and entitles the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bond and its settlement date on 13 March 2011 in multiples of HK\$1,000,000 at a conversion price HK\$0.20 (subject to adjustments) per share. The shares to be issued and allotted upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue. If the convertible bond has not been converted, the Company shall repay the principal amount of the outstanding convertible bond to Ascent Goal at 13 March 2011.

On 11 February 2011, the Company entered into a deed of amendment with Ascent Goal (“1<sup>st</sup> extended Convertible Bond”), to extend the maturity date of the convertible bond for 36 months and the conversion period will accordingly be extended for 36 months from 14 March 2011 (date of extension) to 13 March 2014. Apart from the extension of the maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

Following the change of functional currency from HK\$ to RMB, the directors of the Company are of the view that the convertible bond upon extension of maturity date (“Convertible Bond”) was no longer convertible at a fixed for fixed relationship. Accordingly, the Convertible Bond was designated as a financial liability at FVTPL in the consolidated statement of financial position.

On 21 January 2014, the Company entered into a second deed of amendment with Ascent Goal (“2<sup>nd</sup> extended Convertible Bond”), to extend the maturity date of the Convertible Bond for 36 months and the conversion period will accordingly be extended for 36 months from 14 March 2014 (date of extension) to 13 March 2017 (“2<sup>nd</sup> extended Maturity Date”). Apart from the extension of maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

## 25. 可換股債券

於二零零八年三月十四日，本公司於完成發行及配發400,000,000股每股面值0.1港元之普通股之同時，向晉標發行本金總額為200,000,000港元之零息可換股債券。該債券以港元計值，賦予持有人權利於該債券發行日期至結算日期二零一一年三月十三日期間，隨時按轉換價每股0.20港元（可予調整）將之轉換為本公司普通股，轉換時須為1,000,000港元之倍數。轉換時將予發行及配發之股份彼此之間及與於配發及發行日期本公司所有其他已發行普通股於各方面均享有同等權益。倘可換股債券未獲轉換，本公司應於二零一一年三月十三日償還晉標未轉換可換股債券之本金額。

於二零一一年二月十一日，本公司與晉標訂立修訂契據（「第一次延期可換股債券」），以將可換股債券之到期日延期36個月及轉換期將相應從二零一一年三月十四日（延期日期）延期36個月至二零一四年三月十三日。除延長到期日及轉換期外，所有可換股債券條款按原有條款維持不變。

功能貨幣從港元轉為人民幣後，本公司董事認為到期日延期後之可換股債券（「可換股債券」）不可再以固定關係轉換。因此，可換股債券於綜合財務狀況表內指定為按公平值列賬並在損益內處理之金融負債。

於二零一四年一月二十一日，本公司與晉標訂立第二份修訂契據（「第二次延期可換股債券」），以將可換股債券之到期日延期36個月，而轉換期將相應從二零一四年三月十四日（延期日期）延期36個月至二零一七年三月十三日（「第二次延期到期日」）。除延長到期日及轉換期外，所有可換股債券條款按原有條款維持不變。

## 25. CONVERTIBLE BOND (continued)

The 2<sup>nd</sup> extended Maturity Date is considered to be a substantial modification of terms of the Convertible Bond as the discounted present value of the cash flows of the 2<sup>nd</sup> extended Convertible Bond is more than 10% different from the discounted present value of the cash flows of the outstanding Convertible Bond prior to the extension of maturity date. As such, the 1<sup>st</sup> extended Convertible Bond was derecognised and the 2<sup>nd</sup> extended Convertible Bond was recognised. The fair value of the 2<sup>nd</sup> extended Convertible Bond as at 14 March 2014 amounting to approximately HK\$200,000,000. An extinguishment loss of approximately HK\$211,000 has been recognised in profit or loss during the year ended 31 March 2014.

On 25 January 2017, the Company entered into a third deed of amendment with Ascent Goal (“3<sup>rd</sup> extended Convertible Bond”), to further extend the maturity date of the 2<sup>nd</sup> extended Convertible Bond for 36 months and the conversion period will accordingly be extended for 36 months from 13 March 2017 (date of extension) to 13 March 2020 (“3<sup>rd</sup> extended Maturity Date”). Apart from the extension of maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms.

The 3<sup>rd</sup> extended Maturity Date is considered to be a substantial modification of terms of the 2<sup>nd</sup> extended Convertible Bond as the discounted present value of the cash flows of the 3<sup>rd</sup> extended Convertible Bond is more than 10% different from the discounted present value of the outstanding 2<sup>nd</sup> extended Convertible Bond prior to the extension of maturity date. As such, the 2<sup>nd</sup> extended Convertible Bond was derecognised and the 3<sup>rd</sup> extended Convertible Bond was recognised. The fair value of the 3<sup>rd</sup> extended Convertible Bond as at 14 March 2017 amounting to approximately HK\$264,904,000. An extinguishment loss of approximately HK\$5,941,000 has been recognised in profit and loss during the year ended 31 March 2017.

The 3<sup>rd</sup> extended Convertible Bond were valued by the directors of the Company with reference to valuation reports issued by independent qualified valuers not connected to the Group.

## 25. 可換股債券(續)

由於第二次延期可換股債券之現金流量已貼現現值超過到期日延期前之尚未行使可換股債券之現金流量已貼現現值10%以上，故第二次延期到期日被視為可換股債券條款之重大修改。因此，已終止確認第一次延期可換股債券並確認第二次延期可換股債券。第二次延期可換股債券於二零一四年三月十四日之公平值約為200,000,000港元。截至二零一四年三月三十一日止年度，約211,000港元清償虧損已於損益中確認。

於二零一七年一月二十五日，本公司與晉標訂立第三份修訂契據(「第三次延期可換股債券」)，以將第二次延期可換股債券之到期日進一步延期36個月，而轉換期將相應從二零一七年三月十三日(延期日期)延期36個月至二零二零年三月十三日(「第三次延期到期日」)。除延長到期日及轉換期外，所有可換股債券條款按原有條款維持不變。

由於第三次延期可換股債券現金流量已貼現現值超過到期日延期前之第二次延期可換股債券現金流量已貼現現值10%以上，故第三次延期到期日被視為可換股債券條款之重大修改。因此，已終止確認第二次延期可換股債券並確認第三次延期可換股債券。第三次延期可換股債券於二零一七年三月十四日之公平值約為264,904,000港元。截至二零一七年三月三十一日止年度，約5,941,000港元清償虧損已於損益中確認。

第三次延期可換股債券經本公司董事參考與本集團並無關連之獨立合資格估值師所出具之估值報告進行估值。



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25. CONVERTIBLE BOND (continued)

The movements of the 3<sup>rd</sup> extended Convertible Bond for the year are set out below:

25. 可換股債券(續)

第三次延期可換股債券於年內之變動載列如下：

		3 <sup>rd</sup> extended Convertible Bond 第三次延期可換股債券	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 1 April 2017/14 March 2017	於二零一七年四月一日/ 二零一七年三月十四日	261,616	264,904
Fair value change credited to the profit or loss	於損益計入之公平值變動	(14,374)	(3,288)
(Gain)/Loss on translation of 3 <sup>rd</sup> extended Convertible Bond denominated in a foreign currency into the functional currency	換算以外幣計值之 第三次延期可換股 債券為功能貨幣之 (收益)/虧損	(23,569)	6,209
Exchange adjustment arising on translation of functional currency to presentation currency and recognised in other comprehensive income	換算功能貨幣為呈列 貨幣時產生並在 其他全面收入確認 之匯兌調整	23,569	(6,209)
As at 31 March	於三月三十一日	247,242	261,616
Analysed for reporting as: Non-current liabilities	報告分析為： 非流動負債	247,242	261,616
Difference between carrying amount and maturity amount: 3 <sup>rd</sup> extended Convertible Bond at fair value	賬面值與到期金額 之差額： 按公平值計算之第三次 延期可換股債券	247,242	261,616
Amount payable on maturity	於到期時應付金額	(200,000)	(200,000)
		47,242	61,616

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### 25. CONVERTIBLE BOND (continued)

The movements of the 2<sup>nd</sup> extended Convertible Bond for the year ended 31 March 2017 are set out below:

		2 <sup>nd</sup> extended Convertible Bond 第二次延期 可換股債券 HK\$'000 千港元
As at 1 April 2016	於二零一六年四月一日	317,650
Fair value change credited to the profit or loss	於損益計入之公平值變動	(58,687)
Loss on translation of 2 <sup>nd</sup> extended Convertible Bond denominated in a foreign currency into the functional currency	換算以外幣計值之第二次延期可換股債券為功能貨幣之虧損	13,109
Exchange adjustment arising on translation of functional currency to presentation currency and recognised in other comprehensive income	換算功能貨幣為呈列貨幣時產生並在其他全面收入確認之匯兌調整	(13,109)
Derecognition on maturity on 13 March 2017	於二零一七年三月十三日到期時終止確認	(258,963)
As at 13 March 2017 and 31 March 2017	於二零一七年三月十三日及二零一七年三月三十一日	-

None of the 2<sup>nd</sup> extended Convertible Bond or 3<sup>rd</sup> extended Convertible Bond had been converted into ordinary shares of the Company during the years ended 31 March 2018 and 2017.

### 25. 可換股債券(續)

第二次延期可換股債券於截至二零一七年三月三十一日止年度之變動載列如下：

截至二零一八年及二零一七年三月三十一日止年度並無第二次延期可換股債券或第三次延期可換股債券已獲轉換為本公司普通股。

### 26. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

		HK\$'000 千港元
As at 1 April 2016	於二零一六年四月一日	2,808
Accretion expense	遞增開支	176
Exchange difference	匯兌差額	(182)
As at 31 March 2017 and 1 April 2017	於二零一七年三月三十一日及二零一七年四月一日	2,802
Exchange difference	匯兌差額	272
As at 31 March 2018	於二零一八年三月三十一日	3,074

**26. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS (continued)**

Mining activities may result in land subsidence or damage, which could lead to losses to the residents of the mining areas. Pursuant to the relevant PRC regulations, the Group is required to make compensation payments to the residents for their losses resulting from land subsidence or damage, or to restore the mining areas back to certain acceptable conditions.

Under existing legislation, the directors of the Company believe that there are no probable liabilities that will have a material adverse effect on the financial position or results of operations of the Group. The PRC government, however, has moved and may move further towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, coal mines and land development areas, whether operating, closed or sold, (ii) the extent of required cleanup efforts, (iii) varying costs of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites.

The provision for close down, restoration and environmental clean up costs has been determined by the directors of the Company based on their past experience and best estimate of future expenditure by discounting the expected expenditures to their net present value. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to revision in the future. The amounts provided in relation to close down, restoration and environmental clean up costs are reviewed at least annually based upon the facts and circumstances available at the time and the provisions are updated accordingly.

**26. 關閉、復墾及環境成本撥備 (續)**

開採活動可能導致地層下陷或受損，從而可令開採地區之居民遭受損失。根據中國相關法規，本集團須就地層下陷或受損對居民造成之損失向有關居民作出賠償，或將開採地區恢復至一定可接受狀況。

根據現行法例，本公司董事相信不會發生任何可能對本集團財務狀況或經營業績有重大負面影響之責任。然而，中國政府已經並有可能進一步實施更嚴格之環保標準。環保責任涉及相當程度之不確定因素，並可能影響本集團估計最終環境補償成本之能力。此等不確定因素包括：(i)於不同地點(包括但不限於營運中、已關閉或已出售之礦場及土地開發區域)出現污染之確切性質及程度；(ii)需要展開清理工作之程度；(iii)各種其他可供選用補救措施之成本；(iv)環境補償規定之更改；及(v)確定需要採取補救措施之新地點。

本公司董事已根據彼等過往經驗及對未來開支之最佳估計，透過將預期開支貼現至其現有淨值而釐定關閉、復墾及環境清理成本撥備。然而，只要目前採礦活動帶來之土地及環境影響於未來期間變得顯著，則相關成本之估計或須於未來作出修訂。就關閉、復墾及環境清理成本計提之撥備至少每年根據當時獲悉之事實及情況而審閱，並相應更新撥備。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### 27. DEFERRED TAX

The movement for the year in the Group's deferred tax (assets)/liabilities was as follows:

		Intangible assets 無形資產 HK\$'000 千港元	Inventories 存貨 HK\$'000 千港元	Accrued expenses 應計費用 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 April 2016	於二零一六年四月一日	10,794	2,875	(7,114)	6,555
Exchange realignment	匯兌調整	(670)	(240)	451	(459)
Charge/(Credit) to profit or loss for the year	於年內損益扣除/(計入)	(677)	2,498	-	1,821
As at 31 March 2017 and 1 April 2017	於二零一七年三月三十一日 及二零一七年四月一日	9,447	5,133	(6,663)	7,917
Exchange realignment	匯兌調整	704	216	(647)	273
Credit to profit or loss for the year	計入年內損益	(4,377)	(5,753)	-	(10,130)
As at 31 March 2018	於二零一八年三月三十一日	5,774	(404)	(7,310)	(1,940)

Reconciliation to the consolidated statement of financial position:

綜合財務狀況表對賬：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net deferred tax assets/(liabilities) recognised in the consolidated statement of financial position	於綜合財務狀況表確認之 遞延稅項資產/(負債) 淨額	
	<b>1,940</b>	(7,917)

Under the EIT Law of the PRC, withholding tax is payable on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the accumulated taxable profits of the PRC subsidiaries amounting to approximately HK\$167,764,000 (2017: approximately HK\$131,951,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據中國企業所得稅法，自二零零八年一月一日起，將向中國附屬公司就其所賺取之溢利而宣派之股息徵收預扣稅。概無就中國附屬公司累計應課稅溢利應佔之暫時差額約167,764,000港元(二零一七年：約131,951,000港元)於綜合財務報表作出遞延稅項撥備，乃因本集團能控制撥回暫時差額之時間，且有關暫時差額於可見將來不大可能撥回。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
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### 28. OTHER CASHFLOW INFORMATION

#### Changes in liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

Year ended 31 March 2018

		Convertible bond 可換股債券 HK\$'000 千港元
At beginning of the year	於年初	261,616
Net cash flows	現金流量淨額	-
Changes in fair value	公平值變動	(14,374)
Translation of convertible bond denominated in a foreign currency into functional currency	換算以外幣計值之可換股債券 為功能貨幣	(23,569)
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之 匯兌差額	23,569
At end of the year	於年末	247,242

Year ended 31 March 2017

截至二零一七年三月三十一日止年度

		Convertible bond 可換股債券 HK\$'000 千港元
At beginning of the year	於年初	317,650
Net cash flows	現金流量淨額	-
Changes in fair value	公平值變動	(61,975)
Loss arising from modification of convertible bond	修訂可換股債券產生之虧損	5,941
Translation of convertible bond denominated in a foreign currency into functional currency	換算以外幣計值之可換股債券 為功能貨幣	19,318
Exchange difference on translation of functional currency to presentation currency	換算功能貨幣為呈列貨幣之 匯兌差額	(19,318)
At end of the year	於年末	261,616

### 28. 其他現金流量信息

#### 融資活動產生的負債變動

本集團來自融資活動的負債變動詳情如下：

截至二零一八年三月三十一日止年度

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

- a) Except as disclosed elsewhere in the consolidated financial statements, the significant related party transactions are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
China Sonangol International Limited ("China Sonangol") (Note i) – rental expenses (Note ii)	安中國際石油有限公司 (「安中國際」)(附註i) – 租金開支(附註ii)	840	795

Notes:

- i) China Sonangol is an intermediate holding company of the Company.
- ii) Operating lease commitment for future minimum lease payments under non-cancellable operating lease with China Sonangol was amounted to approximately HK\$630,000 (2017: approximately HK\$630,000).

b) **Compensation of key management personnel**

The remuneration of directors and other members of key management personnel during the year was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries, allowances and other short-term employee benefits	基本薪金、津貼及 其他短期僱員福利	4,527	3,912
Contributions to defined contribution plan	定額供款計劃供款	56	69
		4,583	3,981

The remuneration of directors was determined by the remuneration committee having regard to the performance of individuals and market trends.

### 29. 關連人士交易

- a) 除綜合財務報表其他部分所披露者外，重大關連人士交易如下：

附註：

- i) 安中國際為本公司之中介控股公司。
- ii) 根據與安中國際訂立之不可撤銷經營租賃，未來應付最低租賃款項之經營租賃承擔達約630,000港元(二零一七年：約630,000港元)。

b) **主要管理人員補償**

年內董事及其他主要管理層成員之薪酬如下：

董事薪酬由薪酬委員會參照彼等之個人表現及市場趨勢後釐定。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2018  
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### 30. COMMITMENTS

#### (a) Capital expenditure commitment

Contracted but not provided net of deposit paid for acquisition of property, plant and equipment

已訂約但未撥備  
(扣除就收購物業、  
廠房及設備已付之  
按金)

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1,389	-

#### (b) Commitment under operating lease

##### The Group as lessee

The Group leases certain of its offices, warehouse and staff quarters under operating lease arrangements. Lease for properties are negotiated for a term ranging from one to two years and rental are fixed.

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year

一年內

In the second to fifth years inclusive

第二至第五年  
(包括首尾兩年)

#### (b) 經營租賃承擔

##### 本集團作為承租人

本集團根據經營租賃安排租用旗下若干辦公室、倉庫及員工宿舍。該等物業之租期經磋商後介乎一年至兩年不等，租金固定。

於報告期間結束時，本集團根據不可撤銷經營租賃而於未來支付之最低租賃款項承擔於以下期間到期：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1,181	1,076
40	-
1,221	1,076

##### The Group as lessor

The Group leases out certain of its offices under operating lease arrangements. Lease for properties are negotiated for a term of one year and rental are fixed.

##### 本集團作為出租人

本集團根據經營租賃安排出租旗下若干辦公室。該等物業之租期經磋商後為一年，租金固定。

### 30. COMMITMENTS (continued)

#### (b) Commitment under operating lease (continued)

##### The Group as lessor (continued)

At the end of reporting period, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of its properties as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	130	-

### 31. DEFINED CONTRIBUTION PLAN

The Group operates a defined contribution Mandatory Provident Fund Scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 in total. Contributions to the plan vest immediately.

The Company's subsidiaries established in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The retirement scheme contributions, which are based on a certain percentage of the salaries of the PRC subsidiaries' employees, are charged to the consolidated statement of profit or loss and other comprehensive income in the year to which they are related and represented the amount of contributions payable by these subsidiaries to this scheme.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately HK\$1,006,000 (2017: approximately HK\$995,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

### 30. 承擔(續)

#### (b) 經營租賃承擔(續)

##### 本集團作為出租人(續)

於報告期間結束時，本集團就其物業根據不可撤銷經營租賃而於未來收取之最低租賃總額如下：

### 31. 定額供款計劃

本集團根據強制性公積金計劃條例為受香港僱傭條例管轄之受聘僱員營辦一項定額供款強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受托人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入5%向計劃供款，最高每月相關收入合共為30,000港元。計劃供款即時歸屬。

本公司在中國成立之附屬公司為中國政府營辦之國家管理退休福利計劃之成員。退休計劃供款根據中國附屬公司僱員之薪金若干百分比計算，並於供款有關年度在綜合損益及其他全面收益表內扣除，數額為此等附屬公司應付予該項計劃之供款金額。

於綜合損益及其他全面收益表扣除之總成本約1,006,000港元(二零一七年：約995,000港元)指本集團就本財政年度向該等計劃應付之供款。



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32. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION 32. 公司層面之財務狀況表

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		105	173
Investments in subsidiaries	於附屬公司之投資	18	-	-
			105	173
<b>Current assets</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項	18	153,870	153,816
Other receivables	其他應收款項		424	240
Cash and cash equivalents	現金及現金等值項目		154,620	163,918
			308,914	317,974
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計費用		1,146	1,203
			(1,146)	(1,203)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>307,768</b>	316,771
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>307,873</b>	316,944
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	24	76,537	76,537
Reserves	儲備	24	(15,906)	(21,209)
<b>Total Equity</b>	<b>總權益</b>		<b>60,631</b>	55,328
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券	25	247,242	261,616
			<b>307,873</b>	316,944

Approved and authorised for issue by board of directors on 20 June 2018 and signed on its behalf by

於二零一八年六月二十日由董事會批准及授權刊發，並由以下人士代表簽署

Kwan Man Fai  
關文輝  
Director  
董事

Wang Xiangfei  
王翔飛  
Director  
董事

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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### 33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018

Up to the date of issue of these consolidated financial statements, the HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 March 2018 and relevant to the Group and which have not been adopted in these consolidated financial statements:

Annual Improvements to HKFRSs	2014–2016 Cycle: HKFRS 1 and HKAS 28 <sup>1</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
Annual Improvements to HKFRSs	2015–2017 Cycle <sup>2</sup>
HKFRS 16	Leases <sup>2</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKAS 28	Investments in Associates and Joint Ventures <sup>2</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> The effective date to be determined

#### HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

### 33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響

截至該等綜合財務報表刊發之日，香港會計師公會已頒佈下列於截至二零一八年三月三十一日止年度尚未生效及與本集團有關之修訂及新訂準則，而該等準則並無於該等綜合財務報表獲採納：

香港財務報告準則之年度改進	二零一四年至二零一六年週期：香港財務報告準則第1號及香港會計準則第28號 <sup>1</sup>
香港財務報告準則第2號之修訂本	以股份為基礎支付交易之分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂本	香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約一併應用 <sup>1</sup>
香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益 <sup>1</sup>
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港財務報告準則之年度改進	二零一五年至二零一七年週期 <sup>2</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅之不確定性之處理 <sup>2</sup>
香港會計準則第28號之修訂本	於聯營公司及合營企業之投資 <sup>2</sup>
香港財務報告準則第9號之修訂本	具有反向補償之預付款項特徵 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間之資產銷售或注入 <sup>3</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>3</sup> 生效日期待定

#### 香港財務報告準則第9號金融工具

香港財務報告準則第9號就金融資產、金融負債分類及計量、一般對沖會計方法及金融資產減值要求引入新規定。

**33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)****HKFRS 9 Financial Instruments (continued)**

Key requirements of HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) and contingent consideration in business combination in other comprehensive income, with only dividend income recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

**33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)****香港財務報告準則第9號金融工具(續)**

與本集團有關之香港財務報告準則第9號之主要規定：

- 在香港財務報告準則第9號範圍內確認之所有金融資產其後須按攤銷成本或公平值計量。具體而言，就以收取合約現金流為目的之業務模式持有之債務投資，及擁有純粹為支付本金及未償還本金利息之合約現金流之債務投資，一般於其後會計期末按攤銷成本計量。於目標為同時收取合約現金流及出售金融資產之業務模式中持有之債務工具，及擁有合約條款於特定日期產生純粹為支付本金及未償還本金利息之現金流之債務工具，一般按公平值計入其他全面收入計量。所有其他債務投資及股本投資均於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收入呈列股本投資(並非持作買賣)及業務合併或然代價之其後公平值變動，而僅於損益內確認股息收入。
- 就計量指定為按公平值列賬並在損益內處理之金融負債而言，香港財務報告準則第9號規定除非於其他全面收入中確認該負債之信貸風險變動之影響會於損益中產生或擴大會計錯配，否則，因負債之信貸風險變動而引致金融負債公平值金額之變動乃於其他全面收入中呈列。金融負債之信貸風險變動引致之金融負債公平值變動其後不會重新分類至損益內。根據香港會計準則第39號，指定為按公平值列賬並在損益內處理之金融負債之公平值變動金額，乃全數於損益中呈列。

**33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**HKFRS 9 Financial Instruments (continued)**

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets in relation to the impairment assessment on receivables, with the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs. Other than that, the directors of the Company do not anticipate that the adoption of HKFRS 9 in the future will have any other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 March 2018.

**33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第9號金融工具(續)**

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初步確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。
- 新一般對沖會計法規定保留目前見於香港會計準則第39號之三類對沖會計機制。根據香港財務報告準則第9號，該會計法向可作對沖會計之交易類別引入更大靈活度，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非金融項目之風險組成之類別。此外，該準則已移除追溯性定量成效測試，及引入增加有關實體風險管理活動披露之規定。

本公司董事預期，於往後應用香港財務報告準則第9號或會對本集團有關應收款項減值評估之金融資產所呈報之金額造成影響，並可能根據預期虧損模式提早就本集團按攤銷成本計量之金融資產確認信貸虧損。除此之外，根據本集團於二零一八年三月三十一日之金融工具分析，本公司董事預期於往後採納香港財務報告準則第9號將不會對就本集團金融資產及金融負債呈報之金額造成任何重大影響。

### 33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)

#### HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

### 33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)

#### 香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用於將自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時之收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時確認收益

根據香港財務報告準則第15號，實體於(或當)完成履約責任時(即有關特定履約責任之商品或服務之「控制權」轉讓予客戶時)確認收益。香港財務報告準則第15號已就特別情況之處理方法加入更規範之指引。此外，香港財務報告準則第15號規定作出更廣泛之披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、委託人與代理之考慮因素及發牌之應用指引。

**33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**HKFRS 15 Revenue from Contracts with Customers (continued)**

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

**HKFRS 16 Leases**

As disclosed in Note 2(o) to the consolidated financial statements, currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

**33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)**

**香港財務報告準則第15號客戶合約收益(續)**

本公司董事預期，日後應用香港財務報告準則第15號可能會導致作出更多披露。然而，本公司董事預期應用香港財務報告準則第15號將不會對本集團於各報告期已確認收益之時間及金額造成重大影響。

**香港財務報告準則第16號租賃**

誠如綜合財務報表附註2(o)所披露，目前本集團將租賃分類為融資租賃及經營租賃，並計入不同之租賃安排(取決於租賃之分類)。本集團作為出租人及承租人訂立若干租賃。

預期香港財務報告準則第16號將不會對出租人根據租賃將彼等權利及義務入賬之方式造成重大影響。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法之規限，承租人將以與現有融資租賃會計處理方法類似之方式將所有租約入賬，即於該租賃開始日期，承租人將按最低日後租賃款項之現值確認及計量租賃負債，及將確認相應之「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債未償還結餘所產生之利息開支及使用權資產折舊，而非按現有政策於租期內按系統基準確認經營租約項下所產生之租賃開支。作為可行之權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產之租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

### 33. POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)

#### HKFRS 16 Leases (continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 30 to the consolidated financial statements, as at 31 March 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to approximately HK\$1,221,000 (2017: approximately HK\$1,076,000), the majority of which is payable either between 1 to 2 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

### 34. EVENTS AFTER THE REPORTING PERIOD

In addition to the events disclosed elsewhere in these consolidated financial statements, the Group had the following subsequent events:

The mining right of Kaiyuan Company was expired on 26 December 2017. Kaiyuan Company had commenced the renewal application of the mining right in September 2017 at the Zhundong Economic and Technological Development Zone Division of the Ministry of Land and Resources\* (新疆准東經濟技術開發區分局) and in turn the Ministry of Land and Resources of Changji Hui Autonomous Prefecture\* (昌吉回族自治州國土資源局).

On 28 May 2018, Kaiyuan Company has successfully renewed the mining right and is granted a new mining permit by the Department of Land and Resources of Xinjiang Uygur Autonomous Region\* (新疆維吾爾自治區國土資源廳). The new mining permit is valid for 1 year from 26 December 2017 to 31 December 2018 to conduct mining activities at the Kaiyuan Mine.

\* English translation for identification purpose only.

### 33. 於截至二零一八年三月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之潛在影響(續)

#### 香港財務報告準則第16號租賃(續)

香港財務報告準則第16號將主要影響本集團作為租約承租人就物業、廠房及設備(現時分類為經營租賃)之會計處理方法。預期應用新會計模式將導致資產及負債均有所增加,並影響租賃期間於損益表內確認開支之時間。誠如綜合財務報表附註30所披露,於二零一八年三月三十一日,本集團於不可撤銷經營租賃項下之未來最低租賃款項為約1,221,000港元(二零一七年:約1,076,000港元),且其中大部分款項須於報告日期後第一年至第二年內支付。因此,一旦採納香港財務報告準則第16號,部分該等款項可能須按照相應使用權資產確認為租賃負債。經考慮可行權宜方法之適用性及調整現時與採納香港財務報告準則第16號期間已訂立或終止之任何租賃及折讓影響後,本集團將須進行更為詳細分析以釐定於採納香港財務報告準則第16號時經營租賃承擔所產生之新資產及負債之金額。

### 34. 報告期間後事項

除該等綜合財務報表其他章節所披露之事項外,本集團有以下後續事項:

凱源公司之採礦權已於二零一七年十二月二十六日屆滿。凱源公司於二零一七年九月依次向新疆准東經濟技術開發區分局及昌吉回族自治州國土資源局展開採礦權重續申請。

於二零一八年五月二十八日,凱源公司已成功重續採礦權並獲得新疆維吾爾自治區國土資源廳授予新採礦許可證。新採礦許可證之有效期為一年,自二零一七年十二月二十六日至二零一八年十二月三十一日止,可於凱源煤礦進行採礦活動。

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務摘要

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out below.

本集團於過去五個財政年度已公佈業績、資產及負債之概要載列如下。

### RESULTS

### 業績

		Year ended 31 March 截至三月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<b>REVENUE</b>	收益	<b>182,445</b>	73,024	59,841	124,463	123,100
<b>PROFIT FROM OPERATIONS</b>	經營溢利	<b>35,509</b>	13,053	19,209	44,709	1,599
Exchange gain/(loss), net	匯兌收益/(虧損)淨額	<b>8,866</b>	(11,490)	(7,101)	741	(197)
Finance costs	融資成本	-	(176)	(187)	-	-
Change in fair value and loss arising from modification of convertible bond designated as financial liabilities at fair value through profit or loss	指定為按公平值列賬並在損益內處理之金融負債之可換股債券之公平值變動及修訂可換股債券債券產生之虧損	<b>14,374</b>	56,034	(73,449)	(38,970)	(15,373)
Change in fair value of structured deposit	結構性存款之公平值變動	-	-	-	656	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	<b>(3,511)</b>	-	(3,105)	-	-
Impairment loss on intangible asset	無形資產減值虧損	<b>(12,618)</b>	-	(8,907)	-	-
Profit/(Loss) before tax	除稅前溢利/(虧損)	<b>42,620</b>	57,421	(73,540)	7,136	(13,971)
Income tax expense/(credit)	所得稅開支/(抵免)	<b>(5,942)</b>	(9,154)	(6,068)	(12,655)	515
Profit/(Loss) for the year	年內溢利/(虧損)	<b>36,678</b>	48,267	(79,608)	(5,519)	(13,456)
Attributable to: Owners of the Company	以下人士應佔： 本公司擁有人	<b>50,349</b>	42,480	(85,924)	(5,342)	(10,221)
		<b>50,349</b>	42,480	(85,924)	(5,342)	(10,221)



## FIVE-YEAR FINANCIAL SUMMARY 五年財務摘要

For the year ended 31 March 2018  
截至二零一八年三月三十一日止年度

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 March 於三月三十一日				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	493,720	448,504	456,185	475,242	433,948
Total liabilities	總負債	(328,004)	(333,137)	(383,298)	(316,431)	(269,795)
Net assets	資產淨值	165,716	115,367	72,887	158,811	164,153

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