

**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 Annual Report
2019



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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 (vacated on 20 November 2018)
Wang Xiangfei (with Wong Sze Wai as alternate)
Wong Sze Wai (appointed on 20 November 2018)

Independent Non-executive Directors

Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin

AUDIT COMMITTEE

Pak Wai Keung Martin (Chairman)
Wong Man Hin Raymond
Chan Yiu Fai Youdey

REMUNERATION COMMITTEE

Wong Man Hin Raymond (Chairman)
Wong Sze Wai (appointed as the member of
remuneration committee of the Company on 20 June 2019)
Kwan Man Fai
Chan Yiu Fai Youdey
Pak Wai Keung Martin

NOMINATION COMMITTEE

Kwan Man Fai (Chairman)
Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin

COMPANY SECRETARY

Li Chun Fung

AUDITOR

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

LEGAL ADVISER

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

董事會

執行董事

關文輝(主席兼董事總經理)
羅方紅(於二零一八年十一月二十日被撤銷)
王翔飛(王四維為替代董事)
王四維(於二零一八年十一月二十日獲委任)

獨立非執行董事

黃文顯
陳耀輝
白偉強

審核委員會

白偉強(主席)
黃文顯
陳耀輝

薪酬委員會

黃文顯(主席)
王四維(於二零一九年六月二十日
獲委任為本公司薪酬委員會的成員)
關文輝
陳耀輝
白偉強

提名委員會

關文輝(主席)
黃文顯
陳耀輝
白偉強

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

法律顧問

康德明律師事務所
香港中環
康樂廣場8號
交易廣場1座2901室

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>

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 2019 (the "Year").

RESULTS AND DIVIDENDS

For the Year, the Group recorded a revenue of approximately HK\$75,625,000 (2018: approximately HK\$182,445,000) and profit of approximately HK\$28,843,000 (2018: approximately HK\$36,678,000) respectively. The Board does not recommend the payment of any dividend for the Year (2018: Nil).

Profit of the Group for the Year was approximately HK\$28,843,000 (2018: approximately HK\$36,678,000), representing a decrease in profit of approximately HK\$7,835,000 as compared with last year. The decrease in profit was mainly due to the net effect of a decrease in gross profit; increase in gain in fair value of convertible bond from approximately HK\$14,374,000 in last year to approximately HK\$29,373,000 in current year; no impairment losses on intangible assets and property, plant and equipment incurred during the Year (2018: approximately HK\$12,618,000 and approximately HK\$3,511,000 respectively); and the turnaround from exchange gain to exchange loss of approximately HK\$15,041,000 as compared with last year.

BUSINESS REVIEW

During the Year, the Group continued to focus on coal resources mining business and started to invest in other businesses.

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」)截至二零一九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75,625,000港元(二零一八年：約182,445,000港元)及溢利約28,843,000港元(二零一八年：約36,678,000港元)。董事會不建議就本年度派付任何股息(二零一八年：無)。

本集團於本年度之溢利約為28,843,000港元(二零一八年：約36,678,000港元)，較去年減少約7,835,000港元。溢利之減少主要由於毛利減少；可換股債券公平值收益由去年的約14,374,000港元增加至本年度之約29,373,000港元；年內並無產生無形資產以及物業、廠房及設備減值虧損(二零一八年：分別為約12,618,000港元及約3,511,000港元)；及與去年相比匯兌收益轉盈為虧約15,041,000港元之淨影響所致。

業務回顧

於本年度，本集團繼續專注於煤炭資源開採業務及開始投資其他業務。

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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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。

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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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，因此於過去數年其未為本集團帶來任何收益。

BUSINESS REVIEW (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 km² to 4.12 km². 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 km². Concerning the outstanding proposed increased area of approximately 1.6524 km² (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[#]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潛在煤炭儲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潛在煤炭儲量、估值及會計入賬方面再與專業人士（包括其估值師及核數師）商討。自該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，由准東經濟技術開發區的國有投資公司(「國有企業」)優先參與(「優先權」)；及(2)授予取得餘下採礦面積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。

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，本公司將會考慮本公司及股東整體利益，爭取公平合理之條款。

BUSINESS REVIEW (continued)

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

On 30 November 2018 and 5 December 2018, Kaiyuan Company obtained notices and approvals (the "Notices and Approvals") from the Management Committee of Xinjiang Zhundong Economic and Technological Development Zone* (新疆准東經濟技術開發區管理委員會) and 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) respectively in respect of the application for the mining right of an annual production volume of 0.9 million tonnes of the Kaiyuan Extended Area ("Kaiyuan Extended Area Mining Right Application") and Kaiyuan Company subsequently submitted the Notices and Approvals to the Ministry of Land and Resources of Changji Hui Autonomous Prefecture* (昌吉回族自治州國土資源局) on 10 December 2018 for approval.

According to the legal opinion from the PRC lawyer, Kaiyuan Company is required to go through certain official procedures for the grant of the Kaiyuan Extended Area Mining Right Application, namely, upon obtaining the approval from the Ministry of Land and Resources of Changji Hui Autonomous Prefecture, Kaiyuan Company would need to submit the Kaiyuan Extended Area Mining Right Application to the Department of Land and Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區國土資源廳) for such approval.

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)

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。

於二零一八年十一月三十日及二零一八年十二月五日，凱源公司已分別取得新疆准東經濟技術開發區管理委員會及昌吉回族自治州國土資源局准東經濟技術開發區分局有關申請凱源擴大範圍年產量為900,000噸的採礦權(「凱源擴大範圍採礦權申請」)之通知及批准(「通知及批准」)，而凱源公司其後於二零一八年十二月十日向昌吉回族自治州國土資源局提交通知及批准以供批准。

根據中國律師之法律意見，凱源公司須就凱源擴大範圍採礦權申請獲批通過若干官方程序，即於取得昌吉回族自治州國土資源局之批准後，凱源公司將需要向新疆維吾爾自治區國土資源廳提交凱源擴大範圍採礦權申請以獲批准。

BUSINESS REVIEW (continued)

(A) Progress of the Optimization and Upgrading Plan[#] and the Updated Optimization and Upgrading Plan^{##} (continued)

On 10 May 2019, the Company received a notification dated 8 April 2019 regarding the grant of exploration right for the Outstanding Mining Area with an area of 1.68 km² by the Department of Natural Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區自然資源廳) for a period of 3 years from 8 April 2019 to 8 April 2022. Now having obtained the Exploration Permit, the Company will proceed to fulfill all the necessary requirements and procedures to obtain the relevant mining permit.

[#] "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.

^{##} "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.

(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)".

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)

於二零一九年五月十日，本公司收到日期為二零一九年四月八日有關新疆維吾爾自治區自然資源廳所發出授予面積為1.68平方公里之餘下探礦面積勘察權之通知，自二零一九年四月八日至二零二二年四月八日止為期三年。在現已獲取勘察許可證的情況下，本公司將繼續遵守所有必要規定及程序以獲取相關探礦許可證。

[#] 「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」。

^{##} 「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」。

(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。

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

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.

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.

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

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恢復凱源煤礦生產之通知。

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。

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保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。據本公司所知，凱源公司未曾收過因停產期間未能供應煤炭而出現的任何索償。與此同時，凱源公司將與相關政府部門合作，以完成所要求的環保整改工作。

BUSINESS REVIEW (continued)

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

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)” from the Production Safety Supervision and Administration Bureau* (安全生產監督管理局) of 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 “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.

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.

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

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。

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。凱源公司的管理層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。

BUSINESS REVIEW (continued)

(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.

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

On 2 January 2019, the Safety Bureau of the Zhundong Development Zone suspended the operations of the Kaiyuan Mine due to the expiry of the Existing Mining Permit. On 9 January 2019, the Safety Bureau of the Zhundong Development Zone re-examined the mining permits of Kaiyuan Company and confirmed that the Existing Mining Permit had been renewed. According to the legal opinion issued by the PRC legal adviser of the Company, Kaiyuan Company based on such confirmation, is allowed to resume its mining operations and sale. On 10 January 2019, Kaiyuan Company resumed its mining operations and sale.

1. Impacts on the Group and measures to be taken

Kaiyuan Mine is the major 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.

業務回顧(續)

(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。

安全生產許可證重續須待採礦權重續後，方可辦理。

於二零一九年一月二日，由於現有採礦許可證屆滿，准東開發區安監局暫停凱源煤礦之營運。於二零一九年一月九日，准東開發區安監局複查凱源公司之採礦許可證並確認現有採礦許可證已獲重續。根據本公司中國法律顧問發出之法律意見，根據有關確認，凱源公司獲允許恢復其採礦業務及銷售。於二零一九年一月十日，凱源公司恢復其採礦業務及銷售。

1. 對本集團的影響及將採取的措施

凱源煤礦為本集團的主要營運業務。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。

BUSINESS REVIEW (continued)

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

1. Impacts on the Group and measures to be taken (continued)

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.

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.

業務回顧(續)

(C) 凱源煤礦之停產(續)

1. 對本集團的影響及將採取的措施(續)

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。

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，凱源公司已向新疆國土資源廳申請重續採礦權。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。

BUSINESS REVIEW (continued)

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

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

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.

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/年採礦證延續的申請報告) 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)

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」)出具同意重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/年採礦證延續的申請報告》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.

On 25 June 2018, the Kaiyuan Company successfully renewed and was granted the Work Safety Permit by the Coal Mine Safety Bureau. The Work Safety Permit is valid for 3 years from 25 June 2018 to 24 June 2021.

The Company has immediately applied to the Safety Bureau of the Zhundong Development Zone for the necessary approval and acceptance procedures to resume production at the Kaiyuan Mine.

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重續。

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，新疆政府維護穩定的工作任務十分繁重，並導致重續安全生產許可證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凱源煤礦之生產。

於二零一八年六月二十五日，凱源公司成功重續並獲得新疆煤監局授予安全生產許可證。安全生產許可證之有效期為三年，自二零一八年六月二十五日至二零二一年六月二十四日止。

本公司已立即向准東開發區安監局申請取得所需許可及進行驗收程序以恢復凱源煤礦之生產。

BUSINESS REVIEW (continued)

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

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

Since the suspension of production at the Kaiyuan Mine on 11 April 2018, Kaiyuan Company has carried out plenty of effective remedial work. On 29 August 2018, Kaiyuan Company received a notice issued by the Safety Bureau of the Zhundong Development Zone confirming that the Kaiyuan Company could resume normal production at the Kaiyuan Mine. According to the notice, the Kaiyuan Company is required to, among other things, strictly observe and comply with the applicable laws and regulations on mining safety, strengthen on-site management on safety, ensure mining and production safety and undertake to resume production.

On 29 September 2018, Kaiyuan Company applied to the Xinjiang Natural Resources Department for a renewal of the Existing Mining Permit. The Company was informed that the Xinjiang Natural Resources Department was in the process of reviewing the Kaiyuan Extended Area Mining Right Application. Upon approval by the Xinjiang Natural Resources Department, the Kaiyuan Extended Area Mining Right shall be granted, in replacement of the Existing Mining Permit, with the mining area increased from approximately 1.1596 km² to approximately 4.1165 km², representing the enlarged mining area of the existing Kaiyuan Mine and the Kaiyuan Extended Area. The Kaiyuan Extended Area Mining Right shall entitle Kaiyuan Company an annual production volume of 0.9 million tonnes, whereas Kaiyuan Company is only entitled to an annual production volume of 0.09 million tonnes under the Existing Mining Permit.

In light of the above and according to the legal opinion issued by the PRC legal adviser of the Company, in compliance with the relevant laws and regulations of the PRC, Kaiyuan Company shall temporarily suspend its mining operations and sale after the expiry of the Existing Mining Permit on 31 December 2018 until the grant of the Kaiyuan Extended Area Mining Right.

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)

自二零一八年四月十一日凱源煤礦停產以來，凱源公司已開展大量有效補救工作。於二零一八年八月二十九日，凱源公司接獲准東開發區安監局出具之通知，確認凱源公司可恢復凱源煤礦之正常生產。根據通知，凱源公司須(其中包括)嚴格遵守及符合有關採礦安全之適用法律及法規，加強現場安全管理，確保採礦與生產安全，並承諾恢復生產。

於二零一八年九月二十九日，凱源公司向新疆自然資源廳申請重續現有採礦許可證。本公司獲告知，新疆自然資源廳正審閱凱源擴大範圍採礦權申請。於獲新疆自然資源廳批准後，凱源擴大範圍採礦權將獲授出以取代現有採礦許可證，採礦範圍將由約1.1596平方公里增加至約4.1165平方公里，即現有凱源煤礦及凱源擴大範圍之經擴大採礦範圍。凱源擴大範圍採礦權授權凱源公司之每年產量為0.9百萬噸，而凱源公司根據現有採礦許可證僅獲授權每年產量0.09百萬噸。

鑒於上文所述及根據本公司中國法律顧問出具之法律意見，為遵守中國相關法律及法規，凱源公司須於現有採礦許可證於二零一八年十二月三十一日屆滿後暫停其採礦業務及銷售，直至獲授凱源擴大範圍採礦權為止。

BUSINESS REVIEW (continued)

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

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

After further communication between the Company and the Xinjiang Natural Resources Department, having considered that (i) Kaiyuan Company has been complying with the relevant laws and regulations of the PRC regarding its mining operations and sale; and (ii) the demand for coal in winter is huge in Xinjiang, the Xinjiang Natural Resources Department decided to approve renewal of the Existing Mining Permit (the "Renewed Mining Permit"). Kaiyuan Company obtained the Renewed Mining Permit on 7 January 2019, which is valid from 3 November 2018 to 3 November 2019.

(D) Acquisition of 90% of the issued share capital of NEFIN Leasing Technologies Limited and the loans

On 10 August 2018, Radiant Day Holdings Limited ("Radiant Day"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with NEFIN Holding Limited and Mr. Lim Hong Teo (together referred to as the "Vendors"), pursuant to which Radiant Day agreed to purchase, and the Vendors agreed to sell 90% equity interest in NEFIN Leasing Technologies Limited and its wholly-owned subsidiary, NEFIN Technology (Malaysia) Sdn. Bhd. ("NEFIN Technology") (together the "NEFIN Group") at an aggregate consideration of US\$1,350,000 (equivalent to approximately HK\$10,530,000). The Vendors have jointly and severally guaranteed that the annual result of NEFIN Technology for the years ending 30 September 2019, 2020, 2021, 2022 and 2023 would not be less than 5% of the consideration, i.e. approximately HK\$527,000 per annum. The transaction completed on 8 October 2018 as all conditions in the sale and purchase agreement were fulfilled.

NEFIN Group is principally engaged in renewable energy solutions and solar farm development in Malaysia. The Directors are of the view that the acquisition will further enhance the Group's expansion of innovative and renewable energy business. The acquisition constituted a business combination and had been accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

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)

經過本公司與新疆自然資源廳進一步溝通後，經考慮(i)凱源公司就其採礦業務及銷售一直遵守中國相關法律及法規；及(ii)新疆冬季煤炭需求龐大，新疆自然資源廳決定批准重續現有採礦許可證(「重續採礦許可證」)。凱源公司於二零一九年一月七日取得重續採礦許可證，有效期自二零一八年十一月三日至二零一九年十一月三日止。

(D) 收購新能源租賃科技有限公司 90%已發行股本及貸款

於二零一八年八月十日，耀日控股有限公司(「耀日」)(本公司之間接全資附屬公司)與NEFIN Holding Limited及林豐潮先生(統稱為「賣方」)訂立買賣協議，據此，耀日有條件同意收購而賣方有條件同意出售新能源租賃科技有限公司及其全資附屬公司NEFIN Technology (Malaysia) Sdn. Bhd. (「NEFIN Technology」)(統稱為「新能源集團」)90%的股權，總代價為1,350,000美元(相等於約10,530,000港元)。賣方已共同及個別擔保NEFIN Technology於截至二零一九年、二零二零年、二零二一年、二零二二年及二零二三年九月三十日止年度的全年業績將不低於代價的5%(即每年約527,000港元)。由於買賣協議所訂明的所有條件均已獲達成，故該交易於二零一八年十月八日完成。

新能源集團於馬來西亞主要從事可再生能源解決方案及太陽能發電站開發業務。董事認為，收購事項將進一步加強擴展本集團之創新及可再生能源業務。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

BUSINESS REVIEW (continued)

(E) Event after reporting period

On 11 March 2019, Ample Talent Ventures Limited (“Ample Talent”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, pursuant to which the vendor has conditionally agreed to sell, and Ample Talent has conditionally agreed to purchase 80% equity interest in Harbour Group Holdings Limited (“Harbour Group”) and its subsidiaries (together referred to as the “Target Group”), at an aggregate consideration of HK\$35,712,000; and (ii) Ample Talent and Harbour Group entered into a subscription agreement, pursuant to which Harbour Group has conditionally agreed to issue and allot to Ample Talent, and Ample Talent has conditionally agreed to subscribe for 450 ordinary shares, representing approximately 4.5% of the total number of shares in issue as at the date of subscription agreement at an aggregate subscription price of HK\$2,008,800. Upon completion of the above transactions, Ample Talent will hold approximately 80.86% equity interest in Harbour Group.

Pursuant to the sale and purchase agreement, the vendor has agreed to guarantee that the audited consolidated net profit generated from operating activities of the Target Group in its ordinary and usual course of business, prepared in accordance with HKFRSs (the “Net Profit”), for the years ended or ending 31 December 2018, 31 December 2019 and 31 December 2020 (the “PG Period”) shall be no less than HK\$7,200,000 per annum (the “Guaranteed Profit”). In the event that the Net Profit during the each of the PG Period is less than the Guaranteed Profit, the vendor unconditionally and irrevocably undertakes and guarantees, as a continuing obligation, to pay the shortfall to the Group under the terms as stipulated in the sale and purchase agreement.

The Target Group consists of Harbour Group, Harbour Group (Singapore) Pte. Ltd., Harbour Group Consulting (UK) Limited, HGH Technology Sdn. Bhd., Mountain Managed Cloud Consulting Limited and Vanguard Business Services Limited. The Target Group is principally engaged in the provision of information technology outsourcing, consultancy and technical services mainly in Hong Kong with expanding business in United Kingdom, Malaysia and Singapore. The Directors are of the view that the acquisition can broaden the Group's revenue base and benefit from the diversified return in future.

業務回顧(續)

(E) 報告期後事項

於二零一九年三月十一日，裕智創投有限公司(「裕智創投」)(為本公司間接全資附屬公司)與獨立第三方訂立買賣協議，據此，賣方有條件同意出售，而裕智創投有條件同意購買港海控股有限公司(「港海集團」)及其附屬公司(統稱為「目標集團」)80%的股權，總代價為35,712,000港元；及(ii)裕智創投與港海集團訂立認購協議，據此，港海集團有條件同意向裕智創投發行及配發，而裕智創投有條件同意認購450股普通股(相當於認購協議日期已發行股份總數約4.5%)，總認購價為2,008,800港元。於完成上述交易後，裕智創投將持有港海集團約80.86%股權。

根據買賣協議，賣方已同意保證，截至二零一八年十二月三十一日、二零一九年十二月三十一日及二零二零年十二月三十一日止年度(「溢利保證期間」)，根據香港財務報告準則編製的目標集團於一般及日常業務過程中經營活動產生的經審核綜合純利(「純利」)將不少於每年7,200,000港元(「保證溢利」)。倘各溢利保證期間的純利少於保證溢利，賣方無條件及不可撤回地承諾及保證，作為持續義務，按買賣協議所規定條款向本集團支付不足金額。

目標集團由港海集團、Harbour Group (Singapore) Pte. Ltd.、Harbour Group Consulting (UK) Limited、HGH Technology Sdn. Bhd.、峻嶺雲端顧問有限公司及領導商業服務有限公司組成。目標集團主要業務為主要於香港提供的資訊科技外包、諮詢及技術服務以及於英國、馬來西亞以及新加坡的拓展業務。董事相信，收購事項日後可拓寬本集團的收益基礎，並從多元化回報中受益。

BUSINESS REVIEW (continued)

(E) Event after reporting period (continued)

As at 31 March 2019, deposit for acquisition of the Target Group of approximately HK\$3,571,000 was paid to the vendor and was included in "Refundable deposit paid for acquisition of subsidiaries". Details of the acquisition were set out in the Company's circular dated 12 April 2019.

On 23 April 2019, the conditions as stipulated in the sale and purchase agreement and subscription agreement were fulfilled. The Target Group became indirect non-wholly owned subsidiaries of the Company. The acquisition constituted a business combination and will be accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

As the initial accounting for the acquisition of the Target Group is incomplete, it is not practicable to reliably estimate its financial effort.

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.

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.

業務回顧(續)

(E) 報告期後事項(續)

於二零一九年三月三十一日，收購目標集團之按金約3,571,000港元已支付予賣方，並計入「收購附屬公司所支付之可退還按金」內。有關收購事項之詳情載於本公司日期為二零一九年四月十二日之通函內。

於二零一九年四月二十三日，買賣協議及認購協議所規定之條件已獲達成。目標集團成為本公司之間接非全資附屬公司。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

由於收購目標集團之初步會計處理未完成，因此可靠估計其財務事宜乃不切實際。

前景

董事會認為煤炭業務面臨諸多挑戰，將致力於加強本公司管理、控制煤礦開採成本、配合國家發展西部地區經濟的政策、把握新機遇、開拓新市場及物色投資契機，以達到為股東創造最大價值之目標。

瞭解到煤礦營運對環境的影響，我們致力於實行符合法律及法規之環境管理。由於煤礦開採產生排放物的情況不能避免，本集團將增加環保設備升級的投資，務求減少生產及儲存過程中外揚之粉塵。

PROSPECTS (continued)

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.

The Group has been exploring new markets and seeking to extend its business coverage on technological and renewable energy sector. The Board is of the view that the acquisition of NEFIN Group will further enhance the Group's expansion of innovative and renewable energy business. There will be a reasonable expected amount of expenditure in capital assets, in particular for the new plants and machines for the environmental protection remedial works. Sources of funding are expected to come primarily from the coal sales revenue and also external banking facilities of the Group.

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 2019

前景(續)

就上文所闡釋之優化升級更新方案而言，凱源公司及澤旭公司已遵照昌吉國土資源局的要求，分別訂立該四份無爭議協議，以處置澤旭煤礦及獲得凱源擴大範圍。本公司現正通過正式程序申請有關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。

本集團一直開拓新市場並尋求拓展於科技及可再生能源行業之業務範圍。董事會認為，收購新能源集團將進一步加強擴展本集團之創新及可再生能源業務。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及外部銀行融資。

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，二零一九年六月二十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group recorded a revenue of approximately HK\$75,625,000 for the Year (2018: approximately HK\$182,445,000). It represents a decrease of approximately HK\$106,820,000 or approximately 59% 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.

Decrease in revenue was mainly due to (i) the suspension of production at the Kaiyuan Mine from 11 April 2018 to 29 August 2018; and (ii) the construction of a coal sifting machine at the Kaiyuan Mine as required by the Ministry of Ecology and Environment and expected to be completed approximately towards the end of August 2019 and will impact upon the normal production at the Kaiyuan Mine. The Group sold approximately 1,764,591 tonnes (2018: approximately 3,183,450 tonnes) of coal, decreased by approximately 44.6% in volume from a year ago.

Cost of sales

The cost of sales for the Year was approximately HK\$44,542,000 (2018: approximately HK\$130,398,000). The cost mainly comprises direct labor cost, cost for explosive works, depreciation, amortisation etc. The decrease in cost of sales was largely in line with the decrease 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 decreased to approximately HK\$31,083,000 (2018: approximately HK\$52,047,000). It represents a decrease of approximately of HK\$20,964,000 or approximately 40% as compared with last year but gross profit margin increased by approximately 44.05% for the Year to approximately 41.1%. It was mainly due to the lower cost by selling of slack coal and weathered coal which then generated higher gross profit margin compared with the piece coal.

Other revenue

The Group's other revenue for the Year was approximately HK\$10,438,000 (2018: approximately HK\$6,332,000), representing an increase of approximately HK\$4,106,000 or approximately 64.8% as compared with the last year. This was mainly due to increase in net income from selling coal gangue (煤矸石) by approximately HK\$4,626,000, but compensated by the decrease of other revenue by approximately HK\$476,000.

財務回顧

收益

於本年度，本集團錄得收益約75,625,000港元(二零一八年：約182,445,000港元)，較去年減少約106,820,000港元或約59%。

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。

收益減少主要由於(i)二零一八年四月十一日至二零一八年八月二十九日暫停凱源煤礦的生產；及(ii)生態環境部要求在凱源煤礦建造煤炭篩分系統及預期於二零一九年八月底前完成，並將對凱源煤礦的正常生產產生影響。本集團銷售約1,764,591噸(二零一八年：約3,183,450噸)煤炭，數量較去年減少約44.6%。

銷售成本

本年度銷售成本約為44,542,000港元(二零一八年：約130,398,000港元)。成本主要包括直接勞動成本、爆破工程成本、折舊及攤銷等。銷售成本減少大致上與本年度銷量較去年減少一致。

毛利

由於上文所闡述之因素，於本年度，本集團之毛利減少至約31,083,000港元(二零一八年：約52,047,000港元)，較去年減少約20,964,000港元或約40%，惟本年度之毛利率增加約44.05%至約41.1%。此乃主要由於沫煤及風化煤之銷售成本較低，產生較煤炭為高之毛利率所致。

其他收益

本集團於本年度之其他收益約為10,438,000港元(二零一八年：約6,332,000港元)，較去年增加約4,106,000港元或約64.8%，此乃主要由於銷售煤矸石所得淨收入增加約4,626,000港元，而此已由其他收益減少約476,000港元所補償。

FINANCIAL REVIEW (continued)

Administrative and operating expenses

The Group's administrative and operating expenses for the Year was approximately HK\$28,688,000 (2018: approximately HK\$22,456,000), representing an increase of approximately HK\$6,232,000 or approximately 28% as compared with the previous year. This was mainly due to increase in legal and professional fees by approximately HK\$3,754,000 for acquisitions during the Year.

Profit for the Year

Profit of the Group for the Year was approximately HK\$28,843,000 (2018: approximately HK\$36,678,000), representing a decrease in profit of approximately HK\$7,835,000 as compared with last year. The decrease in profit was mainly due to the net effect of a decrease in gross profit; increase in gain in fair value of convertible bond from approximately HK\$14,374,000 in last year to approximately HK\$29,373,000 in current year; no impairment losses on intangible assets and property, plant and equipment incurred during the Year (2018: approximately HK\$12,618,000 and approximately HK\$3,511,000 respectively); and the turnaround from exchange gain to exchange loss of approximately HK\$15,041,000 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").

Impairment loss on intangible assets and property, plant and equipment refers to the amount of impairment loss recognized in respect of the Coal Mine Assets. No impairment loss on intangible assets and property, plant and equipment incurred during the Year (2018: approximately HK\$12,618,000 and approximately HK\$3,511,000, respectively).

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28,688,000港元(二零一八年:約22,456,000港元),較去年增加約6,232,000港元或約28%。此乃主要由於年內有關收購事項的法律及專業費用增加約3,754,000港元。

本年度溢利

本集團於本年度之溢利約為28,843,000港元(二零一八年:約36,678,000港元),較去年減少約7,835,000港元。溢利之減少主要由於毛利減少;可換股債券公平值收益由去年的約14,374,000港元增加至本年度之約29,373,000港元;年內並無產生無形資產以及物業、廠房及設備減值虧損(二零一八年:約12,618,000港元及約3,511,000港元);及與去年相比匯兌收益轉盈為虧約15,041,000港元之淨影響所致。

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。於本年度概無產生無形資產以及物業、廠房及設備減值虧損(二零一八年:分別為約12,618,000港元及約3,511,000港元)。

FINANCIAL 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 ValQuest Advisory Group Limited (2018: Roma Appraisals Limited) as its independent professional valuer for the purpose of assessing the value of the Coal Mining Assets as at 31 March 2019. 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 2018:

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。本公司已委任瀚維諮詢有限公司(二零一八年：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二零一九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。

下表載列相較截至二零一八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 2018 to 31 March 2019 二零一八年四月一日至 二零一九年三月三十一日			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			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
Large Coal	大塊煤	-	-	-	26,122	114	2,981	-100%	-100%	-100%
Middle Coal	中塊煤	-	-	-	81,670	125	10,246	-100%	-100%	-100%
Small Medium Coal	小中煤	-	-	-	118,829	118	14,004	-100%	-100%	-100%
Mixed Coal	混合煤	169,644	88	14,925	-	-	-	100%	100%	100%
36 Coal	三六煤	125	96	12	230,397	88	20,202	-100%	9%	-100%
38 Coal	三八煤	66	106	7	133,989	96	12,824	-100%	10%	-100%
Sub-total for Coal	煤炭小計	169,835	-	14,944	591,007	-	60,257	-71%	-	-75%
Slack Coal	沫煤	62,882	58	3,630	1,207,194	61	73,188	-95%	-5%	-95%
Weathered Coal	風化煤	1,531,874	37	56,660	1,385,249	35	49,000	11%	6%	16%
Total	總計	1,764,591	-	75,234	3,183,450	-	182,445	-45%	-	-59%

FINANCIAL 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 2019 and 31 March 2018 was consistent. The post-tax discount rates adopted were 14.60% and 15.20% respectively as at 31 March 2019 and 31 March 2018 and the pre-tax discount rates adopted were 21.5% and 26.78% respectively as at 31 March 2019 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 2019 and 31 March 2018 were as follows:

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。達致二零一九年三月三十一日及二零一八年三月三十一日之貼現率所應用之估值方法貫徹一致。於二零一九年三月三十一日及二零一八年三月三十一日分別採納14.60%及15.20%之除稅後貼現率，及於二零一九年三月三十一日及二零一八年三月三十一日分別採納21.5%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，計算於二零一九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：

		As at 31 March 2019 於二零一九年 三月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Risk free rate	無風險利率	1.47%-3.07%	3.75%
Market risk premium	市場風險溢價	6.65%-6.94%	10.71%
Beta coefficient	貝塔系數	0.16-1.63	1.06
Size premium	規模溢價	3.48%	5.59%
Cost of equity	股本成本	19.50%	20.65%
Cost of debt	債務成本	3.70%	4.90%
Weight of equity value to enterprise value	股本價值佔企業價值比例	69.00%	81.02%
Weight of debt value to enterprise value	債務價值佔企業價值比例	31.00%	18.98%
Corporate tax rate	企業稅率	25.00%	25.00%
Weighted average cost of capital	加權平均資本成本	14.60%	17.43%
Inflation rate	通脹率	3.00%	1.92%
Discount rate	貼現率	14.60%	15.20%

FINANCIAL 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 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;
- 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 2019 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董事經參考煤炭價格之過往穩定性估計得出；
- c. 就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二零一九年三月三十一日之收益率。

FINANCIAL 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 2019 approximates its carrying amount.

The valuation report and the value-in-use were assessed and reviewed by the Directors.

Increase 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二零一九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董事評估及審閱。

可換股債券公平值變動收益增加

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。

FINANCIAL REVIEW (continued)**Profit for the Year (continued)*****Increase 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 ValQuest Advisory Group Limited (2018: Roma Appraisals Limited) as its independent professional valuer for the purpose of assessing the fair value of the Convertible Bond as at 31 March 2019. 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 9.40% (2018: 7.62%).

The fair values of the Convertible Bond were approximately HK\$247,242,000 and approximately HK\$217,869,000 as at 31 March 2018 and 31 March 2019, respectively. The amounts were assessed and reviewed by the Directors 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\$29,373,000 was derived by taking the difference between the fair value of the Convertible Bond as at 31 March 2018 and 31 March 2019. 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\$0.42 and HK\$0.24 as at 31 March 2018 and 31 March 2019, respectively and the expected volatility of the stock price of the Company was 65.46% and 64.00% based on the historical price volatility of the Company for the financial years ended 31 March 2018 and 2019, respectively.

財務回顧(續)**本年度溢利(續)*****可換股債券公平值變動收益增加(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。本公司已委任瀚維諮詢有限公司(二零一八年：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二零一九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9.40%(二零一八年：7.62%)。

於二零一八年三月三十一日及二零一九年三月三十一日可換股債券之公平值分別為約247,242,000港元及約217,869,000港元。有關金額經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29,373,000港元經計及可換股債券於二零一八年三月三十一日及二零一九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。本公司於二零一八年三月三十一日及二零一九年三月三十一日之收市股價分別為0.42港元及0.24港元，而本公司於截至二零一八年及二零一九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65.46%及64.00%。

SEGMENT INFORMATION

Business segment

Information reported to the executive Directors, being identified as the chief operating decision makers (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- (1) Coal mining business segment: mining and sales of coal mine in the PRC;
- (2) Renewable energy business segment: service income from renewable energy services in Malaysia.

Segment revenue and results

Segment revenue represents revenue derived from (i) coal mining business and (ii) renewable energy business.

(i) Coal Mining Business

Coal mining is the major business of the Group at present. It contributed a revenue of approximately HK\$75,234,000 for the Year (2018: approximately HK\$182,445,000), representing an approximately 59% decrease as compared with last year.

Sales and Production of Coals

During the Year, the Group sold approximately 1.76 million tonnes of coals (2018: approximately 3.18 million tonnes) with total sales income of approximately HK\$75,234,000 (2018: approximately HK\$182,445,000). Details of sales of coals in tonnes are listed in the below table:

	Year ended 31 March 截至三月三十一日止年度	
	2019 二零一九年	2018 二零一八年
Sales of coals 煤炭銷售	1,764,591 tonnes噸	3,183,450 tonnes噸

分類資料

業務分類

就資源分配及分類表現評估而向執行董事（被認定為主要營運決策者（「主要營運決策者」））報告之資料，主要集中於所交付貨品或所提供服務之類型。於達致本集團之可報告分類時概無匯集由主要營運決策者識別之經營分類。

具體而言，本集團之可報告及經營分類如下：

- (1) 煤礦業務分類：於中國從事煤礦開採及銷售；
- (2) 可再生能源業務分類：馬來西亞可再生能源服務之服務收入。

分類收益及業績

分類收益指(i)煤礦業務及(ii)可再生能源業務所產生之收益。

(i) 煤礦業務

煤礦為本集團目前主要業務。於本年度，本業務之收益貢獻約為75,234,000港元（二零一八年：約182,445,000港元），較去年減少約59%。

煤炭銷售及生產

於本年度，本集團售出約1.76百萬噸（二零一八年：約3.18百萬噸）煤炭，總銷售收入約為75,234,000港元（二零一八年：約182,445,000港元）。以噸計之煤炭銷售詳情載於下表：

SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

(i) Coal Mining Business (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
36 Coal 三六煤	125	0
38 Coal 三八煤	66	0
Mixed Coal 混合煤	169,644	9.61
Slack Coal 沫煤	62,882	3.56
Weathered Coal 風化煤	1,531,874	86.83
Total 總計	1,764,591	100.00

(ii) Renewable Energy Business

Service income from renewable energy services contributed a revenue of approximately HK\$391,000 for the Year (2018: Nil).

Reserves and Resources

The Group owns a Mining Right, which is located in Xinjiang. The estimated remaining coal reserve in Kaiyuan Mine was approximately 6.20 million tonnes as at 31 March 2019 (2018: approximately 7.90 million tonnes). During the Year, there were approximately 1.70 million tonnes of coal being extracted (2018: approximately 1.81 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. Please refer to the Progress of the Optimization and Upgrading Plan and the Updated Optimization and Upgrading Plan in relation to the latest status. 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)

分類收益及業績(續)

(i) 煤礦業務(續)

煤炭銷售(噸)及煤炭銷售百分比

	Coal Sales (tonnes) 煤炭銷售 (噸)	Coal Sales in % 煤炭銷售 百分比
36 Coal 三六煤	125	0
38 Coal 三八煤	66	0
Mixed Coal 混合煤	169,644	9.61
Slack Coal 沫煤	62,882	3.56
Weathered Coal 風化煤	1,531,874	86.83
Total 總計	1,764,591	100.00

(ii) 可再生能源業務
於本年度，可再生能源服務產生之服務收入貢獻收益約391,000港元(二零一八年：無)。

儲量及資源

本集團於新疆擁有一項採礦權。於二零一九年三月三十一日，凱源煤礦估計剩餘煤礦儲量約為6.20百萬噸(二零一八年：約7.90百萬噸)。本年度內開採約1.70百萬噸(二零一八年：約1.81百萬噸)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。有關最新狀況，請參閱優化升級方案及優化升級更新方案之進展。下表為John T. Boyd Company於二零一零年六月所編製截至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	
North of Current Pit (Potentially Oxidized) 現有礦坑以北(有可能氧化)					
B ₂	13.1	–	4.58	4.58	100.00
Mine Plan Area 礦山規劃範圍					
B ₃	10.8	3.57	–	3.57	25.00
B ₂	19.6	10.86	–	10.86	75.00
		14.43	–	14.43	100.00
Total 總計					
B ₃	10.8	3.57	–	3.57	19.00
B ₂	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 2019 = Coal Reserve as at 31 March 2018 – Amount of coal extracted by the Group during the period from 1 April 2018 to 31 March 2019.

於二零一九年三月三十一日之煤礦儲量=於二零一八年三月三十一日之煤礦儲量–本集團於二零一八年四月一日至二零一九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 summarised 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) 可售儲量(百萬噸)			% of Resources 佔資源 百分比
		Measured 探明	Indicated 控制	Total 總計	
B ₇	8.5	10.23	10.46	20.69	17
B ₆	3.9	2.77	3.98	6.75	6
B ₅	6.3	5.80	10.42	16.22	14
B ₄ ¹	1.8	0.29	0.01	0.30	1
B ₄	6.1	6.85	10.21	17.06	14
B ₃	6.3	8.06	8.03	16.09	13
B ₂	21.1	22.58	19.69	42.27	35
Total 總計		56.58	62.80	119.38	100

Geographical segment

The geographical location of customers is determined based on the location where the goods are delivered or services are rendered. 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 located in the PRC and Malaysia.

地區分類

客戶地區位置乃依據貨品交付或提供服務之地點釐定。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及馬來西亞。

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 2019 nor material acquisitions and disposals of subsidiaries during the Year.

所持重大投資、附屬公司之重大收購及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，於二零一九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。

Save as otherwise disclosed, 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. Sources of funding are expected to come primarily from the coal sales revenue and also external banking facilities of the Group.

除另行披露者外，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及外部銀行融資。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had:

- net current assets of approximately HK\$84,255,000 (2018: approximately HK\$374,179,000).
- cash and cash equivalents of approximately HK\$416,662,000 (2018: approximately HK\$440,437,000) which comprised financial assets measured at fair value through profit or loss of approximately HK\$60,236,000 and restricted bank balances of approximately HK\$77,612,000 and the bank balances were the major components of the Group's current assets of approximately HK\$432,459,000 (2018: approximately HK\$451,867,000).
- current liabilities of approximately HK\$348,204,000 (2018: approximately HK\$77,688,000) which comprised mainly trade and other payables of approximately HK\$58,794,000 (2018: approximately HK\$69,798,000), interest-bearing borrowings of approximately HK\$68,345,000 (2018: Nil) and convertible bond designated as financial liabilities at fair value through profit or loss of approximately HK\$217,869,000 (2018: Nil).
- non-current liabilities of approximately HK\$3,257,000 (2018: approximately HK\$250,316,000) which comprised mainly convertible bond designated as financial liabilities at fair value through profit or loss of approximately HK\$247,242,000).

The Group's gearing ratio was approximately 1.55 (2018: approximately 1.49). The computation is based on total debt (convertible bond designated as financial liabilities at fair value through profit or loss and interest-bearing borrowings) divided by total equity.

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares.

As at 31 March 2019, 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.

流動資金及財務資源

於二零一九年三月三十一日，本集團有：

- 流動資產淨值約84,255,000港元(二零一八年：約374,179,000港元)。
- 現金及現金等值項目約416,662,000港元(二零一八年：約440,437,000港元)，包括按公平值列賬並在損益內處理之金融資產約60,236,000港元及受限制銀行結餘約77,612,000港元，且銀行結餘為本集團流動資產約432,459,000港元(二零一八年：約451,867,000港元)之主要組成部分。
- 流動負債約348,204,000港元(二零一八年：約77,688,000港元)，主要包括應付貨款及其他應付款項約58,794,000港元(二零一八年：約69,798,000港元)、計息借貸約68,345,000港元(二零一八年：無)及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217,869,000港元(二零一八年：無)。
- 非流動負債約3,257,000港元(二零一八年：約250,316,000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)。

本集團之資產負債比率約為1.55(二零一八年：約1.49)，乃按總負債(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及計息借貸)除以總權益計算。

資本結構

本集團資本僅包括普通股。

於二零一九年三月三十一日，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。

CHARGES ON GROUP'S ASSETS

As at 31 March 2019, the Group had pledged restricted bank balances with carrying amount of approximately HK\$77,612,000 (2018: Nil) to the bank as a security for interest-bearing borrowings.

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 2019, the Group did not have any material contingent liabilities.

EMPLOYEES

As at 31 March 2019, the Group had 82 employees (2018: 73) spreading amongst Hong Kong, Malaysia and the PRC. Total staff costs (excluding Directors' emoluments) for the Year amounted to approximately HK\$10,913,000 (2018: approximately HK\$10,266,000). 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.

本集團資產抵押

於二零一九年三月三十一日，本集團已向銀行抵押賬面值約為77,612,000港元(二零一八年：無)之受限制銀行結餘作為計息借貸擔保。

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

於二零一九年三月三十一日，本集團並無任何重大或然負債。

僱員

於二零一九年三月三十一日，本集團在香港、馬來西亞及中國共擁有82名(二零一八年：73名)僱員。於本年度，員工成本總額(不包括董事酬金)約為10,913,000港元(二零一八年：約10,266,000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 50, 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”).

Mr. Wang Xiangfei, aged 67, 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 a director of Ascent Goal Investments Limited, the controlling shareholder of the Company. Mr. Wang Xiangfei is the husband of Ms. Lo Fong Hung, a substantial shareholder of the Company and the father of Mr. Wong Sze Wai, an executive Director and the alternate director to Mr. Wang Xiangfei.

執行董事

關文輝先生(「關先生」)，50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。

王翔飛先生，67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。王翔飛先生為本公司控股股東晉標投資有限公司之董事。王翔飛先生為本公司主要股東羅方紅女士之丈夫及王四維先生(執行董事及王翔飛先生之替代董事)之父親。

EXECUTIVE DIRECTORS (continued)

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 an 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 an 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 an 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.

Mr. Wong Sze Wai, aged 36, is an executive Director and an alternate director to Mr. Wang Xiangfei, the executive Director, appointed on 20 November 2018 and 18 July 2017, respectively. Mr. Wong Sze Wai is the member of remuneration committee of the Company. Mr. Wong Sze Wai is also a director of certain subsidiaries of the Company. He was the personal assistant to Mr. Wang Xiangfei during the period from 1 August 2018 to 19 November 2018. Mr. Wong Sze Wai is also the alternate director to Mr. Wang Xiangfei in several subsidiaries of the Company. 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 a director and an alternate director to Mr. Wang Xiangfei of Ascent Goal Investments Limited, the controlling shareholder of the Company. Mr. Wong Sze Wai is the son of Mr. Wang Xiangfei, the executive Director and substantial shareholder, and Ms. Lo Fong Hung, a substantial shareholder of the Company.

執行董事(續)

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。

王四維先生，36歲，分別於二零一八年十一月二十日及二零一七年七月十八日獲委任為執行董事及執行董事王翔飛先生之替代董事。王四維先生為本公司薪酬委員會成員。王四維先生亦擔任本公司若干附屬公司之董事。於二零一八年八月一日至二零一八年十一月十九日期間，彼為王翔飛先生之個人助理。王四維先生亦於本公司若干附屬公司出任王翔飛先生之替代董事。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McMaster University（麥馬斯達大學）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的工作。彼之行業經驗包括研究及開發、業務發展及法律合規等。王四維先生為本公司控股股東晉標投資有限公司之董事及王翔飛先生之替代董事。王四維先生為王翔飛先生（亦為執行董事及主要股東）及羅方紅女士（亦為本公司主要股東）之兒子。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Man Hin Raymond, aged 53, is an independent non-executive Director appointed on 25 March 2008. Dr. 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. Dr. 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). Dr. Wong Man Hin Raymond holds a bachelor degree in chemical engineering, a master degree in economics and a doctorate degree in business administration. Dr. 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. Dr. 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 GEM of the Stock Exchange. Dr. Wong Man Hin Raymond is the vice president and council member of the Hong Kong Independent Non-Executive Director Association and an independent manager of TWGHs Wong Fut Nam College.

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 an independent non-executive director of Qinqin Foodstuffs (Cayman) Company Limited (stock code: 1583), a company whose shares are listed on the Main Board of the Stock Exchange.

獨立非執行董事

黃文顯博士，53歲，於二零零八年三月二十五日獲委任為獨立非執行董事。黃文顯博士為本公司薪酬委員會主席，亦為本公司審核委員會及提名委員會成員。黃文顯博士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。黃文顯博士持有化學工程學士學位、經濟碩士學位及經濟管理博士學位。黃文顯博士為利民實業有限公司(股份代號：229)之執行董事兼副主席，該公司股份於聯交所主板上市。黃文顯博士亦擔任現代美容控股有限公司(股份代號：919)之獨立非執行董事，該公司股份於聯交所主板上市，以及德利機械控股有限公司(股份代號：8142)及浙江聯合投資控股集團有限公司(股份代號：8366)之獨立非執行董事，兩間公司之股份於聯交所GEM上市。黃文顯博士為香港獨立非執行董事協會副會長兼理事會成員及東華三院黃笏南中學校董。

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。陳先生為本公司之審核委員會、薪酬委員會及提名委員會各自之成員。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鈺律師行之合夥人。陳先生於民事及商業犯罪訴訟方面饒富經驗，亦為公司客戶及銀行在香港處理各種交易。陳先生亦為親親食品集團(開曼)股份有限公司(其股份於聯交所主板上市，股份代號：1583)之獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Pak Wai Keung Martin (“Mr. Pak”), aged 55, 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) an independent non-executive director of Dragon Mining Limited (Stock Code: 1712); (ii) an independent non-executive director of Convoy Global Holdings Limited (Stock Code: 1019); and (iii) an independent non-executive director of China Huiyuan Juice Group Limited (Stock Code: 1886), the shares of all of which are listed on the Main Board of the Stock Exchange. Mr. Pak is also an independent non-executive director of Viva China Holdings Limited (Stock Code: 8032), the shares of which are listed on GEM of the Stock Exchange. He had been an independent non-executive director of Trony Solar Holdings Company Limited (Stock Code: 2468) from January 2017 to August 2018, the shares of which were listed and were delisted on 23 August 2018 on the Main Board of the Stock Exchange. He was an independent non-executive director of Ta Yang Group Holdings Limited (Stock Code: 1991) from April 2016 to October 2018, the shares of which are listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. Li Chun Fung (“Mr. Li”), aged 37, 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)

白偉強先生(「白先生」)，55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)龍資源有限公司(股份代號：1712)獨立非執行董事；(ii)康宏環球控股有限公司(股份代號：1019)獨立非執行董事；及(iii)中國滙源果汁集團有限公司(股份代號：1886)的獨立非執行董事，該等公司之股份均在聯交所主板上市。白先生亦為非凡中國控股有限公司(股份代號：8032)之獨立非執行董事，該公司股份於聯交所GEM上市。彼於二零一七年一月至二零一八年八月擔任創益太陽能控股有限公司(股份代號：2468)之獨立非執行董事，該公司股份於聯交所主板上市並於二零一八年八月二十三日除牌。彼於二零一六年四月至二零一八年十月擔任大洋集團控股有限公司(股份代號：1991)之獨立非執行董事，該公司股份於聯交所主板上市。

高級管理人員

李震鋒先生(「李先生」)，37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 complied with the code provisions as set out in 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 as 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 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，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；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 (Chairman & Managing Director)
Lo Fong Hung (vacated on 20 November 2018)
Wang Xiangfei (with Wong Sze Wai as alternate)
Wong Sze Wai (appointed on 20 November 2018)

Independent Non-executive Directors:

Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin

After annual assessment by the nomination committee of the Company at a meeting on 20 June 2019, 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 June 2014, the Company adopted a policy on diversity of the Board members, which has been revised in January 2019. 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(主席兼董事總經理)
羅方紅(於二零一八年十一月二十日被撤銷)
王翔飛(王四維為替代董事)
王四維(於二零一八年十一月二十日獲委任)

獨立非執行董事：

黃文顯
陳耀輝
白偉強

本公司提名委員會於二零一九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

於二零一四年六月，本公司已就董事會成員多元化採納政策，該政策已於二零一九年一月修訂。該政策要求，在考慮多項因素(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 meeting

During the Year, the Board held four regular meetings and two 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 meeting attended/ eligible to attend
Executive Directors:		
Kwan Man Fai (Chairman & Managing Director)	6/6	1/1
Lo Fong Hung (vacated on 20 November 2018)	0/5	0/1
Wang Xiangfei (with Wong Sze Wai as alternate)	6/6	1/1
Wong Sze Wai (appointed on 20 November 2018)	1/1	0/0
Independent Non-executive Directors:		
Wong Man Hin Raymond	5/6	1/1
Chan Yiu Fai Youdey	5/6	1/1
Pak Wai Keung Martin	5/6	1/1

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

於本年度內，董事會曾舉行四次定期會議及兩次臨時會議，以及本公司曾舉行一次股東大會。個別董事於董事會會議及股東大會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次數
執行董事：		
關文輝 (主席兼董事總經理)	6/6	1/1
羅方紅(於二零一八年十一月二十日被撤銷)	0/5	0/1
王翔飛 (王四維為替代董事)	6/6	1/1
王四維(於二零一八年十一月二十日獲委任)	1/1	0/0
獨立非執行董事：		
黃文顯	5/6	1/1
陳耀輝	5/6	1/1
白偉強	5/6	1/1

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 meeting (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 Dr. 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 2019. Mr. Pak Wai Keung Martin, the independent non-executive Director, was appointed on 19 September 2017 and the service agreement has been extended for one year commencing from 19 September 2018. 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 2019, 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(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博士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二零一九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，而其服務協議自二零一八年九月十九日起續期一年。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二零一九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
Executive Directors:	
Kwan Man Fai (Chairman & Managing Director)	✓
Lo Fong Hung (vacated on 20 November 2018)	-
Wang Xiangfei (with Wong Sze Wai as alternate)	✓
Wong Sze Wai (appointed on 20 November 2018)	✓
Independent Non-executive Directors:	
Wong Man Hin Raymond	✓
Chan Yiu Fai Youdey	✓
Pak Wai Keung Martin	✓

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 Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as 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
執行董事：	
關文輝 (主席兼董事總經理)	✓
羅方紅(於二零一八年十一月二十日被撤銷)	-
王翔飛 (王四維為替代董事)	✓
王四維(於二零一八年十一月二十日獲委任)	✓
獨立非執行董事：	
黃文顯	✓
陳耀輝	✓
白偉強	✓

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。全體董事已於本公司作出特定查詢後確認，彼等於本年度一直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, Dr. 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)、黃文顯博士及陳耀輝先生。

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

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

Name of members	Number of meetings attended/ eligible to attend
Pak Wai Keung Martin (Chairman)	3/3
Wong Man Hin Raymond	3/3
Chan Yiu Fai Youdey	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，共舉行三次會議，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)	3/3
黃文顯	3/3
陳耀輝	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 five members, including the chairman and managing director of the Company, Mr. Kwan Man Fai, the executive Director, Mr. Wong Sze Wai and three independent non-executive Directors, Dr. 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 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, four 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 all Directors and senior management. The attendances of individual members are as follows:

Name of members	Number of meetings attended/ eligible to attend
Wong Man Hin Raymond (Chairman)	4/4
Kwan Man Fai	4/4
Chan Yiu Fai Youdey	4/4
Pak Wai Keung Martin	4/4

Remuneration paid to senior management

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

	Number of individual(s) 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)

薪酬委員會目前由五名成員組成，包括本公司主席兼董事總經理關文輝先生、執行董事王四維先生及三名獨立非執行董事黃文顯博士(薪酬委員會主席)、陳耀輝先生及白偉強先生。

本公司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，薪酬委員會已舉行四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，並對全體董事及高級管理層的薪酬待遇作出推薦建議。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)	4/4
關文輝	4/4
陳耀輝	4/4
白偉強	4/4

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:	31 to 40	31至40歲	1
年齡組別：	41 to 50	41至50歲	2
	51 to 60	51至60歲	2
	Over 60	超過60歲	1
Gender:	Male	男性	6
性別：	Female	女性	0
Educational background:	Hong Kong	香港	5
教育背景：	PRC	中國	3
	Overseas	海外	4
Business experience:	Multinational entrepreneurship	跨國企業家	3
商業經驗：	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
專業經驗：	Corporation finance and investment banking	企業融資及 投資銀行	1
	Accounting and auditing	會計及審核	2
	Financial management	財務管理	3
Length of service (year):	<1	短於一年	0
服務時長(按年計)：	1-5	1至5年	2
	6-10	6至10年	0
	Over 10	超過10年	4
Designation:	Executive Director	執行董事	3
職務：	Independent Non-executive Director	獨立非執行董事	3

BOARD COMMITTEES (continued) Nomination Committee (continued)

After annual assessment by the Nomination Committee at a meeting on 20 June 2019, 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; and
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications.

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, Dr. Wong Man Hin Raymond, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.

The office of Ms. Lo Fong Hung as an executive Director was vacated pursuant to bye-law 89(3) of the Bye-Laws of the Company and Mr. Wong Sze Wai has been appointed as an executive Director to fill the vacancy created by the disqualification of Ms. Lo Fong Hung with effect from 20 November 2018, respectively.

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

Name of members	Number of meetings attended/ eligible to attend
Kwan Man Fai (Chairman)	4/4
Wong Man Hin Raymond	4/4
Chan Yiu Fai Youdey	4/4
Pak Wai Keung Martin	4/4

董事委員會(續) 提名委員會(續)

提名委員會於二零一九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；及
2. 董事會至少一名成員具備會計或其他專業資格。

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博士、陳耀輝先生及白偉強先生。

根據本公司的公司細則第89(3)條，羅方紅女士的執行董事職務空缺，及王四維先生已獲委任為執行董事以填補因取消羅方紅女士資格而產生的職位空缺，分別自二零一八年十一月二十日起生效。

於本年度內，提名委員會曾舉行四次會議，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)	4/4
黃文顯	4/4
陳耀輝	4/4
白偉強	4/4

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.

Nomination Policy

The nomination policy of the Company (the "Nomination Policy") was adopted by the Board and became effective on 9 January 2019.

Objective

- The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

Selection Criteria

- The factors listed below could be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:
 - Reputation for integrity
 - Accomplishment and experience in the related industry
 - Relevant skills and experience to contribute to the Board
 - Commitment in respect of available time and relevant interest
 - Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

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。

提名政策

董事會採納本公司的提名政策（「提名政策」），於二零一九年一月九日生效。

目的

- 提名委員會提名的人選數目可（按其認為適當）超過將於股東大會上委任或重新委任的董事人數，或超過需要填補的臨時空缺數目。

甄選準則

- 提名委員會在評估建議人選的資格時將參考以下因素：
 - 信譽
 - 相關行業的成就及經驗
 - 為董事會作出貢獻所需的相關技能及經驗
 - 可投入的時間及相關利益
 - 董事會各方面的多元化，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、種族、專業經驗、技能、知識和服務時長等方面

CORPORATE GOVERNANCE (continued)

Nomination Policy (continued)

Selection Criteria (continued)

- These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.
- Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as Directors.
- The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

Nomination Procedures

- The company secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members or senior management if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
- For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval.
- A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.
- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

企業管治(續)

提名政策(續)

甄選準則(續)

- 上述因素只供參考，並不旨在涵蓋所有因素，也不具決定性作用。提名委員會可決定提名任何其認為適當的人士。
- 建議人選將會被要求按既定格式提交所需的個人資料，以及提交同意書，同意被委任為董事，並同意就其參選董事或與此有關的事情在任何文件或相關網站公開披露其個人資料。
- 提名委員會如認為有必要，可以要求候選人提供額外資料及文件。

提名程序

- 本公司之公司秘書須召開提名委員會會議，並邀請董事會成員或高級管理層提名人選(如有)供提名委員會開會前考慮。提名委員會亦可提名未獲董事會成員提名的人選。
- 如要填補臨時空缺，提名委員會須推薦人選供董事會考慮及批准。
- 候選人可於股東大會舉行前任何時候向本公司公司秘書發出書面通知退選。
- 董事會對於其推薦候選人在股東大會上參選的所有事宜有最後決定權。

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 2019, 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 93 to page 103 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 2018/19, 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。於二零一九年三月三十一日，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93至103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。

根據於二零一八／一九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 2018/19, 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。

根據於二零一八／一九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，確保每半年對該等系統之有效性進行審查。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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
– Audit services	– 審核服務	1,050	700
– Non-audit services	– 非審核服務	1,080	180
		2,130	880

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 2019 annual general meeting of the Company will be held on 20 August 2019. A notice of annual general meeting will be sent to the shareholders of the Company at least 20 clear business days before the meeting.

Dividend Policy

The dividend policy of the Company (the “Dividend Policy”) was adopted by the Board and became effective on 9 January 2019.

In proposing any dividend payout, the Company could also take into account, inter alia:

- (a) the Group’s actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Group and each of the members of the Group;
- (c) the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;

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，及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。

本公司將於二零一九年八月二十日舉行二零一九年股東周年大會。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。

股息政策

董事會採納本公司的股息政策(「股息政策」)，於二零一九年一月九日生效。

本公司於建議派付任何股息時須考慮(其中包括)以下因素：

- (a) 本集團的實際及預期財務表現；
- (b) 本集團及其各成員公司的保留盈利及可供分派儲備；
- (c) 本集團的債務權益比率、權益回報率及相關財務契諾水平；

SHAREHOLDER'S COMMUNICATIONS (continued)

Dividend Policy (continued)

- (d) the Group's capacity from current and future operation, future commitments at the time of declaration of dividend;
- (e) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (f) any restrictions under the law in Bermuda and the Company's Bye-laws;
- (g) the dividends received from the Group's subsidiaries and associates, which in turn will depend on the ability of those subsidiaries and associates to pay a dividend;
- (h) the Group's expected working capital requirements;
- (i) general economic conditions, business cycle of the Group's motion control business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (j) any other factors that the Board deem appropriate.

The Dividend Policy and the declaration and/or payment of future dividends under the Dividend Policy are subject to the Board's continuing determination that the Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders, and are in compliance with all applicable laws and regulations. The Board endeavours to maintain a balance between meeting its shareholders' expectations and prudent capital management with a sustainable dividend policy.

The Board could continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time, there can be no assurance that dividends will be paid in any particular amount for any given period. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the abovementioned factors.

股東通訊(續)

股息政策(續)

- (d) 本集團當前及未來營運能力、於宣派股息時的未來承擔；
- (e) 本集團貸款人就派付股息可能施加的任何限制；
- (f) 百慕達及本公司的公司細則項下的任何限制；
- (g) 從本集團附屬公司及聯營公司收取股息，而該等股息將視乎該等附屬公司及聯營公司派付股息的能力而定；
- (h) 本集團的預期營運資金需求；
- (i) 一般經濟狀況、本集團運動控制業務的業務週期，以及對本集團業務或財務表現及狀況可能造成影響的其他內部或外部因素；及
- (j) 董事會視為合適的任何其他因素。

股息政策及根據股息政策宣派及／或派付未來股息，須視乎董事會持續認為此股息政策及宣派及／或派付股息符合本集團及股東之最佳利益方可作實，且會遵守所有適用法律及法規之規定。董事會致力憑藉可持續的股息政策，在滿足其股東預期與審慎資本管理之間取得平衡。

董事會將持續審閱股息政策，並保留其唯一及絕對酌情權，可隨時更新、修訂、修改及／或取消股息政策。股息政策絕不會在任何方面構成有關本集團未來股息之具法律約束力承諾及／或絕不會令本集團有義務隨時或不時宣派股息，且概不保證股息將於任何既定期間按任何特定金額派付。即使董事會決定建議及派付股息，但形式、頻率及金額將視乎上述因素而定。

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.

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

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。

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呈事宜，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: 3845 5790

Fax: 2110 1907

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： 3845 5790

傳真： 2110 1907

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 (i) mining and sales of coal; and (ii) renewable energy solutions and solar farm development.

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 104 to 238. The Board does not recommend the payment of any dividend for the Year (2018: Nil).

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 24 and "Management Discussion and Analysis" on pages 25 to 37 of this annual report.

The financial risk management objectives and policies of the Group are set out in Note 30(b) to the consolidated financial statements.

Please refer to page 22 for the events after reporting period under the Business Review.

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 239 to 240 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(i)煤炭開採及銷售業務；及(ii)可再生能源解決方案及太陽能發電站開發業務。

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104至238頁之綜合財務報表內。董事會不建議就本年度派付任何股息(二零一八年：無)。

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24頁之「主席報告」及第25至37頁之「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30(b)。

請參閱第22頁之業務回顧部分了解報告期後事項。

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239至240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 12 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital are set out in Note 25(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 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Convertible Bond" of this annual report and Note 26 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12。

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25(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26。

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26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(「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 48 to 49.

RELATED PARTY TRANSACTIONS

The Directors consider that those related party transactions disclosed in Note 31 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, save as disclosed in the paragraph headed “Convertible Bond” under the Report of the Directors on page 65, 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託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）及其僱員各自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48至49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31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、公告或獨立股東批准之規定。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，除第65頁董事會報告項下「可換股債券」一段所披露者外，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 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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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。

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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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 km² with the agreed compensation amount of RMB486,000 per km² 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 km² 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，因此於過去數年未為本集團帶來任何收益。

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 km² to 4.12 km². 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 km². Concerning the outstanding proposed increased area of approximately 1.6524 km² (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潛在煤炭儲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潛在煤炭儲量、估值及會計入賬方面再與專業人士(包括其估值師及核數師)商討。自該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」)，以及給予准東經濟技術開發區的國有投資公司(「國有企業」)在招拍掛的優先參與權(「優先權」)；及(2)授予取得餘下採礦面積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。

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，當中包括因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而中斷，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，本公司將會考慮本公司及股東整體利益，爭取公平合理之條款。

MAJOR EVENTS (continued)

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

On 30 November 2018 and 5 December 2018, Kaiyuan Company obtained notices and approvals (the "Notices and Approvals") from the Management Committee of Xinjiang Zhundong Economic and Technological Development Zone* (新疆准東經濟技術開發區管理委員會) and 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) respectively in respect of the application for the mining right of an annual production volume of 0.9 million tonnes of the Kaiyuan Extended Area ("Kaiyuan Extended Area Mining Right Application") and Kaiyuan Company subsequently submitted the Notices and Approvals to the Ministry of Land and Resources of Changji Hui Autonomous Prefecture* (昌吉回族自治州國土資源局) on 10 December 2018 for approval.

According to the legal opinion from the PRC lawyer, Kaiyuan Company is required to go through certain official procedures for the grant of the Kaiyuan Extended Area Mining Right Application, namely, upon obtaining the approval from the Ministry of Land and Resources of Changji Hui Autonomous Prefecture, Kaiyuan Company would need to submit the Kaiyuan Extended Area Mining Right Application to the Department of Land and Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區國土資源廳) for such approval.

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)

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。

於二零一八年十一月三十日及二零一八年十二月五日，凱源公司已分別取得新疆准東經濟技術開發區管理委員會及昌吉回族自治州國土資源局准東經濟技術開發區分局有關申請凱源擴大範圍年產量為900,000噸的採礦權(「凱源擴大範圍採礦權申請」)之通知及批准(「通知及批准」)，而凱源公司其後於二零一八年十二月十日向昌吉回族自治州國土資源局提交通知及批准以供批准。

根據中國律師之法律意見，凱源公司須就凱源擴大範圍採礦權申請獲批通過若干官方程序，即於取得昌吉回族自治州國土資源局之批准後，凱源公司將需要向新疆維吾爾自治區國土資源廳提交凱源擴大範圍採礦權申請以獲批准。

MAJOR EVENTS (continued)

(A) Progress of the Optimization and Upgrading Plan[#] and the Updated Optimization and Upgrading Plan^{##} (continued)

On 10 May 2019, the Company received a notification dated 8 April 2019 regarding the grant of exploration right for the Outstanding Mining Area with an area of 1.68 km² by the Department of Natural Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區自然資源廳) for a period of 3 years from 8 April 2019 to 8 April 2022. Now having obtained the Exploration Permit, the Company will proceed to fulfill all the necessary requirements and procedures to obtain the relevant mining permit.

[#] “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.

^{##} “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.

(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)”.

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)

於二零一九年五月十日，本公司收到日期為二零一九年四月八日有關新疆維吾爾自治區自然資源廳所發出授予面積為1.68平方公里之餘下探礦面積勘察權之通知，自二零一九年四月八日至二零二二年四月八日止為期三年。在現已獲取勘察許可證的情況下，本公司將繼續遵守所有必要規定及程序以獲取相關探礦許可證。

[#] 「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」。

^{##} 「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」。

(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。

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

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.

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.

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

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恢復凱源煤礦生產之通知。

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。

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保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。據本公司所知，凱源公司未曾收過因停產期間未能供應煤炭而出現的任何索償。與此同時，凱源公司將與相關政府部門合作，以完成所要求的環保整改工作。

MAJOR EVENTS (continued)

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

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)” from the Production Safety Supervision and Administration Bureau* (安全生產監督管理局) of 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 “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.

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.

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

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及使用柴油的情況，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。

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。凱源公司的管理層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。

MAJOR EVENTS (continued)

(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.

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

On 2 January 2019, the Safety Bureau of the Zhundong Development Zone suspended the operations of the Kaiyuan Mine due to the expiry of the Existing Mining Permit. On 9 January 2019, the Safety Bureau of the Zhundong Development Zone re-examined the mining permits of Kaiyuan Company and confirmed that the Existing Mining Permit had been renewed. According to the legal opinion issued by the PRC legal adviser of the Company, Kaiyuan Company based on such confirmation, is allowed to resume its mining operations and sale. On 10 January 2019, Kaiyuan Company resumed its mining operations and sale.

1. Impacts on the Group and measures to be taken

Kaiyuan Mine is the major 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.

重大事項(續)

(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。

安全生產許可證重續須待採礦權重續後，方可辦理。

於二零一九年一月二日，由於現有採礦許可證屆滿，准東開發區安監局暫停凱源煤礦之營運。於二零一九年一月九日，准東開發區安監局複查凱源公司之採礦許可證並確認現有採礦許可證已獲重續。根據本公司中國法律顧問發出之法律意見，根據有關確認，凱源公司獲允許恢復其採礦業務及銷售。於二零一九年一月十日，凱源公司恢復其採礦業務及銷售。

1. 對本集團的影響及將採取的措施

凱源煤礦為本集團的主要營運業務。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。

MAJOR EVENTS (continued)

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

1. *Impacts on the Group and measures to be taken (continued)*

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.

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.

重大事項(續)

(C) 凱源煤礦之停產(續)

1. *對本集團的影響及將採取的措施(續)*

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。

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，凱源公司已向新疆國土資源廳申請重續採礦權。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。

MAJOR EVENTS (continued)

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

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

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.

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/年採礦證延續的申請報告) 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.

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)

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」)出具同意重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/年採礦證延續的申請報告》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。

MAJOR EVENTS (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.

On 25 June 2018, the Kaiyuan Company successfully renewed and was granted the Work Safety Permit by the Coal Mine Safety Bureau. The Work Safety Permit is valid for 3 years from 25 June 2018 to 24 June 2021.

The Company has immediately applied to the Safety Bureau of the Zhundong Development Zone for the necessary approval and acceptance procedures to resume production at the Kaiyuan Mine.

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)

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重續。

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，新疆政府維護穩定的工作任務十分繁重，並導致重續安全生產許可證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凱源煤礦之生產。

於二零一八年六月二十五日，凱源公司成功重續並獲得新疆煤監局授予安全生產許可證。安全生產許可證之有效期為三年，自二零一八年六月二十五日至二零二一年六月二十四日止。

本公司已立即向准東開發區安監局申請取得所需許可及進行驗收程序以恢復凱源煤礦之生產。

MAJOR EVENTS (continued)

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

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

Since the suspension of production at the Kaiyuan Mine on 11 April 2018, Kaiyuan Company has carried out plenty of effective remedial work. On 29 August 2018, Kaiyuan Company received a notice issued by the Safety Bureau of the Zhundong Development Zone confirming that the Kaiyuan Company could resume normal production at the Kaiyuan Mine. According to the notice, the Kaiyuan Company is required to, among other things, strictly observe and comply with the applicable laws and regulations on mining safety, strengthen on-site management on safety, ensure mining and production safety and undertake to resume production.

On 29 September 2018, Kaiyuan Company applied to the Xinjiang Natural Resources Department for a renewal of the Existing Mining Permit. The Company was informed that the Xinjiang Natural Resources Department was in the process of reviewing the Kaiyuan Extended Area Mining Right Application. Upon approval by the Xinjiang Natural Resources Department, the Kaiyuan Extended Area Mining Right shall be granted, in replacement of the Existing Mining Permit, with the mining area increased from approximately 1.1596 km² to approximately 4.1165 km², representing the enlarged mining area of the existing Kaiyuan Mine and the Kaiyuan Extended Area. The Kaiyuan Extended Area Mining Right shall entitle Kaiyuan Company an annual production volume of 0.9 million tonnes, whereas Kaiyuan Company is only entitled to an annual production volume of 0.09 million tonnes under the Existing Mining Permit.

In light of the above and according to the legal opinion issued by the PRC legal adviser of the Company, in compliance with the relevant laws and regulations of the PRC, Kaiyuan Company shall temporarily suspend its mining operations and sale after the expiry of the Existing Mining Permit on 31 December 2018 until the grant of the Kaiyuan Extended Area Mining Right.

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)

自二零一八年四月十一日凱源煤礦停產以來，凱源公司已開展大量有效補救工作。於二零一八年八月二十九日，凱源公司接獲准東開發區安監局出具之通知，確認凱源公司可恢復凱源煤礦之正常生產。根據通知，凱源公司須(其中包括)嚴格遵守及符合有關採礦安全之適用法律及法規，加強現場安全管理，確保採礦與生產安全，並承諾恢復生產。

於二零一八年九月二十九日，凱源公司向新疆自然資源廳申請重續現有採礦許可證。本公司獲告知，新疆自然資源廳正審閱凱源擴大範圍採礦權申請。於獲新疆自然資源廳批准後，凱源擴大範圍採礦權將獲授出以取代現有採礦許可證，採礦範圍將由約1.1596平方公里增加至約4.1165平方公里，即現有凱源煤礦及凱源擴大範圍之經擴大採礦範圍。凱源擴大範圍採礦權授權凱源公司之每年產量為0.9百萬噸，而凱源公司根據現有採礦許可證僅獲授權每年產量0.09百萬噸。

鑒於上文所述及根據本公司中國法律顧問出具之法律意見，為遵守中國相關法律及法規，凱源公司須於現有採礦許可證於二零一八年十二月三十一日屆滿後暫停其採礦業務及銷售，直至獲授凱源擴大範圍採礦權為止。

MAJOR EVENTS (continued)

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

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

After further communication between the Company and the Xinjiang Natural Resources Department, having considered that (i) Kaiyuan Company has been complying with the relevant laws and regulations of the PRC regarding its mining operations and sale; and (ii) the demand for coal in winter is huge in Xinjiang, the Xinjiang Natural Resources Department decided to approve renewal of the Existing Mining Permit (the “Renewed Mining Permit”). Kaiyuan Company obtained the Renewed Mining Permit on 7 January 2019, which is valid from 3 November 2018 to 3 November 2019.

(D) Acquisition of 90% of the issued share capital of NEFIN Leasing Technologies Limited and the loans

On 10 August 2018, Radiant Day Holdings Limited (“Radiant Day”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with NEFIN Holding Limited and Mr. Lim Hong Teo (together referred to as the “Vendors”), pursuant to which Radiant Day agreed to purchase, and the Vendors agreed to sell 90% equity interest in NEFIN Leasing Technologies Limited and its wholly-owned subsidiary, NEFIN Technology (Malaysia) Sdn. Bhd. (“NEFIN Technology”) (together the “NEFIN Group”) at an aggregate consideration of US\$1,350,000 (equivalent to approximately HK\$10,530,000). The Vendors have jointly and severally guaranteed that the annual result of NEFIN Technology for the years ending 30 September 2019, 2020, 2021, 2022 and 2023 would not be less than 5% of the consideration, i.e. approximately HK\$527,000 per annum. The transaction completed on 8 October 2018 as all conditions in the sale and purchase agreement were fulfilled.

NEFIN Group is principally engaged in renewable energy solutions and solar farm development in Malaysia. The Directors are of the view that the acquisition will further enhance the Group’s expansion of innovative and renewable energy business. The acquisition constituted a business combination and had been accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

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)

經過本公司與新疆自然資源廳進一步溝通後，經考慮(i)凱源公司就其採礦業務及銷售一直遵守中國相關法律及法規；及(ii)新疆冬季煤炭需求龐大，新疆自然資源廳決定批准重續現有採礦許可證(「重續採礦許可證」)。凱源公司於二零一九年一月七日取得重續採礦許可證，有效期自二零一八年十一月三日至二零一九年十一月三日止。

(D) 收購新能源租賃科技有限公司 90%已發行股本及貸款

於二零一八年八月十日，耀日控股有限公司(「耀日」)(本公司之間接全資附屬公司)與NEFIN Holding Limited及林豐潮先生(統稱為「賣方」)訂立買賣協議，據此，耀日有條件同意收購而賣方有條件同意出售新能源租賃科技有限公司及其全資附屬公司NEFIN Technology (Malaysia) Sdn. Bhd. (「NEFIN Technology」)(統稱為「新能源集團」)90%的股權，總代價為1,350,000美元(相等於約10,530,000港元)。賣方已共同及個別擔保NEFIN Technology於截至二零一九年、二零二零年、二零二一年、二零二二年及二零二三年九月三十日止年度的全年業績將不低於代價的5%(即每年約527,000港元)。由於買賣協議所訂明的所有條件均已獲達成，故該交易於二零一八年十月八日完成。

新能源集團於馬來西亞主要從事可再生能源解決方案及太陽能發電站開發業務。董事認為，收購事項將進一步加強擴展本集團之創新及可再生能源業務。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

MAJOR EVENTS (continued)

(E) Event after reporting period

On 11 March 2019, Ample Talent Ventures Limited (“Ample Talent”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, pursuant to which the vendor has conditionally agreed to sell, and Ample Talent has conditionally agreed to purchase 80% equity interest in Harbour Group Holdings Limited (“Harbour Group”) and its subsidiaries (together referred to as the “Target Group”), at an aggregate consideration of HK\$35,712,000; and (ii) Ample Talent and Harbour Group entered into a subscription agreement, pursuant to which Harbour Group has conditionally agreed to issue and allot to Ample Talent, and Ample Talent has conditionally agreed to subscribe for 450 ordinary shares, representing approximately 4.5% of the total number of shares in issue as at the date of subscription agreement at an aggregate subscription price of HK\$2,008,800. Upon completion of the above transactions, Ample Talent will hold approximately 80.86% equity interest in Harbour Group.

Pursuant to the sale and purchase agreement, the vendor has agreed to guarantee that the audited consolidated net profit generated from operating activities of the Target Group in its ordinary and usual course of business, prepared in accordance with HKFRSs (the “Net Profit”), for the years ended or ending 31 December 2018, 31 December 2019 and 31 December 2020 (the “PG Period”) shall be no less than HK\$7,200,000 per annum (the “Guaranteed Profit”). In the event that the Net Profit during the each of the PG Period is less than the Guaranteed Profit, the vendor unconditionally and irrevocably undertakes and guarantees, as a continuing obligation, to pay the shortfall to the Group under the terms as stipulated in the sale and purchase agreement.

The Target Group consists of Harbour Group, Harbour Group (Singapore) Pte. Ltd., Harbour Group Consulting (UK) Limited, HGH Technology Sdn. Bhd., Mountain Managed Cloud Consulting Limited and Vanguard Business Services Limited. The Target Group is principally engaged in the provision of information technology outsourcing, consultancy and technical services mainly in Hong Kong with expanding business in United Kingdom, Malaysia and Singapore. The Directors are of the view that the acquisition can broaden the Group’s revenue base and benefit from the diversified return in future.

重大事項(續)

(E) 報告期後事項

於二零一九年三月十一日，裕智創投有限公司(「裕智創投」)(為本公司間接全資附屬公司)與獨立第三方訂立買賣協議，據此，賣方有條件同意出售，而裕智創投有條件同意購買港海控股有限公司(「港海集團」)及其附屬公司(統稱為「目標集團」)80%的股權，總代價為35,712,000港元；及(ii)裕智創投與港海集團訂立認購協議，據此，港海集團有條件同意向裕智創投發行及配發，而裕智創投有條件同意認購450股普通股(相當於認購協議日期已發行股份總數約4.5%)，總認購價為2,008,800港元。於完成上述交易後，裕智創投將持有港海集團約80.86%股權。

根據買賣協議，賣方已同意保證，截至二零一八年十二月三十一日、二零一九年十二月三十一日及二零二零年十二月三十一日止年度(「溢利保證期間」)，根據香港財務報告準則編製的目標集團於一般及日常業務過程中經營活動產生的經審核綜合純利(「純利」)將不少於每年7,200,000港元(「保證溢利」)。倘各溢利保證期間的純利少於保證溢利，賣方無條件及不可撤回地承諾及保證，作為持續義務，按買賣協議所規定條款向本集團支付不足金額。

目標集團由港海集團、Harbour Group (Singapore) Pte. Ltd.、Harbour Group Consulting (UK) Limited、HGH Technology Sdn. Bhd.、峻嶺雲端顧問有限公司及領導商業服務有限公司組成。目標集團主要業務為主要於香港提供的資訊科技外包、諮詢及技術服務以及於英國、馬來西亞以及新加坡的拓展業務。董事相信，收購事項日後可拓寬本集團的收益基礎，並從多元化回報中受益。

MAJOR EVENTS (continued)

(E) Event after reporting period (continued)

As at 31 March 2019, deposit for acquisition of the Target Group of approximately HK\$3,571,000 was paid to the vendor and was included in “Refundable deposit paid for acquisition of subsidiaries”. Details of the acquisition were set out in the Company’s circular dated 12 April 2019.

On 23 April 2019, the conditions as stipulated in the sale and purchase agreement and subscription agreement were fulfilled. The Target Group became indirect non-wholly owned subsidiaries of the Company. The acquisition constituted a business combination and will be accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

As the initial accounting for the acquisition of the Target Group is incomplete, it is not practicable to reliably estimate its financial effort.

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 25 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2019, 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)

(E) 報告期後事項(續)

於二零一九年三月三十一日，收購目標集團之按金約3,571,000港元已支付予賣方，並計入「收購附屬公司所支付之可退還按金」內。有關收購事項之詳情載於本公司日期為二零一九年四月十二日之通函內。

於二零一九年四月二十三日，買賣協議及認購協議所規定之條件已獲達成。目標集團成為本公司之間接非全資附屬公司。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

由於收購目標集團之初步會計處理未完成，因此可靠估計其財務事宜乃不切實際。

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25及綜合權益變動表。

可供分派儲備

於二零一九年三月三十一日，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 98.44% of the total sales for the Year and sales to the largest customer included therein amounted to 74.92%. Purchases of goods and services from the Group's five largest suppliers accounted for 97.92% of the total purchases for the Year and purchases from the largest supplier included therein amounted to 55.40%.

DIRECTORS

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

Executive Directors:

Kwan Man Fai (Chairman & Managing Director)
Lo Fong Hung (vacated on 20 November 2018)
Wang Xiangfei (with Wong Sze Wai as alternate)
Wong Sze Wai (appointed on 20 November 2018)

Independent Non-executive Directors:

Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Kwan Man Fai and Mr. Chan Yiu Fai Youdey 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. Wong Sze Wai 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 as an alternate Director to Mr. Wang Xiangfei 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, has confirmed to 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98.44%，而當中最大客戶之銷售額則佔74.92%。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97.92%，而當中最大供應商之採購額則佔55.40%。

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(於二零一八年十一月二十日被撤銷)
王翔飛(王四維為替代董事)
王四維(於二零一八年十一月二十日獲委任)

獨立非執行董事：

黃文顯
陳耀輝
白偉強

根據本公司之公司細則第87條規定，關文輝先生及陳耀輝先生將輪值退任，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，王四維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(作為王翔飛先生之替任董事)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。王翔飛先生已確認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 38 to 41 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 2018 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, the executive Directors' emoluments were approved and revised by the Board with effect from 1 June 2019. The monthly emolument of Mr. Kwan Man Fai was changed to HK\$94,815. The monthly emolument of Mr. Wang Xiangfei was changed to HK\$70,560. The monthly emolument of Mr. Wong Sze Wai was changed to HK\$70,560.
- (2) The service agreements of the independent non-executive Directors, namely Dr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey, entered with the Company expired on 24 March 2019 and their service agreements had been extended for one year commencing on 25 March 2019;
- (3) The service agreements of the executive Directors, namely Mr. Kwan Man Fai and Mr. Wang Xiangfei, entered with the Company expired on 24 March 2019 and their service agreements had been extended for one year commencing on 25 March 2019; and
- (4) Mr. Pak Wai Keung Martin, the independent non-executive Director, has been the independent non-executive director of China Huiyuan Juice Group Limited (Stock Code: 1886), the shares of which are listed on the Main Board of 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38至41頁。

董事資料變動

自本公司二零一八年中報刊發後，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) 經審閱董事於本公司之職務及職責以及市場狀況後，執行董事酬金由董事會批准及修訂，自二零一九年六月一日起生效。關文輝先生之每月酬金已變更為94,815港元。王翔飛先生之每月酬金已變更為70,560港元。王四維先生之每月酬金已變更為70,560港元。
- (2) 獨立非執行董事黃文顯博士及陳耀輝先生與本公司訂立之服務協議於二零一九年三月二十四日屆滿，且彼等之服務協議已自二零一九年三月二十五日起延期一年；
- (3) 執行董事關文輝先生及王翔飛先生與本公司訂立之服務協議於二零一九年三月二十四日屆滿，且彼等之服務協議已自二零一九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擔任中國滙源果汁集團有限公司(股份代號：1886)的獨立非執行董事，該公司的股份於聯交所主板上市。

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 2019, 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

於二零一九年三月三十一日，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
Mr. Wang Xiangfei 王翔飛先生	1	New Bright International Development Limited ("New Bright") 創輝國際發展有限公司 （「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)

Note:

1. Ms. Lo Fong Hung 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 2019, 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：

1. 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，於二零一九年三月三十一日，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 2019, 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

於二零一九年三月三十一日，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	Number of underlying shares held 所持相關股份數目	Total number of shares and underlying shares held 所持股份及相關股份總數	Approximate percentage of the total number of issued shares of the Company (Note 7) 佔本公司已發行股份總數概約百分比 (附註7)
Ascent Goal 晉標	1,5	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	2,5	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	2,5	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	3,5	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. Lo Fong Hung 羅方紅女士	4,5	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	6	Beneficial owner 實益擁有人	1,000,000	–	1,000,000	0.13%
	6	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.
- Ms. Lo Fong Hung is deemed to have interests in the shares and underlying shares through her 30% 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 2019, 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 2019, 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。
- 羅方紅女士因擁有創輝30%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二零一九年三月三十一日之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，於二零一九年三月三十一日，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 2019

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，二零一九年六月二十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



M A Z A R S
中 审 众 环

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 104 to 238, which comprise the consolidated statement of financial position as at 31 March 2019, 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 2019, 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 Hong Kong Companies Ordinance.

MAZARS CPA LIMITED

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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104至238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，其中包括於二零一九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 貴集團於二零一九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 (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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，在我們對本期間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 Notes 2, 3, 4, 12, 13 and 19 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

請參閱綜合財務報表附註2、3、4、12、13及19。

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關鍵審核事項

As at 31 March 2019, the Group held various coal mines related non-current assets, including property, plant and equipment, prepayments for acquisition of property, plant and equipment and intangible assets, in the People's Republic of China with carrying amounts of approximately HK\$45,507,000, HK\$19,635,000 and HK\$16,913,000 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 the 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 the significance of the amounts involved and the significant estimates made by management in determining the recoverable amounts of the corresponding cash-generating unit.

As set out in Note 13 to the consolidated financial statements, the management concluded that the recoverable amount of the cash-generating unit was higher than its carrying value and no impairment provision was required for the current year.

Our key audit procedures included:

- (a) evaluating 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) assessing the valuation methodologies adopted in the valuation with reference to the requirements of the prevailing accounting standards;
- (c) challenging 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 prepared by the management;
- (d) challenging the key assumptions underlying the operational forecasts by comparison with historical financial performance together with market and other externally available information;
- (e) assessing the discount rates applied in the cash flow forecasts, by benchmarking against those of similar companies in the markets; and
- (f) re-performing the management's calculations of the sensitivity of the key assumptions adopted in the cash flow forecasts and considering possible management bias in the selection of assumptions.

KEY AUDIT MATTERS (continued)

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

關鍵審核事項(續)

煤礦相關非流動資產減值評估(續)

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關鍵審核事項

於二零一九年三月三十一日，貴集團於中華人民共和國擁有多個煤礦相關非流動資產(包括物業、廠房及設備)、收購物業、廠房及設備之預付款項以及無形資產，賬面值分別約為45,507,000港元、19,635,000港元及16,913,000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，原因為所涉金額重大及管理層於釐定相應現金產生單位之可回收金額時作出重大估計。

誠如綜合財務報表附註13所述，管理層認為現金產生單位之可回收金額高於其賬面值及本年度毋須計提減值撥備。

我們執行之主要審核程序包括：

- (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編製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 in Notes 2, 3, 26 and 30(b) 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

請參閱綜合財務報表附註2、3、26及30(b)。

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關鍵審核事項

As at 31 March 2019, the fair value of the Convertible Bond was approximately HK\$217,869,000.

The management has engaged the Valuer to estimate the fair value of the Convertible Bond as at 31 March 2019.

We have identified the valuation of the Convertible Bond as a key audit matter because the amounts involved are significant and 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.

於二零一九年三月三十一日，可換股債券之公平值約為217,869,000港元。

管理層已委聘估值師對於二零一九年三月三十一日可換股債券之公平值進行估值。

我們已識別可換股債券之估值為關鍵審核事項，原因為所涉金額重大及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。

Our key audit procedures included:

- (a) evaluating the Valuer's competence, capabilities and objectivity;
- (b) assessing the appropriateness of the valuation methodology, and the reasonableness on the key inputs used and assumptions by the Valuer and agreed by the management including the discount rate and share price; and
- (c) evaluating the sensitivity analysis performed by the Valuer in relation to the fluctuation on the discount rate and share price of the Company's shares.

我們執行之主要審核程序包括：

- (a) 評估估值師之技能、能力及客觀性；
- (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)及假設的合理程度；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。

KEY AUDIT MATTERS (continued)

Acquisition accounting for NEFIN Leasing Technologies Limited and its subsidiary (together referred to as "NEFIN Group")

Refer to in Notes 2 and 32 to the consolidated financial statements.

關鍵審核事項(續)

新能源租賃科技有限公司及其附屬公司(統稱「新能源集團」)之收購會計法

請參閱綜合財務報表附註2及32。

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關鍵審核事項

The Group completed the acquisition of NEFIN Group on 8 October 2018 at a consideration of US\$1,350,000 (equivalent to approximately HK\$10,530,000) (the "NEFIN Acquisition"). The NEFIN Acquisition constituted a business combination for accounting purposes.

The initial accounting for the NEFIN Acquisition required the Group to identify the assets acquired and liabilities assumed and measure their amounts. In particular, the management engaged the Valuer to provide assistance in measuring the values of identifiable assets and liabilities. Goodwill of approximately HK\$4,229,000 arising from the NEFIN Acquisition was recognised at the date of acquisition.

We considered this matter as a key audit matter due to the significance of amounts involved and the significant estimates made by the management in estimating the value of the assets acquired and liabilities assumed.

Our key audit procedures included:

- (a) evaluating management's assessment of the terms of the acquisition agreement;
- (b) understanding the valuation processes and methodologies, significant assumptions adopted and key inputs used in the valuation of assets and liabilities;
- (c) challenging the reasonableness of key assumptions based on our knowledge and understanding of the businesses of NEFIN Group and markets;
- (d) assessing the appropriateness of the methodologies and the reasonableness of significant assumptions used by the management in determining the value of assets acquired and liabilities assumed including fair value adjustments as at the date of acquisition;
- (e) evaluating the competence, capabilities and objectivity of the Valuer; and
- (f) performing legal search on NEFIN Group and obtaining confirmation from the Group's lawyer to identify any contingent liabilities and evaluate the impact.

KEY AUDIT MATTERS (continued)

Acquisition accounting for NEFIN Leasing Technologies Limited and its subsidiary (together referred to as "NEFIN Group") (continued)

關鍵審核事項(續)

新能源租賃科技有限公司及其附屬公司(統稱「新能源集團」)之收購會計法(續)

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關鍵審核事項

貴集團於二零一八年十月八日完成收購新能源集團，代價為1,350,000美元(相當於約10,530,000港元)(「新能源收購事項」)。就會計目的而言，新能源收購事項構成業務合併。

新能源收購事項之初步會計處理要求 貴集團識別所收購資產及所承擔負債並計量其金額。具體而言，管理層委聘估值師協助計量可識別資產及負債的價值。新能源收購事項產生之商譽約4,229,000港元於收購日期確認。

由於所涉金額重大以及管理層於評估所收購資產及所承擔負債的價值時作出重大估計，故我們認為該事項為關鍵審核事項。

我們執行之主要審核程序包括：

- (a) 評核管理層對收購協議條款之評估；
- (b) 了解所採用的估值程序及方法、主要假設以及在資產及負債估值中使用的主要輸入數據；
- (c) 根據我們對新能源集團業務及市場的了解及理解，質疑主要假設的合理性；
- (d) 評估管理層釐定所收購資產及所承擔負債的價值(包括於收購日期之公平值調整)時所採用的方法之適用性及主要假設之合理性；
- (e) 評核估值師之技能、能力及客觀性；及
- (f) 對新能源集團進行合法搜查並自 貴集團律師處獲得確認函，以確定任何或然負債並評核其影響。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2019 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 貴公司二零一九年年報之資料，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監控負責。

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，或凌駕於內部監控之上，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監控，以設計按適當情況之審核程序，但並非為對貴集團內部監控之成效發表意見。
- 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監控之任何重大缺失。

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 2019

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，我們確定對本期間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，二零一九年六月二十日

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 2019
截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5	75,625	182,445
Cost of services and goods sold	已售服務及貨品成本		(44,542)	(130,398)
Gross profit	毛利		31,083	52,047
Other revenue	其他收益	6	10,438	6,332
Selling and distribution expenses	銷售及分銷費用		(474)	(414)
Administrative and other operating expenses	行政及其他經營費用		(28,688)	(22,456)
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額		(6,175)	8,866
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	12	-	(3,511)
Impairment loss on intangible assets	無形資產減值虧損	13	-	(12,618)
Finance costs	融資成本	7	(964)	-
Change in fair value of convertible bond designated as financial liabilities at FVPL	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	26	29,373	14,374
Profit before tax	除稅前溢利	7	34,593	42,620
Income tax expenses	所得稅開支	8	(5,750)	(5,942)
Profit for the year	年內溢利		28,843	36,678
Other comprehensive (loss)/income, net of nil tax	其他全面(虧損)/收益，扣除零稅項			
<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		(10,909)	13,671
Total comprehensive income for the year	年內全面收益總額		17,934	50,349
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		28,843	36,678
- Non-controlling interests	- 非控股權益		-	-
			28,843	36,678
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收益總額：			
- Owners of the Company	- 本公司擁有人		17,923	50,349
- Non-controlling interests	- 非控股權益		11	-
			17,934	50,349
Earnings/(Loss) per share (expressed in Hong Kong cents)	每股盈利/(虧損)(以港仙呈列)			
- Basic	- 基本	10	3.77	4.79
- Diluted	- 攤薄	10	0.90	(0.07)

The notes on pages 111 to 238 form an integral part of these consolidated financial statements.

列載於第111至238頁之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019
於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	51,370	9,166
Intangible assets	無形資產	13	18,505	23,095
Goodwill	商譽	14	4,229	–
Security deposit	保證按金	15	5,506	5,048
Non-refundable deposits	不可退還按金	19	2,431	2,604
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備之 預付款項	19	19,635	–
Deferred tax assets	遞延稅項資產	28	2,009	1,940
			103,685	41,853
Current assets	流動資產			
Inventories	存貨	17	7,573	7,221
Financial assets measured at FVPL	按公平值列賬並在損益內 處理之金融資產	18	60,236	–
Trade and other receivables	應收貨款及其他應收款項	19	8,224	4,209
Restricted bank balances	受限制銀行結餘	21	77,612	–
Cash and cash equivalents	現金及現金等值項目	22	278,814	440,437
			432,459	451,867
Current liabilities	流動負債			
Convertible bond designated as financial liabilities at FVPL	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	26	217,869	–
Trade and other payables	應付貨款及其他應付款項	23	58,794	69,798
Interest-bearing borrowings	計息借貸	24	68,345	–
Tax payables	應付稅項		3,196	7,890
			348,204	77,688
Net current assets	流動資產淨值		84,255	374,179
Total assets less current liabilities	總資產減流動負債		187,940	416,032

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 March 2019
於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	25	76,537	76,537
Reserves	儲備		107,102	89,179
Equity attributable to owners of the Company	本公司擁有人應佔權益		183,639	165,716
Non-controlling interests	非控股權益		1,044	-
Total equity	總權益		184,683	165,716
Non-current liabilities	非流動負債			
Convertible bond designated as financial liabilities at FVPL	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	26	-	247,242
Provision for close down, restoration and environmental costs	關閉、復墾及環境成本撥備	27	2,870	3,074
Deferred tax liabilities	遞延稅項負債	28	387	-
			3,257	250,316
			187,940	416,032

These consolidated financial statements were approved and authorised for issue by the board of directors on 20 June 2019 and signed on its behalf by

該等綜合財務報表於二零一九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 111 to 238 form an integral part of these consolidated financial statements.

列載於第111至238頁之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2019
截至二零一九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	Share premium	Capital reserve	Statutory reserves	Exchange translation reserve	Special reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	特別儲備	累計虧損	總額	非控股權益	總權益
		(Note 25 a(i))	(Note 25 a(i))	(Note 25 a(i))	(Note 25 a(iii))	(Note 25 a(iv))	(Note 25 a(v))				
		(附註25 a(i))	(附註25 a(i))	(附註25 a(i))	(附註25 a(iii))	(附註25 a(iv))	(附註25 a(v))				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
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	-	115,367
Profit for the year	年內溢利	-	-	-	-	-	-	36,678	36,678	-	36,678
Total other comprehensive income:	其他全面收益總額：										
<i>Item that may be 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	-	13,671
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	13,671	-	36,678	50,349	-	50,349
Transactions with owners:	與擁有人進行之交易：										
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	-	165,716

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

For the year ended 31 March 2019
截至二零一九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	Capital reserve 資本儲備	Statutory reserves 法定儲備	Exchange translation reserve 匯兌儲備	Special reserve 特別儲備	Accumulated losses 累計虧損	Total 總額	Non-controlling interests 非控股權益	Total equity 總權益
		(Note 25 a(i)) (附註25 a(i))	(Note 25 a(ii)) (附註25 a(ii))	(Note 25 a(iii)) (附註25 a(iii))	(Note 25 a(iv)) (附註25 a(iv))	(Note 25 a(v)) (附註25 a(v))	(Note 25 a(v)) (附註25 a(v))	(Note 25 a(v)) (附註25 a(v))			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 April 2018	於二零一八年四月一日	76,537	191,534	14,882	20,424	20,110	27,143	(184,914)	165,716	-	165,716
Profit for the year	年內溢利	-	-	-	-	-	-	28,843	28,843	-	28,843
Total other comprehensive loss:	其他全面虧損總額：										
<i>Item that may be 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	-	-	-	-	(10,920)	-	-	(10,920)	11	(10,909)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(10,920)	-	28,843	17,923	11	17,934
Transactions with owners:	與擁有人進行之交易：										
Appropriation of statutory reserve	法定儲備之分配	-	-	-	2,562	-	-	(2,562)	-	-	-
Appropriation for maintenance and production funds	維簡及生產基金之分配	-	-	-	26,612	-	-	(26,612)	-	-	-
Utilisation of maintenance and production funds	維簡及生產基金之動用	-	-	-	(26,612)	-	-	26,612	-	-	-
		-	-	-	2,562	-	-	(2,562)	-	-	-
Changes in ownership interests	擁有權益變動										
Non-controlling interests arising from business combination (Note 32)	因業務合併產生的非控股權益 (附註32)	-	-	-	-	-	-	-	-	1,033	1,033
As at 31 March 2019	於二零一九年三月三十一日	76,537	191,534	14,882	22,986	9,190	27,143	(158,633)	183,639	1,044	184,683

The notes on pages 111 to 238 form an integral part of these consolidated financial statements.

列載於第111至238頁之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2019
截至二零一九年三月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營業務		
Profit before tax	除稅前溢利	34,593	42,620
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	2,356	3,022
Amortisation of intangible assets which was included in "cost of services and goods sold"	無形資產攤銷(計入「已售服務及貨品成本」)	4,685	5,478
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
Change in fair value of convertible bond designated as financial liabilities at FVPL	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	(29,373)	(14,374)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	979	132
Net exchange loss/(gain)	匯兌虧損/(收益)淨額	15,448	(22,090)
Finance costs	融資成本	964	-
Interest income	利息收入	(4,343)	(4,322)
Operating cash flow before movements in working capital	營運資金變動前之經營現金流量	25,309	26,595
(Increase)/Decrease in inventories	存貨(增加)/減少	(704)	47,918
Decrease in trade and other receivables	應收貨款及其他應收款項減少	269	9,868
(Decrease)/Increase in trade and other payables	應付貨款及其他應付款項(減少)/增加	(7,214)	1,524
Cash generated from operations	經營業務所得現金	17,660	85,905
Interest paid	已付利息	(964)	-
Income tax paid	已付所得稅	(10,124)	(13,025)
Net cash from operating activities	經營業務所得現金淨額	6,572	72,880

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 March 2019
截至二零一九年三月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Investing activities	投資業務		
Purchase of property, plant and equipment	購置物業、廠房及設備	(40,441)	(4,167)
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
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備之預付款項	(19,635)	-
Refundable deposit paid for acquisition of subsidiaries	收購附屬公司之已付可退還按金	37 (3,571)	-
Net outflow from acquisition of subsidiaries	收購附屬公司淨流出	32 (10,323)	-
Purchases of financial assets measured at FVPL	購買按公平值列賬並在損益內處理之金融資產	18 (60,236)	(307,440)
Redemption of financial assets measured at FVPL	贖回按公平值列賬並在損益內處理之金融資產	18 -	307,440
Interest received	已收利息	4,343	4,322
Net cash (used in)/from investing activities	投資業務(所用)/所得現金淨額	(129,863)	3,719
Financing activities	融資業務		
Inception of interest-bearing borrowings	計息借貸生效	69,577	-
Repayment of interest-bearing borrowings	償還計息借貸	(1,160)	-
Increase in restricted bank balances	受限制銀行結餘增加	(77,612)	-
Net cash used in financing activities	融資業務所用現金淨額	(9,195)	-
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(132,486)	76,599
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	440,437	331,606
Effect on foreign exchange rate changes	匯率變動之影響	(29,137)	32,232
Cash and cash equivalents at end of year, represented by bank balances and cash	年終之現金及現金等值項目, 可分為銀行結餘及現金	278,814	440,437

The notes on pages 111 to 238 form an integral part of these consolidated financial statements.

列載於第111至238頁之附註構成該等綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2019
截至二零一九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 holding 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 (“New Bright”), 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 2019 comprise the Company and its subsidiaries (together referred to as the “Group”).

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in (i) mining and sales of coal; and (ii) renewable energy solutions and solar farm development. The principal activities of its subsidiaries are set out in Note 16 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，其控股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(「創輝」)。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。

截至二零一九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」)。

本公司為投資控股公司。本公司之附屬公司之主要業務為(i)煤炭開採及銷售；及(ii)可再生能源解決方案以及太陽能發電場開發。其附屬公司之主要業務載於綜合財務報表附註16。

2. SIGNIFICANT ACCOUNTING POLICIES

Basis 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 2018 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year as set out below.

2. 主要會計政策 合規基準

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。

除採納下文所載與本集團有關並於本年度生效之新訂/經修訂香港財務報告準則外, 該等綜合財務報表乃根據與二零一八年綜合財務報表所採納之會計政策一致之基準編製。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new/revised HKFRSs

The Group has applied for the first time, the following new/revised HKFRSs that are relevant to the Group.

HK(IFRIC)-Int 22: Foreign Currency Transactions and Advance Consideration

HK (IFRIC)-Int 22 clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of HK (IFRIC)-Int 22 does not have any significant impact on the consolidated financial statements.

HKFRS 9: Financial Instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

2. 主要會計政策(續)

採納新訂／經修訂香港財務報告準則

本集團首次應用以下與本集團有關的新訂／經修訂香港財務報告準則。

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

香港(國際財務報告詮釋委員會)詮釋第22號澄清在終止確認預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初步確定相關資產、費用或收入(或其中部分)採用的即期匯率，交易日期為實體初步確認預付代價產生的非貨幣性資產或非貨幣性負債之日。

採納香港(國際財務報告詮釋委員會)詮釋第22號對綜合財務報表並無重大影響。

香港財務報告準則第9號：金融工具

以下詞彙用於該等綜合財務報表：

- 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。
- 按公平值列賬並在其他全面收益內處理：按公平值列賬並在其他全面收益內處理。
- 指定按公平值列賬並在其他全面收益內處理：按公平值列賬並在其他全面收益內處理的權益工具。
- 強制按公平值列賬並在其他全面收益內處理：按公平值列賬並在其他全面收益內處理的債務工具。

香港財務報告準則第9號於二零一八年一月一日或之後開始的年度期間取代香港會計準則第39號*金融工具：確認及計量*。其引入金融資產及金融負債分類及計量、金融資產減值及對沖會計的新規定。

2. SIGNIFICANT ACCOUNTING POLICIES
(continued)

Adoption of new/revised HKFRSs (continued)

HKFRS 9: Financial Instruments (continued)

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed as at 1 April 2018 (i.e. the date of initial application), except as described below (if applicable):

- (a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:
- (i) the determination of the business model within which a financial asset is held;
 - (ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and
 - (iii) the de-designation of financial assets or financial liabilities at FVPL.

The above resulting classification shall be applied retrospectively.

- (b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

2. 主要會計政策(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號：金融工具(續)

根據香港財務報告準則第9號的過渡性條文，比較資料尚未重列，而本集團已追溯應用香港財務報告準則第9號至二零一八年四月一日(即初始應用日期)存在的金融工具，惟下文所述者除外(如適用)：

- (a) 以下評估乃根據於初始應用日期存在之事實及情況作出：
- (i) 釐定持有金融資產之業務模式；
 - (ii) 指定按公平值列賬並在損益內處理之金融資產或金融負債，或指定按公平值列賬並在其他全面收益內處理之金融資產；及
 - (iii) 取消指定按公平值列賬並在損益內處理之金融資產或金融負債。

上述分類應追溯應用。

- (b) 倘於初始應用日期釐定信貸風險自初始確認起有否大幅增加需耗費龐大人力物力，則按相等於於各報告日期直至終止確認金融工具之期限內預期信貸虧損之金額確認虧損撥備，惟該金融工具於報告日期具有低信貸風險則除外。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new/revised HKFRSs (continued)

HKFRS 9: Financial Instruments (continued)

- (c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial assets and financial liabilities as at 31 March 2019 and 1 April 2018. The carrying amounts for all financial assets and financial liabilities as at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity as at 1 April 2018 (i.e. the date of initial application). Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed as at 1 April 2018 in accordance with the transitional provisions therein.

The adoption of HKFRS 15 does not have any significant impact on the consolidated financial statements.

2. 主要會計政策(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號：金融工具(續)

- (c) 就根據香港會計準則第39號按成本計量之股本工具投資而言，工具於初始應用日期按公平值計量。

採納香港財務報告準則第9號對本集團於二零一九年三月三十一日及二零一八年四月一日之金融資產及金融負債的分類及計量並無重大影響。所有金融資產及金融負債於二零一八年四月一日的賬面值並未受香港財務報告準則第9號之初始應用所影響。

香港財務報告準則第15號：來自客戶合約之收益

香港財務報告準則第15號取代(其中包括)香港會計準則第18號及香港會計準則第11號，其分別訂明因銷售貨品及提供服務而產生之收益確認及建築合約之會計處理。該準則建立一個就其範圍內與客戶訂立之合約產生之收益確認及若干成本之全面框架。其亦引入一系列緊密相關的披露要求，會因此需要實體為財務報表使用者提供關於其客戶合約所產生之收益及現金流量的性質、金額、時間及不確定性等全面資料。

本集團已選擇採用累積效應過渡法，並於二零一八年四月一日(即初始應用日期)確認首次採用的累積影響作為權益組成部分之年初結餘之調整。因此，比較資料尚未重列有關香港財務報告準則第15號的影響。

此外，本集團僅追溯應用香港財務報告準則第15號至於二零一八年四月一日根據其過渡性條文尚未完成之合約。

採納香港財務報告準則第15號並無對綜合財務報表造成任何重大影響。

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 the unlisted investments in principal guaranteed funds, which are classified as financial assets measured at FVPL and the convertible bond designated as financial liabilities at FVPL, which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

2. 主要會計政策(續)

計量基準

除於保本基金之非上市投資(分類為按公平值列賬並在損益內處理之金融資產)及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。

綜合賬目基準

綜合財務報表包括本公司及其所有附屬公司之財務報表。附屬公司之財務報表的報告期間與本公司相同，並採用一致會計政策編製。

所有集團內公司間之結餘、交易和集團內公司間交易所產生之收入及支出、溢利及虧損均全數對銷。附屬公司之業績自本集團取得控制權之日期起綜合入賬，並繼續綜合入賬至該控制權終止日期。

非控股權益乃獨立於本公司擁有人，於綜合損益及其他全面收益表及綜合財務狀況表之權益中呈列。屬現有所有權權益並授權持有人於清盤時按比例分佔被收購方之資產淨值之於被收購方之非控股權益可初步按公平值或按現有所有權工具按比例分佔被收購方可識別資產淨值之已確認數額計量。計量基準可按個別收購事項選擇。其他類別的非控股權益初步以公平值計量，惟香港財務報告準則規定須按其他計量基準除外。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Allocation of total comprehensive income

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 is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

2. 主要會計政策(續)

綜合賬目基準(續)

分配全面收益總額

損益及其他全面收益各部分均歸屬於本公司擁有人及非控股權益。全面收益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。

擁有權權益變動

本集團於附屬公司之擁有權權益變動若無導致失去控制權，則按權益交易入賬。控股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。

倘本集團失去對附屬公司的控制權，出售時產生的損益按下列兩者的差額計算：(i)於失去控制權當日已收代價的公平值與任何保留權益的公平值的總和；及(ii)於失去控制權當日附屬公司及任何非控股權益的資產(包括商譽)及負債的賬面值。先於其他全面收益確認的有關所出售附屬公司的金額按與假設母公司直接出售相關資產或負債的同一基準列賬。於前附屬公司保留的任何投資及前附屬公司結欠或欠付前附屬公司的任何金額自失去控制權當日起視適用情況列賬為金融資產、聯營公司、合營公司或其他。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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
- 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.

2. 主要會計政策(續)

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權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
- 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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.

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.

2. 主要會計政策(續)

業務合併(續)

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權(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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

The subsequent accounting for changes in the fair value of 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 fair value 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 acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income where appropriate. 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.

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.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

2. 主要會計政策(續)

業務合併(續)

不合資格作為計量期間調整之或然代價公平值變動之其後會計處理，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按公平值重新計量，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公平值重新計量，而所產生之收益或虧損(如有)乃於損益或其他全面收益(倘適用)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。

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。

附屬公司

附屬公司指本集團控制的實體。當本集團承受或享有由參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。倘有事實及情況顯示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)

Subsidiaries (continued)

In the Company's statement of financial position which is presented within these notes, an investment in subsidiary is stated at cost less impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

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.

A cash-generating unit 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. If some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in 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 profit or loss on disposal.

2. 主要會計政策(續)

附屬公司(續)

於附屬公司之投資於本公司財務狀況報表(於該等附註呈列)中按成本扣除減值虧損列賬。倘各項投資之賬面值高於可收回款項，則個別削減至其可收回款項。至於附屬公司之業績，本公司按已收及應收股息入賬。

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。

就減值測試而言，商譽分配至預期受益於合併協同效應之本集團各現金產生單位(或現金產生單位組別)。

獲分配商譽之一個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。倘於本年度期間分配至現金產生單位的部分或全部商譽在業務合併過程中獲收購，該單位將於本年度期間結束前進行減值測試。倘現金產生單位之可收回金額少於其賬面值，則減值虧損會先分配以扣減分配予該單位之任何商譽之賬面值，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)

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. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately.

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 profit or loss.

2. 主要會計政策(續)

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(如有)列賬。物業、廠房及設備項目之成本值包括其購買價及任何將資產達致可作擬定用途之運作情況及地點之任何直接應佔成本。維修及保養乃於其產生期間於損益支銷。

物業、廠房及設備項目之折舊乃按直線法於其估計可使用年內並經計及其估計剩餘價值後計算，以撇銷其成本。當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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)

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)

Intangible assets (continued)

Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- 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.

Expenditure during the initial exploration stage of a project is charged to profit or loss as incurred. Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Exploration and evaluation 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.

The capitalised costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets. Tangible and intangible exploration and evaluation assets that are available for use are depreciated/amortised over their useful lives. When a project is abandoned, the related irrecoverable costs are written off to profit or loss immediately.

2. 主要會計政策(續)

無形資產(續)

勘探及評估資產

勘探及評估活動涉及尋找礦物資源、決定技術之可行性及評估已識別資源之商業可行性。

勘探及評估開支包括以下各項直接應佔成本：

- 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。

於項目之初期勘探階段產生之開支於產生時在損益扣除。勘探及評估資產於初步確認時佔成本確認。初步確認後，勘探及評估資產按成本減任何累計減值虧損列賬。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。

資本化開支根據資產性質被列為有形的或無形的勘探及評價資產。達到可使用狀態的有形及無形勘探及評估資產在其使用年限內計提折舊／攤銷。當項目被放棄時，相關不可回收的成本會即時沖銷至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Renewable energy service contract

Renewable energy services contract is stated at cost less accumulated amortisation and any impairment losses. Amortisation is provided on the straight-line basis over the estimated useful lives of 25 years.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement – applicable from 1 April 2018

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) measured at FVPL.

2. 主要會計政策(續)

無形資產(續)

可再生能源服務合約

可再生能源服務合約按成本減累計攤銷及任何減值虧損列賬。攤銷按估計可使用年限25年以直線法計提撥備。

金融工具

金融資產

確認及終止確認

金融資產乃當且僅當本集團成為工具合約條文之訂約方時按交易日基準確認。

金融資產於且僅於(i)本集團對該項金融資產產生之未來現金流量之合約權利屆滿時；或(ii)本集團轉讓該項金融資產及(a)本集團已轉移該項金融資產擁有權之絕大部分風險及回報；或(b)本集團既無轉移亦無保留該項金融資產擁有權之絕大部分風險及回報，但並無保留該項金融資產之控制權時取消確認。

分類及計量 – 自二零一八年四月一日起適用

金融資產(並無重大融資部分之應收貨款除外)初步按其公平值加，倘金融資產並非按公平值列賬並在損益內處理列賬，則交易成本直接歸屬於金融資產之收購。有關應收貨款初步按其交易價格計量。

於初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)強制按公平值列賬並在其他全面收益內處理；(iii)指定按公平值列賬並在其他全面收益內處理；或(iv)按公平值計量並在損益內處理。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and measurement – applicable from 1 April 2018 (continued)

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The 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.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

分類及計量 – 自二零一八年四月一日起適用(續)

於初始確認時之金融資產分類取決於本集團管理金融資產之業務模式及金融資產之合約現金流量特徵。除非本集團更改其業務模式之管理，金融資產於初始確認後不會重新分類，在此情況下，所有受影響金融資產於業務模式更改後第一個年度報告期間首日重新分類。

按攤銷成本計量之金融資產

按攤銷成本計量之金融資產倘金融資產符合以下條件，且並無指定按公平值列賬並在損益內處理，則有關金融資產將以攤銷成本計量：

- (i) 其為在以持有金融資產以收取合約現金流量為目的之業務模式下持有；及
- (ii) 其合約條款訂明在特定日期產生之現金流量僅為支付本金及未償還本金利息之付款。

按攤銷成本計量之金融資產其後採用實際利率法計量，並可能會出現減值。減值、終止確認或攤銷過程產生之收益及虧損計入損益。

實際利率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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets measured at amortised cost (continued)

The Group's financial assets at amortised cost include security deposit, trade and other receivables, restricted bank balances and cash and cash equivalents.

Financial assets measured at FVPL

These investments include financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

按攤銷成本計量之金融資產(續)

本集團按攤銷成本計量之金融資產包括保證按金、應收貨款及其他應收款項，受限制銀行銀行結餘及現金及現金等值項目。

按公平值列賬並在損益內處理之金融資產

該等投資包括持作買賣的金融資產、於初始確認時指定為按公平值列賬並在損益內處理之金融資產、因香港財務報告準則第3號適用的業務合併中的或然代價安排而產生之金融資產及其他須按公平值列賬並在損益內處理之金融資產。該等投資按公平值列賬，而任何因此產生的收益及虧損於損益中確認，不包括金融資產賺取的任何股息或利息。股息或利息收入與公平值收益或虧損分開呈列。

符合以下條件的金融資產分類為持作買賣：

- (i) 收購目的主要為於短期內出售；
- (ii) 屬於受共同管理的已識別金融工具組合的一部分，且有跡象顯示其於初步確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約亦非指定有效對沖工具的衍生工具。

嵌入主合約為香港財務報告準則第9號範圍內的資產的混合合約中的衍生工具不得與主要合約分別計量。相反，混合合約整項作分類評估。

僅當於初步確定時指定金融資產為按公平值列賬並在損益內處理會消除或顯著減少按不同基準計量資產或負債或確認其盈虧所產生之計量或確認不一致時方可如此指定。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

The Group's financial assets mandatorily measured at FVPL include the unlisted investments in principal guaranteed funds.

Classification and measurement – applicable before 1 April 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

The Group classified its financial assets into the following category before 1 April 2018:

Loans and receivables

Loans and receivables including security deposit, trade and other receivables and cash and cash equivalents are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

本集團強制按公平值列賬並在損益內處理之金融資產包括於保本基金之非上市投資。

分類及計量 – 於二零一八年四月一日前適用

金融資產初步按其公平值加，倘金融資產並非按公平值列賬並在損益內處理列賬，則交易成本直接歸屬於金融資產之收購。

本集團於二零一八年四月一日前將其金融資產分為以下類別：

貸款及應收款項

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，指在活躍市場中無報價且並非持作交易之具有固定或可釐定付款之非衍生金融資產。除應收款項為免息貸款且無任何固定還款期限或貼現影響微不足道，否則彼等乃採用實際利率法按攤銷成本計量。在此情況下，應收款項按成本減減值虧損列賬。攤銷成本之計算乃計及屆滿前之期限內之任何收購之貼現或溢價。因終止確認、減值或於攤銷過程產生之收益及虧損於損益中確認。

金融負債

確認及終止確認

金融負債乃當且僅當本集團成為工具合約條文之訂約方時確認。

金融負債於且僅於負債終絕時方取消確認，即有關合約訂明的責任獲解除、註銷或屆滿時。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings and convertible bond designated as financial liabilities at FVPL. All financial liabilities, except for convertible bond designated as financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities at FVPL include financial liabilities held for trading, financial liabilities designated upon initial recognition as at FVPL and financial liabilities that are contingent consideration of an acquirer in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, except for the portion of fair value changes of financial liabilities designated at FVPL that are attributable to the credit risk of the liabilities which is presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss. The amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Before the adoption of HKFRS 9, all the fair value gain or loss of financial liabilities at FVPL is recognised in profit or loss.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量

金融負債初步按其公平值加，倘金融負債並非按公平值列賬並在損益內處理，則交易成本直接歸屬於金融負債之發行。

本集團之金融負債包括應付貨款及其他應付款項、計息借貸及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外，所有金融負債均按其公平值初步確認，其後採用實際利率法按攤銷成本計量，除非貼現之影響微不足道，在此情況下按成本列賬。

按公平值列賬並在損益內處理之金融負債包括持作交易之金融負債、於初步確認時指定為以按公平值列賬並在損益內處理之金融負債以及香港財務報告準則第3號適用之業務合併中的收購方或有代價之金融負債。彼等按公平值列賬，任何由此產生的收益及虧損於損益中確認，惟指定為按公平值列賬並在損益內處理之金融負債之金融值變動中歸屬於其他全面收益內呈列之負債之信貸風險部分除外，除非該等處理會產生或擴大損益中之會計錯配。其他全面收益中呈列之金額不得隨後轉撥至損益。於採納香港財務報告準則第9號前，所有按公平值列賬並在損益內處理之金融負債之公平值收益或虧損均於損益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Classification and measurement (continued)

A financial liability is classified as held for trading if it is:

- (i) incurred principally for the purpose of repurchasing it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial liabilities are designated at initial recognition as at FVPL only if:

- (i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases;
- (ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- (iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

倘符合以下條件，某項金融負債分類為持作買賣：

- (i) 其發生之主要目的為於不久將來購回；
- (ii) 屬於受共同管理的已識別金融工具組合的一部分，且有跡象顯示其於初步確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約亦非指定有效對沖工具的衍生工具。

倘符合下列條件，則金融負債於初步確認時指定為按公平值列賬並在損益內處理：

- (i) 該分類會消除或明顯減少按不同基準計量資產或負債或確認其盈虧所產生之計量或確認不一致；
- (ii) 屬於一組受管理之金融負債或金融資產及金融負債的一部份且根據明文規定之風險管理策略按公平值基準評估其表現；或
- (iii) 彼等包含一個或多個嵌入式衍生工具，在此情況下，整個混合合約可能被指定為按公平值列賬並在損益內處理之金融負債，惟嵌入式衍生工具不會顯著改變現金流量，或者明顯禁止分離嵌入式衍生工具者除外。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Classification and measurement (continued)

The convertible bond issued by the Group (including related embedded derivative) is designated as financial liabilities at FVPL on initial recognition. Subsequent to the 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 except for the changes in fair value attributable to the changes of the credit risk of the liabilities.

Interest expenses is recognised on an effective interest basis other than financial liabilities classified as at FVPL.

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.

Derivatives embedded in a hybrid contract with a host that is not an asset within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their economic characteristics and risks are not closely related to those of the host, and the hybrid contract is not measured at FVPL.

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)

金融工具(續)

金融負債(續)

分類及計量(續)

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，惟負債之信貸風險變動引起之公平值變動除外。

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率基準確認。

實際利率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。實際利率是可將金融負債預計年期或(如適用)較短期間之估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或貼現)精確貼現至初始確認時賬面淨值之利率。

嵌入主合約不屬於香港財務報告準則第9號範圍內資產的混合合約中的衍生工具，當符合衍生工具定義、其經濟特徵及風險與主合約並無密切關係及混合合約並非按公平值列賬並在損益內處理時被視為獨立衍生工具。

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)

Financial instruments (continued)

Financial liabilities (continued)

Classification and measurement (continued)

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.

Impairment of financial assets and other items under HKFRS 9

Applicable from 1 April 2018

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

股本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。集團實體發行之股本工具乃按已收所得款項扣除直接發行成本確認。

本公司所購回其本身之股本工具於權益內確認及直接扣除。於損益內並無就購買、出售、發行或註銷本公司的股本工具確認任何損益。

香港財務報告準則第9號項下之金融資產及其他項目減值

自二零一八年四月一日起適用

本集團就按照香港財務報告準則第9號應用減值規定之按攤銷成本計量之金融資產之預期信貸虧損(「預期信貸虧損」)確認虧損撥備。除下文詳述之具體處理外，於各呈報日期，倘金融資產信貸風險自初始確認以來顯著增加，則本集團按相等於全期預期信貸虧損之金額計量該金融資產之虧損撥備。倘金融資產信貸風險自初始確認以來並無顯著增加，則本集團按相等於十二個月預期信貸虧損之金額計量該金融資產之虧損撥備。

計量預期信貸虧損

預期信貸虧損為於金融工具預期年期內信貸虧損之概率加權估計(即所有現金不足額之現值)。

就金融資產而言，信貸風險為實體根據合約應收的合約現金流量與實體預計收取的現金流量之間的差異的現值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets and other items under HKFRS 9 (continued)

Applicable from 1 April 2018 (continued)

Measurement of ECL (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the past due information or other credit risk characteristics.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria:

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

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

2. 主要會計政策(續)

金融工具(續)

香港財務報告準則第9號項下之金融資產及其他項目減值(續)

自二零一八年四月一日起適用(續)

計量預期信貸虧損(續)

全期預期信貸虧損指於金融工具之預計年期內所有可能之違約事件而產生的預期信貸虧損，而12個月預期信貸虧損指於報告日期後12個月內因可能發生的金融工具違約事件而預期產生的部分全期預期信貸虧損。

倘預期信貸虧損按共同基準計量，金融工具基於逾期資料或其他信貸風險特徵分組。

違約之定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，原因為過往經驗表明倘金融工具符合以下任何一項標準，則本集團或無法全數收回未償還合約金額：

- (i) 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人(包括本集團)全額付款(不考慮本集團持有的任何抵押品)；或
- (ii) 交易對手違反財務契諾。

不論上文分析，本集團認為當金融資產逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets and other items under HKFRS 9 (continued)

Applicable from 1 April 2018 (continued)

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for which the Group has reasonable and supportable information to demonstrate.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2. 主要會計政策(續)

金融工具(續)

香港財務報告準則第9號項下之金融資產及其他項目減值(續)

自二零一八年四月一日起適用(續)

評估信貸風險顯著上升

評估信貸風險顯著上升評估金融工具的信貸風險自初步確認後是否顯著上升時，本集團比較金融工具於報告日期產生的違約風險與金融工具於初步確認日期產生的違約風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。不論上述評估結果，本集團假定，當合約付款逾期超過30日，金融工具的信貸風險自初步確認以來已顯著上升，惟本集團有合理及有根據的資料證明者除外。

低信貸風險

金融工具於以下情況下將被釐定為具有低信貸風險：

- (i) 其違約風險較低；
- (ii) 借款人在短期內絕對有能力履行其合約現金流義務；及
- (iii) 經濟及商業條件長遠之不利變化，不一定會降低借款人履行合約現金流義務之能力。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets and other items under HKFRS 9 (continued)

Applicable from 1 April 2018 (continued)

Simplified approach of ECL

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. 主要會計政策(續)

金融工具(續)

香港財務報告準則第9號項下之金融資產及其他項目減值(續)

自二零一八年四月一日起適用(續)

預期信貸虧損之簡化方法

就應收貨款及合約資產而言，本集團採用簡化方法計算預期信貸虧損。本集團於各報告日期基於全期預期信貸虧損計量虧損撥備，並已建立一個基於其歷史信貸虧損經驗的撥備矩陣，並根據債務人和經濟環境特定的前瞻性因素進行調整。

信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下事件之可觀察數據：

- (a) 發行人或借款人陷入重大財務困難。
- (b) 違反合約，如違約或逾期事件。
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人放款人不予另行考慮之優惠條件。
- (d) 借款人有可能破產或進行其他財務重組。
- (e) 由於財務困難致使金融資產之活躍市場消失。
- (f) 以大幅折扣購買或源生一項金融資產，該折扣反映了發生信貸虧損的事實。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets and other items under HKFRS 9 (continued)

Applicable from 1 April 2018 (continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Applicable before 1 April 2018

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at FVPL, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. 主要會計政策(續)

金融工具(續)

香港財務報告準則第9號項下之金融資產及其他項目減值(續)

自二零一八年四月一日起適用(續)

撇銷

當本集團並無合理預期收回全部或部分金融資產的合約現金流時，則會撇銷金融資產。本集團預期將不會收回大量的已撇銷金額。然而，已撇銷金融資產仍可能受到本集團收回應收金額之程序(必要時計及法律意見)項下之執行活動之影響。任何後續回收金額於損益確認。

於二零一八年四月一日前適用

本集團於各報告期末評估是否有客觀跡象表明金融資產(惟按公平值列賬並在損益內處理者則除外)出現減值。按攤銷成本列賬之金融資產之減值虧損按金融資產賬面值與資產之估計未來現金流量按資產原實際利率貼現之現值之間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則該減值虧損會於隨後期間透過損益回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue recognition

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Applicable from 1 April 2018

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of goods or services provided by the Group is (i) sales of coals; and (ii) renewable energy services.

2. 主要會計政策(續)

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。

確認收益

股息收入

金融資產的股息收入於確立本集團收取股息的權利、與股息相關的經濟利益很可能流入本集團及可合理計量股息金額時予以確認。

自二零一八年四月一日起適用

利息收入

金融資產的利息收入使用實際利率法確認。就按攤銷成本計量且並無出現信貸減值的金融資產而言，按資產的總賬面值採用實際利率，而就出現信貸減值的金融資產而言，資產的攤銷成本(即扣除虧損撥備的總賬面值)採用實際利率。

香港財務報告準則第15號來自客戶合約之收益

貨品或服務之性質

本集團提供的貨品或服務的性質為(i)煤炭出售；及(ii)可再生能源服務。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Applicable from 1 April 2018 (continued)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

2. 主要會計政策(續)

確認收益(續)

自二零一八年四月一日起適用(續)

確定履約責任

於合約開始時，本集團評估與一名客戶訂立的合約內承諾的貨品或服務，向客戶承諾轉讓以下商品或服務時，則確定為履約責任：

- (a) 個別貨品或服務(或一組貨品或服務)；或
- (b) 一系列大致相同及轉讓予客戶的模式相同的個別貨品或服務。

倘符合以下準則，則承諾予客戶的貨品或服務屬個別：

- (a) 客戶可自其本身的貨品或服務或連同客戶可獲得的其他資源(即貨品或服務能夠獨立識別)中獲益；及
- (b) 本集團向客戶轉讓貨品或服務的承諾可與合約內的其他承諾(即轉讓合約內容上有所區分的貨品或服務的承諾)單獨區分。

收益確認的時間

收益於本集團透過向客戶轉讓承諾貨品或服務(如資產)履行履約責任時(或就此)確認。資產於客戶獲得資產控制權時(或就此)轉讓。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Applicable from 1 April 2018 (continued)

Timing of revenue recognition (continued)

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of coals are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Service income from renewable energy services is recognised over time when services are rendered.

2. 主要會計政策(續)

確認收益(續)

自二零一八年四月一日起適用(續)

收益確認的時間(續)

如符合下列任一條件，本集團在一段時間內轉移對貨品或服務的控制權，並因此在一段時間內履行履約義務及確認收入：

- (a) 客戶在本集團履約的同時取得及消耗通過本集團履約提供的利益；
- (b) 本集團的履約行為創造或改良客戶在資產被創造或改良時便控制的資產(如在建工程)；或
- (c) 本集團的履約行為並未創造一項可被本集團用於替代用途的資產，並且本集團有權就迄今為止已完成的履約部分收取款項。

如在一段時間內未能履行履約責任，則本集團於客戶取得承諾資產的控制權的時間點履行履約責任。於釐定轉移控制權的時間時，本集團考慮控制權的概念以及法定所有權、實體佔有、付款權利、資產所有權的重大風險及回報以及客人認可等指標。

煤炭銷售於客戶取得承諾資產的控制權的時間點(一般與貨品向客戶交付及所有權轉交的時間相符)確認。

可再生能源服務之服務收入於提供服務時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Applicable from 1 April 2018 (continued)

Timing of revenue recognition (continued)

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The principal output applied in the output method for service income of renewable energy services is unit of energy produced.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

2. 主要會計政策(續)

確認收益(續)

自二零一八年四月一日起適用(續)

收益確認的時間(續)

就根據香港財務報告準則第15號隨時間確認的收益而言，倘履約責任結果可合理計量，本集團則應用輸出法(基於直接衡量迄今為止轉讓的貨品或服務對客戶而言相對根據合約承諾的剩餘貨品或服務的價值)計量完全履行履約責任的進展情況，原因該方法真實描述本集團之表現並提供可靠資料供本集團採用該方法。否則，本集團僅以所產生成本為限確認收益，直至其可合理計量履約責任的結果。

於可再生能源服務之服務收入的輸出方法中應用的主要輸出數據為產生的能量單位。

交易價格：重大融資部分

當合約包括重大融資部分(即客戶或本集團轉移貨品或服務且提供給客戶重大融資利益時)，於釐定交易價格時，本集團就貨幣時間價值之影響調整已承諾代價。重大融資部分之影響於損益中確認利息收入或利息開支，並從來自客戶合約之收益分開。

本集團經參考(倘適用)合約中隱含利率(即將貨品或服務之現金售價貼現至預付或產生之金額之利率)、現行市場利率、本集團之借貸利率及本集團客戶的其他相關信譽資料確定利率，其與合約開始時本集團與其客戶之間獨立融資交易所反映之利率相乎。

本集團已應用香港財務報告準則第15號第63段可行權宜方法，倘融資期間為一年或以下，則不會調整受重大融資成分影響之代價。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Applicable before 1 April 2018

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.

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.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

2. 主要會計政策(續)

確認收益(續)

於二零一八年四月一日前適用

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。

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期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。

合約資產及合約負債

倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則合約呈列為合約資產，惟不包括呈列為應收款項的任何款項。相反，倘於本集團將貨品或服務轉讓予客戶前客戶支付代價，或本集團擁有無條件收取代價的權利，本集團在付款或付款到期時(以較早者為準)，則合約呈列為合約負債。應收款項指本集團擁有無條件收取代價的權利，或代價到期付款前僅需時間推移。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract assets and contract liabilities (continued)

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the Group's businesses, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

The Group's billing to its customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to advances from customers are recognised under "Trade and other payables".

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the shareholders as the Company is listed in Hong Kong. The Company's functional currency is Renminbi ("RMB").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. 主要會計政策(續)

合約資產及合約負債(續)

就單一合約或多份相關合約而言，概不呈列合約資產淨值或合約負債淨額。不相關合約的合約資產與合約負債概不以淨額呈列。

就本集團業務而言，本集團於服務完成前或貨品交付時(即有關交易的收益確認時間)自客戶收取全部或部分合約款項屬常見。直至合約負債確認為收益，本集團方確認合約負債。期內，倘利息開支合資格資本化，任何重大融資成分(如適用)將計入合約負債並按應計開支支銷。

本集團向客戶開具的發票大致與收益確認時間一致且概無重大合約資產獲確認。與客戶墊款有關之合約負債於「應收貨款及其他應付款項」下確認。

外幣交易

本集團各實體之財務報表內項目均以該實體業務所在主要經濟環境通行之貨幣(「功能貨幣」)計量。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。本公司之功能貨幣為人民幣(「人民幣」)。

外幣交易依交易日的當期匯率轉換成功能貨幣入賬。該等交易結算時及按期末匯率轉換以外幣計值的貨幣資產及負債所產生的外匯盈虧在損益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

The results and financial position of all the group entities that have a functional currency different from the presentation currency (“foreign operations”) are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of each reporting period;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate;
- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised as a separate component of equity;
- on the disposal of a foreign operation, which includes a disposal of the Group’s entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;
- on the partial disposal of the Group’s interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and
- on all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

2. 主要會計政策(續)

外幣交易(續)

功能貨幣有別於呈列貨幣的所有集團實體(「海外業務」)的業績及財政狀況按下列基準兌換成呈列貨幣：

- 各財務狀況表的資產及負債按各報告期末的收市匯率兌換；
- 各個損益表及其他全面收益表的收入及開支按平均匯率兌換；
- 上述兌換產生的一切匯兌差異及構成本集團於海外業務的淨投資部分的貨幣資產導致的匯兌差額確認為權益中的一個獨立部分；
- 於出售海外業務，而有關出售涉及出售本集團於海外業務的全部權益、涉及失去對包括海外業務在內的附屬公司的控制權的出售時，有關於其他全面收益確認並於權益累計為獨立部分的海外業務匯兌差異的累計差額，乃於確保出售盈虧時由權益重新分類至損益；
- 部分出售本集團於附屬公司的權益(包括海外業務在內)而並無導致本集團失去對該附屬公司的控制權時，於權益確認為獨立部分的累計匯兌差額的應佔比例乃重新計入於該海外業務的非控制權益，且不會重新分類至損益；及
- 至於所有其他部分出售(包括部分出售聯營公司或合營企業，而本集團不會因此喪失重大影響力或共同控制權)，於權益獨立部分確認之按比例應佔匯兌差額之累計金額部分重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Impairment of other assets, other than goodwill

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;
- prepayments for acquisition of property, plant and equipment; 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)

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為開支。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。

其他資產之減值(商譽除外)

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；
- 收購物業、廠房及設備之預付款項；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)

Impairment of other assets, other than goodwill (continued)

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).

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 periods. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

2. 主要會計政策(續)

其他資產之減值(商譽除外)(續)

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)。

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期間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期間計入損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of other assets, other than goodwill (continued)

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;
- 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.

2. 主要會計政策(續)

其他資產之減值(商譽除外)(續)

勘探及評估資產減值

勘探及評估資產之賬面值須至少每年或當有迹象表明可能出現減值時予以審閱。倘以下其中一項事件或情況顯示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號資產減值進行減值測試：

- 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；
- 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of other assets, other than goodwill (continued)

Impairment of exploration and evaluation assets (continued)

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 period in which the reversals are recognised.

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)

其他資產之減值(商譽除外)(續)

勘探及評估資產減值(續)

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。

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期間計入損益。

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)

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.

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.

2. 主要會計政策(續)

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities (continued)

Provision for close down, restoration and environmental costs (continued)

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 other than that is included in the cost of inventories is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs or other items where appropriate.

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 except for the portion included in the cost of inventories. 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.

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.

2. 主要會計政策(續)

撥備及或然負債(續)

關閉、復墾及環境成本撥備(續)

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(計入存貨成本部分除外)按經營期限攤銷，而撥備淨現值之增加則計入借貸成本或其他項目(倘適用)。

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，惟計入存貨成本部分除外。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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets (continued)

(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
- 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.

2. 主要會計政策(續)

租賃資產(續)

(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
- 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets (continued)

(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 relevant accounting policy. 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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(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.

2. 主要會計政策(續)

租賃資產(續)

(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。減值虧損按照相關會計政策入賬。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。

任何情況下，倘租賃條款將所有權之絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

(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。所收取之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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

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.

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.

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 recognizes restructuring costs involving the payment of termination benefits.

2. 主要會計政策(續)

僱員福利

短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、有薪年假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。

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。

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 ultimately 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)

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最終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)

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策(續)

稅項

即期所得稅開支乃根據期內業績計算，並就無須課稅或不獲寬減之項目調整。即期所得稅開支採用於各報告期末已頒佈或實質頒佈之稅率計算。

本集團就歷史財務資料內資產及負債之稅基與賬面值於各報告期末之所有暫時差額利用負債法計提遞延稅項撥備。然而，初步確認商譽或一項交易(業務合併除外)中之其他資產或負債所產生之任何遞延稅項，倘於交易時不影響會計溢利或應課稅溢利或虧損，則不會予以確認。

遞延稅項資產及負債基於在各報告期末已頒佈或實質頒佈之稅率及稅法，按預期適用於收回資產或清償負債各期間之稅率計量。

倘日後可能有應課稅溢利可供抵銷可扣減之暫時差額、稅項虧損及抵免，則會確認遞延稅項資產。

本集團按於附屬公司及聯營企業之投資所產生之暫時差額計提遞延稅項撥備，惟倘本集團可控制暫時差額之撥回時間及暫時差額不大可能於可見將來撥回則作別論。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 holding company, 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.
 - (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.

2. 主要會計政策(續)

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(即各控股公司、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。
 - (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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

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.

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)

關連方(續)

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。

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. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, 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 period.

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.

3. 關鍵會計判斷及估計不明朗因素之主要來源

於應用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期間之資產及負債賬面值須作出重大調整之重大風險。

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。

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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.

3. 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)

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。

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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.

3. 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)

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。

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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. Management has 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.

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.

3. 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)

採礦權以及勘探及評估資產減值

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。管理層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。

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。

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation process (continued)

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 30 to the consolidated financial statements provides 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.

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. Management 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.

3. 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)

公平值計量及估值過程(續)

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30。

主觀輸入數據假設之變動可對公平值估值造成重大影響。

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。該估計乃基於有關具備類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗。彼可能由於技術創新及競爭對手為應對嚴峻行業周期採取的行動而發生重大變化。倘可使用年限較先前所估計年限為短，則管理層將增加折舊費用，或撤銷或撤減已棄置或出售之技術過時或非策略性資產。

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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.

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 periods, the estimate of the associated costs may be subject to revision from time to time.

Recognition of deferred tax assets

The Group has recognised deferred tax assets which arose from deductible temporary differences. 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.

3. 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)

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。

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期間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。

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。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。

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- (1) coal mining business segment: mining and sales of coals in the PRC; and
- (2) renewable energy business segment: service income from renewable energy services in Malaysia.

Segment revenue and results

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2 to the consolidated financial statements.

Segment revenue represents revenue derived from (i) coal mining business and (ii) renewable energy business.

Segment results, which are the measures reported to the CODM for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of change in fair value of convertible bond designated as financial liabilities at FVPL and exchange loss or gain.

Segment assets include property, plant and equipment, intangible assets, goodwill, security deposit, deferred tax assets, inventories, financial assets measured at FVPL, trade and other receivables, restricted bank balances and cash and cash equivalents. All assets are allocated to operating segments other than unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities include convertible bond designated as financial liabilities at FVPL, trade and other payables, interest-bearing borrowings, tax payables, provision for close down, restoration and environmental costs and deferred tax liabilities. All liabilities are allocated to operating segments other than unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

In addition, the directors of the Company consider that the Group's place of domicile is Hong Kong, where the central management and control is located.

4. 分類資料

就資源分配及分類表現評估而向本公司執行董事(被認為主要營運決策者(「主要營運決策者」))報告之資料，主要集中於所交付貨品或所提供服務之類型。於達致本集團之可呈報分類時概無匯集由主要營運決策者識別之經營分類。

具體而言，本集團之可報告及經營分類如下：

- (1) 煤礦業務分類：於中國從事煤炭開採及銷售；及
- (2) 可再生能源業務分類：馬來西亞可再生能源服務之服務收入。

分類收益及業績

經營分類之會計政策與綜合財務報表附註2所述之本集團會計政策一致。

分類收益指(i)煤礦業務及(ii)可再生能源業務所產生之收益。

分類業績乃就資源分配及分類業績評估向主要營運決策者報告之手段。分類業績指各分類賺取的溢利或招致的虧損(並未分配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以及匯兌虧損或收益)。

分類資產包括物業、廠房及設備、無形資產、商譽、保證按金、遞延稅項資產、存貨、按公平值列賬並在損益內處理計量之金融資產、應收貨款及其他應收款項、受限制銀行結餘及現金及現金等值項目。所有資產均分配至經營分類，惟未分配之總公司及企業資產除外，原因為該等資產乃按小組基礎管理。

分類負債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、應付貨款及其他應付款項、計息借貸、應付稅項、關閉、復墾及環境成本撥備以及遞延稅項負債。所有負債均分配至經營分類，惟未分配之總公司及企業負債除外，原因為該等負債乃按小組基礎管理。

此外，本公司董事認為本集團所在地為香港，香港是其中央管理及控制所在。

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

For the year ended 31 March 2019
截至二零一九年三月三十一日止年度

4. SEGMENT INFORMATION (continued) Segment revenue and results (continued)

The followings are analysis of the Group's revenue and results by reportable and operating segments:

4. 分類資料(續) 分類收益及業績(續)

以下為本集團可報告及經營分類的收益及業績分析：

		Coal mining business 煤礦業務 HK\$'000 千港元	Renewable energy business 可再生能源業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 March 2019	截至二零一九年三月三十一日止年度				
Revenue from external customers and reportable segment revenue	來自外部客戶之收益及可報告分類收益	75,234	391	-	75,625
Gross profit	毛利	30,867	216	-	31,083
Selling and distribution expenses	銷售及分銷費用	(474)	-	-	(474)
Segment results	分類業績	30,393	216	-	30,609
Other revenue	其他收益	8,865	-	1,573	10,438
Administrative and other operating expenses	行政及其他經營費用	(14,099)	(261)	(14,328)	(28,688)
Finance costs	融資成本	(964)	-	-	(964)
Change in fair value of convertible bond designated as financial liabilities at FVPL	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	-	-	29,373	29,373
Exchange loss, net	匯兌虧損淨額	-	-	(6,175)	(6,175)
Profit/(Loss) before tax	除稅前溢利/(虧損)	24,195	(45)	10,443	34,593
Income tax expenses	所得稅開支	(5,750)	-	-	(5,750)
Profit/(Loss) for the year	年內溢利/(虧損)	18,445	(45)	10,443	28,843
<i>Additional segment information:</i>	<i>其他分類資料：</i>				
Amortisation	攤銷	4,659	26	-	4,685
Depreciation	折舊	2,141	117	98	2,356
Additions to property, plant and equipment	添置物業、廠房及設備	40,199	-	242	40,441
Additions to intangible assets	添置無形資產	-	1,618	-	1,618

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

For the year ended 31 March 2019
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4. SEGMENT INFORMATION (continued) Segment revenue and results (continued)

4. 分類資料(續) 分類收益及業績(續)

		Coal mining business 煤礦業務 HK\$'000 千港元	Renewable energy business 可再生 能源業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 March 2018	截至二零一八年三月三十一日 止年度				
Revenue from external customers and reportable segment revenue	來自外部客戶之收益及 可報告分類收益	182,445	-	-	182,445
Gross profit	毛利	52,047	-	-	52,047
Selling and distribution expenses	銷售及分銷費用	(414)	-	-	(414)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	(3,511)	-	-	(3,511)
Impairment loss on intangible assets	無形資產減值虧損	(12,618)	-	-	(12,618)
Segment results	分類業績	35,504	-	-	35,504
Other revenue	其他收益	5,424	-	908	6,332
Administrative and other operating expenses	行政及其他經營費用	(12,491)	-	(9,965)	(22,456)
Change in fair value of convertible bond designated as financial liabilities at FVPL	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	-	-	14,374	14,374
Exchange gain, net	匯兌收益淨額	-	-	8,866	8,866
Profit before tax	除稅前溢利	28,437	-	14,183	42,620
Income tax expenses	所得稅開支	(5,942)	-	-	(5,942)
Profit for the year	年內溢利	22,495	-	14,183	36,678
<i>Additional segment information:</i>	<i>其他分類資料:</i>				
Amortisation	攤銷	5,478	-	-	5,478
Depreciation	折舊	2,968	-	54	3,022
Additions to property, plant and equipment	添置物業、廠房及設備	4,167	-	-	4,167

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4. SEGMENT INFORMATION (continued) Segment revenue and results (continued)

4. 分類資料(續) 分類收益及業績(續)

		Coal mining business	Renewable energy business	Unallocated	Total
		煤礦業務	能源業務	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 March 2019	於二零一九年三月三十一日				
Property, plant and equipment	物業、廠房及設備	45,507	5,618	245	51,370
Intangible assets	無形資產	16,913	1,592	–	18,505
Goodwill	商譽	–	4,229	–	4,229
Other assets	其他資產	327,299	1,340	133,401	462,040
Total assets	總資產	389,719	12,779	133,646	536,144
Convertible bond designated as financial liabilities at FVPL	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	–	–	(217,869)	(217,869)
Other liabilities	其他負債	(129,435)	(1,084)	(3,073)	(133,592)
Total liabilities	總負債	(129,435)	(1,084)	(220,942)	(351,461)
As at 31 March 2018	於二零一八年三月三十一日				
Property, plant and equipment	物業、廠房及設備	9,060	–	106	9,166
Intangible assets	無形資產	23,095	–	–	23,095
Goodwill	商譽	–	–	–	–
Other assets	其他資產	306,415	–	155,044	461,459
Total assets	總資產	338,570	–	155,150	493,720
Convertible bond designated as financial liabilities at FVPL	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)
Other liabilities	其他負債	(79,669)	–	(1,093)	(80,762)
Total liabilities	總負債	(79,669)	–	(248,335)	(328,004)

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4. SEGMENT INFORMATION (continued) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill, non-refundable deposits and prepayment for acquisition of property, plant and equipment ("Specified Non-current Assets"). The geographical location of the revenue is presented based on the location of the customers. The geographical location of the Specified Non-current Assets is presented based on the physical location of the assets.

Location of revenue

Revenue from external customers

		Year ended 31 March 截至三月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The PRC	中國	75,234	182,445
Malaysia	馬來西亞	391	–
		75,625	182,445

Location of the Specified Non-current Assets

		As at 31 March 於三月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The PRC	中國	84,486	34,759
Malaysia	馬來西亞	11,439	–
		95,925	34,759

4. 分類資料(續) 地理資料

下表載列(i)本集團來自外部客戶之收益及(ii)本集團物業、廠房及設備、無形資產、商譽、不可退還按金及收購物業、廠房及設備之預付款項(「指定非流動資產」)地理位置之資料。收益地理位置按客戶位置呈列。指定非流動資產之地理位置按資產之實際位置呈列。

收益位置

來自外部客戶之收益

		Year ended 31 March 截至三月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The PRC	中國	75,234	182,445
Malaysia	馬來西亞	391	–
		75,625	182,445

指定非流動資產位置

		As at 31 March 於三月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The PRC	中國	84,486	34,759
Malaysia	馬來西亞	11,439	–
		95,925	34,759

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4. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from external customers contributing 10% or more of the total revenue is as follow:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A from coal mining business segment	來自煤礦業務分類之客戶A	56,661	70,563
Customer B from coal mining business segment	來自煤礦業務分類之客戶B	*	48,980
Customer C from coal mining business segment	來自煤礦業務分類之客戶C	*	18,284

* The corresponding revenue did not contribute 10% or more of the total revenue of the Group during the year ended 31 March 2019.

4. 分類資料(續)

有關主要客戶之資料

佔總收益10%或以上的外部客戶的收益如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A from coal mining business segment	來自煤礦業務分類之客戶A	56,661	70,563
Customer B from coal mining business segment	來自煤礦業務分類之客戶B	*	48,980
Customer C from coal mining business segment	來自煤礦業務分類之客戶C	*	18,284

* 截至二零一九年三月三十一日止年度，相應收益並無佔本集團總收益10%或以上。

5. REVENUE

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers within HKFRS 15	香港財務報告準則第15號 來自客戶合約之收益		
Coal mining business	煤礦業務		
– Sales of coals	– 銷售煤炭	75,234	182,445
Renewable energy business	可再生能源業務		
– Service income from renewable energy services	– 可再生能源服務之 服務收入	391	–
		75,625	182,445

5. 收益

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5. REVENUE (continued)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<i>Timing of revenue recognition:</i>			
- at a point in time	收益確認時間：		
Sales of coals	- 於某一時間點 銷售煤炭	75,234	182,445
- over time	- 隨時間推移		
Service income from renewable energy services	可再生能源服務之 服務收入	391	-
		75,625	182,445

5. 收益(續)

除分類披露所列示之資料外，香港財務報告準則第15號來自客戶合約之收益按以下方式分拆：

6. OTHER REVENUE

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on bank deposits	銀行存款之利息收入	4,343	2,598
Investment income from financial assets measured at FVPL	按公平值列賬並在損益內處理 之金融資產之投資收入	-	1,724
Sales of coal gangue	銷售煤矸石	5,709	1,752
Others	其他	386	258
		10,438	6,332

6. 其他收益

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7. PROFIT BEFORE TAX

This is stated at after charging/(crediting):

7. 除稅前溢利

除稅前溢利已扣除／(計入)下列各項後呈列：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance costs	融資成本		
Interest on interest-bearing borrowings	計息借貸利息	964	-
Staff costs	員工成本		
Staff costs (excluding directors' remuneration (Note 11))	員工成本 (董事酬金(附註11)除外)		
Basic salaries, allowance and other short-term employee benefits	基本薪金、津貼及 其他短期僱員福利	9,885	9,278
Contributions to defined contribution retirement plan	定額供款計劃供款	1,028	988
		10,913	10,266
Other items	其他項目		
Amortisation of intangible assets (charged to "cost of services and goods sold")	無形資產攤銷 (於「已售服務及 貨品成本」中扣除)	4,685	5,478
Auditor's remuneration	核數師酬金		
- audit services	- 核數服務	1,050	700
- other services	- 其他服務	1,080	180
		2,130	880
Cost of inventories sold	出售存貨成本	44,542	130,398
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,356	3,022
Exchange loss/(gain) on financial liabilities at FVPL, net	按公平值列賬並在損益 內處理之金融負債匯兌 虧損／(收益)淨額	16,340	(23,569)
Other net exchange (gain)/loss, net	其他匯兌(收益)／虧損淨額	(10,165)	14,703
Operating lease payments	經營租賃款項	2,318	2,560
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
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	979	132

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8. INCOME TAX EXPENSES

8. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Income tax expenses comprise:	所得稅開支包括：		
The PRC Enterprise Income Tax	中國企業所得稅		
– current year	– 本年度	5,948	15,871
– under-provision in prior years	– 過往年度撥備不足	–	201
		5,948	16,072
Deferred tax (Note 28)	遞延稅項(附註28)		
– Reversal of temporary difference	– 暫時差額撥回	(198)	(10,130)
		5,750	5,942

Hong Kong Profits Tax has not been provided 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.

The Company is incorporated in Bermuda and is exempted from income tax. The Company's subsidiaries established in the British Virgin Islands and Samoa are exempted from income tax of the respective jurisdictions.

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.

Malaysia corporate income tax is calculated at the rate of 24% of the Group's estimated assessable profits arising from Malaysia during the year ended 31 March 2019.

由於兩個年度內，並無於香港產生估計應課稅溢利，故並無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。

本公司於百慕達註冊成立並獲豁免繳納當地所得稅。本公司於英屬處女群島及薩摩亞成立之附屬公司獲豁免繳納各司法權區所得稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法之實施條例，中國附屬公司於兩個年度之稅率為25%。

馬來西亞企業所得稅按本集團截至二零一九年三月三十一日止年度源自馬來西亞的估計應課稅溢利的24%計算。

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8. INCOME TAX EXPENSES (continued)

The income tax expenses for the year can be reconciled to the profit before tax as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	34,593	42,620
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	7,772	9,452
Tax effect of expenses not deductible for tax purposes	不作扣稅開支之稅務影響	2,572	1,720
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(4,855)	(5,437)
Under-provision in prior years	過往年度撥備不足	-	201
Others	其他	261	6
Income tax expenses for the year	本年度所得稅開支	5,750	5,942

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2019, nor has any dividend been proposed since the end of the current reporting period (2018: Nil).

8. 所得稅開支(續)

本年度所得稅開支與除稅前溢利之對賬如下：

9. 股息

於截至二零一九年三月三十一日止年度內既無派付亦無建議派付股息，而自本報告期末以來亦無建議派付任何股息(二零一八年：無)。

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10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings per 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:

10. 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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit	溢利		
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)	28,843	36,678
Weighted average number of ordinary shares	普通股加權平均數		
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

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10. EARNINGS/(LOSS) PER SHARE (continued)

(b) Diluted earnings/(loss) per share

The calculation of the diluted earnings/(loss) per share attributable to the owners of the Company for the year is based on the following data:

(i) Profit/(loss) for the year attributable to owners of the Company

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	28,843	36,678
Change in fair value of convertible bond	可換股債券之公平值變動	(29,373)	(14,374)
Exchange loss/(gain) on convertible bond	可換股債券之匯兌虧損/(收益)	16,340	(23,569)
		15,810	(1,265)

(ii) Weighted average number of ordinary shares

		2019 二零一九年 Number of shares 股份數目	2018 二零一八年 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 earnings/(loss) per share	用以計算每股攤薄盈利/(虧損)之普通股加權平均數	1,765,373,584	1,765,373,584

10. 每股盈利/(虧損)(續)

(b) 每股攤薄盈利/(虧損)

本公司擁有人應佔年內每股攤薄盈利/(虧損)乃根據下列數據計算：

(i) 本公司擁有人應佔年內溢利/(虧損)

(ii) 普通股加權平均數

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11. INFORMATION ABOUT THE BENEFITS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The aggregate amounts of remuneration received and receivable by the directors of the Company are as follows:

		Other emoluments 其他酬金			
		Fees	Salaries, allowance and other short-term employee benefits 薪金、津貼及其他短期僱員福利	Retirement benefits scheme contributions 退休福利計劃供款	Total 總額
		袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
For the year ended 31 March 2019		截至二零一九年三月三十一日止年度			
Executive directors:		執行董事：			
Lo Fong Hung (Note a)	羅方紅 (附註a)	-	-	-	-
Wang Xiangfei (with Wong Sze Wai as alternate director)	王翔飛 (王四維為其替代董事)	-	781	-	781
Kwan Man Fai	關文輝	1,049	-	-	1,049
Wong Sze Wai (Note b)	王四維 (附註b)	-	218	6	224
Independent non-executive directors:		獨立非執行董事：			
Wong Man Hin, Raymond	黃文顯	336	-	-	336
Chan Yiu Fai, Youdey	陳耀輝	336	-	-	336
Pak Wai Keung, Martin	白偉強	336	-	-	336
		2,057	999	6	3,062
For the year ended 31 March 2018		截至二零一八年三月三十一日止年度			
Executive directors:		執行董事：			
Lo Fong Hung	羅方紅	-	528	18	546
Wang Xiangfei	王翔飛	-	528	-	528
Kwan Man Fai	關文輝	792	-	-	792
Alternate director:		替代董事：			
Wong Sze Wai (alternate to Wang Xiangfei) (Note c)	王四維 (替代王翔飛) (附註c)	-	-	-	-
Independent non-executive directors:		獨立非執行董事：			
Wong Man Hin, Raymond	黃文顯	336	-	-	336
Lam Ka Wai, Graham (Note d)	林家威 (附註d)	168	-	-	168
Chan Yiu Fai, Youdey	陳耀輝	336	-	-	336
Pak Wai Keung, Martin (Note e)	白偉強 (附註e)	179	-	-	179
		1,811	1,056	18	2,885

Notes:

- On 20 November 2018, the office of Lo Fong Hung was vacated.
- On 20 November 2018, Wong Sze Wai was appointed as an 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.
- 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.

附註：

- 於二零一八年十一月二十日，羅方紅被撤銷職務。
- 於二零一八年十一月二十日，王四維獲委任為本公司之執行董事。
- 於二零一七年七月十八日，王四維獲委任為本公司之替代董事(替代王翔飛)。
- 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。

11. 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, two (2018: three) were directors of the Company whose emoluments are set out above. The emoluments of the remaining three (2018: two) highest paid individuals were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and other short-term employee benefits	薪金、津貼及其他短期僱員福利	1,862	1,660
Contributions to defined contribution plan	定額供款計劃供款	52	38
		1,914	1,698

The emoluments of the three (2018: two) highest paid non-directors fall in the following bands:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil – HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	1

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 2019 and 2018. There was no arrangement under which a director or the five highest paid individuals waived or agreed to waive any remunerations for the years ended 31 March 2019 and 2018.

11. 有關董事福利及五名最高薪人士之資料(續)

(b) 五名最高薪人士

於本集團五名最高薪人士中，兩名(二零一八年：三名)為本公司董事，其酬金載於上文。餘下三名(二零一八年：兩名)最高薪人士之酬金如下：

三名(二零一八年：兩名)最高薪非董事之酬金介乎下列酬金範圍：

於截至二零一九年及二零一八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。於截至二零一九年及二零一八年三月三十一日止年度，概無任何有關董事或五名最高薪人士放棄或同意放棄任何薪酬之安排。

11. 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 2019 and 2018.

(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 end of the year ended 31 March 2019 or at any time during the years ended 31 March 2019 and 2018.

11. 有關董事福利及五名最高薪人士之資料(續)

(c) 以董事為受益人之貸款、準貸款及其他交易

截至二零一九年及二零一八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，於截至二零一九年三月三十一日止年度末或截至二零一九年及二零一八年三月三十一日止年度內任何時間，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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For the year ended 31 March 2019
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12. PROPERTY, PLANT AND EQUIPMENT

12. 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	Construction- in-progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本					
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
As at 1 April 2018	於二零一八年四月一日	11,135	28,293	8,730	-	48,158
Exchange realignment	匯兌調整	(741)	(1,766)	(723)	(33)	(3,263)
Additions through acquisition of subsidiaries (Note 32)	透過收購附屬公司添置 (附註32)	-	5,621	15	-	5,636
Additions	添置	4,135	3,066	857	32,383	40,441
Disposals	出售	(71)	(9,916)	(1,379)	-	(11,366)
As at 31 March 2019	於二零一九年三月三十一日	14,458	25,298	7,500	32,350	79,606
Accumulated depreciation and impairment losses	累計折舊及減值虧損					
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
As at 1 April 2018	於二零一八年四月一日	8,052	25,014	5,926	-	38,992
Exchange realignment	匯兌調整	(534)	(1,773)	(418)	-	(2,725)
Charge for the year	本年度支出	287	1,485	584	-	2,356
Eliminated on disposals	出售時對銷	(48)	(8,968)	(1,371)	-	(10,387)
As at 31 March 2019	於二零一九年三月三十一日	7,757	15,758	4,721	-	28,236
Net carrying amount	賬面淨值					
As at 31 March 2019	於二零一九年三月三十一日	6,701	9,540	2,779	32,350	51,370
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

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The above property, plant and equipment, except for construction-in-progress, 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	4% 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.

No impairment loss was recognised during the year ended 31 March 2019.

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 considered 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 13(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.

12. 物業、廠房及設備(續)

除在建工程外，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	4%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。

截至二零一九年三月三十一日止年度，概無確認減值虧損。

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13(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。

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13. INTANGIBLE ASSETS

13. 無形資產

		Exploration and evaluation assets 勘探及 評估資產 HK\$'000 千港元 (Notes ii & iii) (附註ii & iii)	Mining right 採礦權 HK\$'000 千港元 (Notes i & iii) (附註i & iii)	Renewable energy service contract 可再生 能源服務 合約 HK\$'000 千港元 (Note iv) (附註iv)	Total 總額 HK\$'000 千港元
Cost	成本				
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
As at 1 April 2018	於二零一八年四月一日	49,776	105,361	–	155,137
Exchange realignment	匯兌調整	(3,292)	(6,969)	–	(10,261)
Additions arising from acquisition of subsidiaries (Note 32)	收購附屬公司產生之增加 (附註32)	–	–	1,618	1,618
As at 31 March 2019	於二零一九年三月三十一日	46,484	98,392	1,618	146,494
Accumulated amortisation and impairment losses	累計攤銷及減值虧損				
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
As at 1 April 2018	於二零一八年四月一日	49,776	82,266	–	132,042
Exchange realignment	匯兌調整	(3,292)	(5,446)	–	(8,738)
Charge for the year	本年度支出	–	4,659	26	4,685
As at 31 March 2019	於二零一九年三月三十一日	46,484	81,479	26	127,989
Net carrying amount	賬面淨值				
As at 31 March 2019	於二零一九年三月三十一日	–	16,913	1,592	18,505
As at 31 March 2018	於二零一八年三月三十一日	–	23,095	–	23,095

13. INTANGIBLE ASSETS (continued)

Note:

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 ValQuest Advisory Group Limited ("ValQuest") as at 31 March 2019 (2018: Roma Appraisal 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 2019, with reference to valuations conducted by ValQuest using discounted cash flow method, the directors of the Company expected that the VIU of the Coal Mining Assets approximates its carrying amount and thus concluded that no impairment loss was recognised during the year ended 31 March 2019.

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 profit or loss during the year ended 31 March 2018.

13. 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，本公司已於二零一九年三月三十一日委聘獨立專業估值師瀚維諮詢有限公司(「瀚維」)(二零一八年：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。

截至二零一九年三月三十一日止年度，經參照瀚維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使用價值與其賬面值相若，因而斷定截至二零一九年三月三十一日止年度並無確認任何減值虧損。

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損益內確認。

13. INTANGIBLE ASSETS (continued)

(i) Mining right (continued)

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.

In assessing the VIU of 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 22%, 27% and 36% was used in assessing the VIU of the CGUs of the Coal Mining Assets as at 31 March 2019, 31 March 2018 and 30 September 2017 respectively.

Details of the Group’s mining right at the end of the reporting period are as follows:

Mining right 採礦權	Location 地點	Expiry date 屆滿日期
Kaiyuan Open Pit Coal Mine (the “Kaiyuan Mine”) 凱源露天煤礦 (「凱源煤礦」)	Inside Zhundong Meitian Xiheishan Coal Mining Area in Xinjiang 新疆准東煤田西黑山煤炭礦區	3 November 2019 二零一九年 十一月三日

13. 無形資產(續)

(i) 採礦權(續)

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與其於二零一八年三月三十一日之賬面值相若，因而概無確認其他減值虧損。

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相關現值。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企業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企業特定風險因素釐定。於二零一九年三月三十一日、二零一八年三月三十一日及二零一七年九月三十日，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分別為22%、27%及36%。

有關本集團於報告期末之採礦權如下：

13. INTANGIBLE ASSETS (continued)

(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 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).

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;

13. 無形資產(續)

(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。

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；

13. INTANGIBLE ASSETS (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: (continued)

- 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 Department”) granting the renewal of the exploration permit of Zexu Open Pit Coal Mine (the “Zexu Mine”) (“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 2019 and 2018, despite the successful renewal of the exploration right, with reference to a professional valuation conducted by ValQuest (2018: 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 (see below) is approved;
- due to the Optimization and Upgrading Plan, it is not feasible and practicable for the Group to obtain a mining right; and
- defined or reliable future economic benefit could not be drawn based on the current progress of the Optimization and Upgrading Plan.

13. 無形資產(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：(續)

- 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，批准澤旭露天煤礦(「澤旭煤礦」)礦產資源勘查許可證(「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。

於二零一九年及二零一八年三月三十一日，儘管成功重續勘探權，經參照瀚維(二零一八年：羅馬)進行之專業估值後，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(見下文)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。

13. INTANGIBLE ASSETS (continued)

(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 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.

13. 無形資產(續)

(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，估計額外煤礦資源約為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。

13. INTANGIBLE ASSETS (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 (as defined in the announcement of the Company dated 11 November 2011). 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.

13. 無形資產(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(定義見本公司日期為二零一一年十一月十一日之公告)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重組及升級，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。

13. INTANGIBLE ASSETS (continued)

(iv) Renewable energy service contract

The renewable energy service contract relates to the Renewable Energy CGU (as defined in note 14) and represented a legally binding service agreement entered into between NEFIN Technology (Malaysia) Sdn. Bhd. (“NEFIN Technology”), a wholly-owned subsidiary of NEFIN Leasing Technologies Limited (“NEFIN Leasing”) (together referred to as “NEFIN Group”), and its customer, which was acquired as part of the Group’s acquisition of NEFIN Group during the year ended 31 March 2019 and was initially recognised at its fair value at acquisition date with reference to a professional valuation conducted by ValQuest using discounted cash flow method. The remaining useful life of the renewable energy service contract is determined by the Group to be 25 years.

The renewable energy service contract is tested for impairment at least annually and has been included in the Renewable Energy CGU for impairment assessment of goodwill.

During the year ended 31 March 2019, the directors of the Company expected that the recoverable amount of renewable energy service contract exceed its carrying amount and thus concluded that no impairment loss was recognised during the year ended 31 March 2019.

13. 無形資產(續)

(iv) 可再生能源服務合約

新能源租賃科技有限公司(「新能源租賃」)的全資附屬公司NEFIN Technology (Malaysia) Sdn. Bhd. (「NEFIN Technology」)(統稱「新能源集團」)與其客戶訂立涉及可再生能源現金產生單位(定義見附註14)的可再生能源服務合約(構成具有法律約束能力的服務協議)，該客戶於截至二零一九年三月三十一日止年度已收購作為本集團收購新能源集團的一部分，並初步使用貼現現金流量法參照瀚維進行的專業估值按其收購日期的公平值確認。本集團釐定可再生能源服務合約的剩餘可用年期為25年。

可再生能源服務合約每年至少須進行減值測試，並已計入可再生能源現金產生單位進行商譽減值評估。

截至二零一九年三月三十一日止年度，本公司董事預期可再生能源服務合約可回收金額超出其賬面值，故斷定截至二零一九年三月三十一日止年度並未確認減值虧損。

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14. GOODWILL

14. 商譽

		Coal Mining CGU 煤礦現金 產生單位 HK\$'000 千港元 (Note (a)) (附註(a))	Renewable Energy CGU 可再生能源 現金產生單位 HK\$'000 千港元 (Note (b)) (附註(b))	Total 總額 HK\$'000 千港元
Cost	成本			
As at 1 April 2017, 31 March 2018 and 1 April 2018	於二零一七年四月一日、二零一八年 三月三十一日及二零一八年四月一日	37,469	-	37,469
Arising from acquisition of subsidiaries (Note 32)	收購附屬公司產生(附註32)	-	4,229	4,229
As at 31 March 2019	於二零一九年三月三十一日	37,469	4,229	41,698
Accumulated impairment losses	累計減值虧損			
As at 1 April 2017, 31 March 2018 and 31 March 2019	於二零一七年四月一日、二零一八年 三月三十一日及二零一九年三月三十一日	37,469	-	37,469
Net carrying amount	賬面淨值			
As at 31 March 2019	於二零一九年三月三十一日	-	4,229	4,229
As at 31 March 2018	於二零一八年三月三十一日	-	-	-

14. GOODWILL (continued)

14(a) Coal Mining CGU

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 Kai Yuan Coal Company Limited*, “Kaiyuan Company”) was fully impaired during the year ended 31 March 2011.

* English translation for identification purpose only.

14(b) Renewable Energy CGU

The goodwill arising from the acquisition of 90% equity interests in NEFIN Leasing and its subsidiary on 8 October 2018 with cash generating units engaged in renewable energy solutions and solar farm development (the “Renewable Energy CGU”).

As at 31 March 2019, the directors of the Company assessed the recoverable amount of the Renewable Energy CGU with reference to VIU calculations using cash flow projections based on financial budgets and forecasts covering a five-year period and extrapolates cash flows beyond such period conducted by ValQuest.

Key assumptions used for cash flow projections to undertake impairment testing of the goodwill allocated to Renewable Energy CGU are as follows:

14. 商譽(續)

14(a) 煤礦現金產生單位

截至二零一一年三月三十一日止年度，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」)產生的商譽已作出悉數減值。

14(b) 可再生能源現金產生單位

於二零一八年十月八日，收購新能源租賃及其附屬公司90%股權連同從事提供可再生能源解決方案及太陽能發電站開發業務的現金產生單位(「可再生能源現金產生單位」)產生商譽。

於二零一九年三月三十一日，本公司董事參照基於財務預算及五年期預測使用現金流量預測計算的使用價值評估可再生能源現金產生單位的可收回金額，而現金流量預測根據瀚維作出之超過五年後之推斷現金流量計算。

為分配至可再生能源現金產生單位的商譽進行減值測試而作出現金流量預測所用之主要假設如下：

		As at 31 March 2019 於二零一九年 三月三十一日
Growth in revenue year-on-year during the five-year period	五年期間之按年收益增長	1.49%
Budget gross profit margin	目標毛利率	60.00%
Perpetual growth rate	永續增長率	3.00%
Discount rate (pre-tax)	貼現率(稅前)	6.04%

14. GOODWILL (continued)

14(b) Renewable Energy CGU (continued)

The directors of the Company determined the growth rates based on past performance and the expectation of market development. The discount rate used is pre-tax and reflects specific risks relating to the Renewable Energy CGU.

As at 31 March 2019, the recoverable amount of the Renewable Energy CGU is higher than its carrying amount. Accordingly, there was no impairment on the goodwill during the year ended 31 March 2019.

15. 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.

16. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本
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The amounts due from subsidiaries are unsecured, non interest-bearing and repayable on demand.

14. 商譽(續)

14(b) 可再生能源現金產生單位(續)

本公司董事按過往表現及市場發展預期釐定增長率。所用貼現率為稅前，並反映涉及可再生能源現金產生單位的具體風險。

於二零一九年三月三十一日，可再生能源現金產生單位的可收回金額高於其賬面值。因此，截至二零一九年三月三十一日止年度並無商譽減值。

15. 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。

16. 於附屬公司之投資

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted shares, at cost	-	-

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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16. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries held by the Company as at 31 March 2019 and 2018 are as follows:

16. 於附屬公司之投資(續)

本公司於二零一九年及二零一八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/ paid up capital 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		Principal activities 主要業務
				本公司應佔股權百分比		
				2019 二零一九年 %	2018 二零一八年 %	
Directly held:						
直接持有：						
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
Indirectly held:						
間接持有：						
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 (Note i) 凱源公司(附註i)	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 (Note ii) 澤旭公司(附註ii)	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

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16. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries held by the Company as at 31 March 2019 and 2018 are as follows: (continued)

16. 於附屬公司之投資(續)

本公司於二零一九年及二零一八年三月三十一日持有之附屬公司詳情如下：(續)

Name of subsidiary 附屬公司名稱	Class of shares held/ paid up capital 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
				2019	2018	
				二零一九年 %	二零一八年 %	
Indirectly held: 間接持有：						
Radiant Day Holdings Limited ("Radiant Day") 耀日控股有限公司(「耀日」)	Ordinary share 普通股	Samoa 薩摩亞	US\$1 1美元	100		- Investment holding 投資控股
NEFIN Leasing 新能源租賃	Ordinary share 普通股	Hong Kong 香港	HK\$1,000,000 1,000,000港元	90%		- Investment holding 投資控股
NEFIN Technology (Note iii) NEFIN Technology (附註iii)	Ordinary share 普通股	Malaysia 馬來西亞	Malaysia Ringgit 1,000 1,000馬來西亞令吉	90%		- Renewable energy solutions 可再生能源解決方案
Ample Talent Ventures Limited ("Ample Talent") 裕智創投有限公司(「裕智創投」)	Ordinary share 普通股	Samoa 薩摩亞	US\$1 1美元	100		- Investment holding 投資控股

Notes:

- (i) Registered under the laws of the PRC as wholly-foreign-owned enterprise
- (ii) Registered under the laws of the PRC as domestic enterprise
- (iii) Registered under the laws of Malaysia as domestic enterprise

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.

附註：

- (i) 根據中國法例註冊為外商獨資企業
- (ii) 根據中國法例註冊為境內企業
- (iii) 根據馬來西亞法例註冊為境內企業

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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17. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Consumables	消費品	305	434
Coals	煤炭	7,268	6,787
		7,573	7,221

No inventories were written down for the years ended 31 March 2019 and 2018.

17. 存貨

並無於截至二零一九年及二零一八年三月三十一日止年度撇減存貨。

18. FINANCIAL ASSETS MEASURED AT FVPL

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets mandatorily measured at FVPL	強制按公平值列賬並在損益內處理之金融資產		
Unlisted investments-principal guaranteed funds	於保本基金之非上市投資	60,236	-

As at 31 March 2019, the unlisted investments in principal guaranteed funds ("Principal Guaranteed Funds") were placed with a bank in the PRC. The Principal Guaranteed Funds carried interest at floating rate with expected return ranging from 1.90% to 2.95% per annum. The Principal Guaranteed Funds have no fixed maturity period and the amount of such investment can be redeemed at any time with minimal cost. The Principal Guaranteed Funds mainly invested in treasury bonds and debentures, money market funds and equity-linked notes and are denominated in RMB.

18. 按公平值列賬並在損益內處理之金融資產

於二零一九年三月三十一日，於保本基金（「保本基金」）之非上市投資已存入中國一間銀行。保本基金按浮動利率計息，預期收益率介乎每年1.90%至2.95%之間。保本基金並無固定屆滿期限，且該等投資之金額可隨時以最低成本贖回。保本基金主要投資於國債及債權證、貨幣市場基金以及股權掛鉤票據，並以人民幣計值。

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18. FINANCIAL ASSETS MEASURED AT FVPL (continued)

The movement of the unlisted investments in the Principal Guaranteed Funds is analysed as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At the beginning of reporting period	於報告期初	-	-
Additions	添置	60,236	307,440
Redemption	贖回	-	(307,440)
At the end of reporting period	於報告期末	60,236	-

18. 按公平值列賬並在損益內處理之金融資產(續)

於保本基金之非上市投資的變動分析如下：

19. TRADE AND OTHER RECEIVABLES

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills receivables from third parties	應收第三方貨款及票據	19(a)	-	1,116
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		4,040	3,093
Refundable deposit paid for acquisition of subsidiaries	就收購附屬公司支付之可退還按金	37	3,571	-
Other taxes receivables	其他應收稅項		613	-
Non-refundable deposits	不可退還按金	19(b)	2,431	2,604
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備之預付款項		19,635	-
			30,290	6,813

19. 應收貨款及其他應收款項

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19. TRADE AND OTHER RECEIVABLES (continued)

Analysed by:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	22,066	2,604
Current assets	流動資產	8,224	4,209
		30,290	6,813

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.

19(a) Trade and bills receivables from third parties

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.

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 impairment loss allowance was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90天內	-	1,116

19. 應收貨款及其他應收款項(續)

分析如下：

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。

19(a) 應收第三方貨款及票據

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。

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）於扣除減值虧損撥備後之賬齡分析如下：

19. TRADE AND OTHER RECEIVABLES (continued)

19(a) Trade and bills receivables from third parties (continued)

As at 31 March 2018, all trade and bills receivables were neither past due nor impaired related to wide range of customers for who, there was no recent history of default. The Company does not hold any collateral over these balances.

19(b) Non-refundable deposits

Non-refundable deposits of approximately RMB2,099,000 (equivalent to approximately HK\$2,431,000) were paid to two independent third parties in accordance with respective undisputed agreements regarding the acquisition of areas of the 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 upon completion of acquisition.

These transactions are not yet completed at the date of approving the consolidated financial statements.

19. 應收貨款及其他應收款項(續)

19(a) 應收第三方貨款及票據(續)

於二零一八年三月三十一日，所有應收貨款及應收票據均未逾期且並未出現減值，此乃與近期並無拖欠記錄之多名客戶有關。本公司並無就該等結餘持有任何抵押品。

19(b) 不可退還按金

根據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2,431,000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探權及隨後之採礦權。於收購完成後，不可退還按金將轉入無形資產。

該等交易於批准綜合財務報表之日尚未完成。

20. TRANSFERS OF FINANCIAL ASSETS

As at 31 March 2019, 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\$8,282,000 (2018: approximately HK\$21,496,000). 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 years ended 31 March 2019 and 2018, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, during the year or cumulatively.

21. RESTRICTED BANK BALANCES

Pursuant to the loan agreement signed with a bank in the PRC, the amounts represent bank balances in the bank in the PRC maintained solely for the purpose of settlement of outstanding interest-bearing borrowings and are restricted for use by the Group for any other purposes. The restricted bank balances are denominated in RMB and carried interest at prevailing market rates.

20. 轉讓金融資產

於二零一九年三月三十一日，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8,282,000港元（二零一八年：約21,496,000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。

截至二零一九年及二零一八年三月三十一日止年度，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。並無確認來自持續牽涉責任之年度或累計收益或虧損。

21. 受限制銀行結餘

根據與中國一間銀行簽署之貸款協議，該等金額指中國銀行之銀行結餘，僅為清償未償還計息借貸而維持，並限於本集團用作任何其他用途。受限制銀行結餘以人民幣計值並按現行市場利率計息。

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22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group amounting to approximately HK\$278,814,000 (2018: approximately HK\$440,437,000) 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 2.41% (2018: 0.01% to 3.85%) 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 278,814,000 港元 (二零一八年：約 440,437,000 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 2.41 厘 (二零一八年：0.01 厘至 3.85 厘) 之市場年利率計息。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank balances	銀行結餘	43,968	288,095
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	234,705	152,107
Cash on hand	手頭現金	141	235
Cash and cash equivalents	現金及現金等值項目	278,814	440,437

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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	129,262	153,554
US\$	美元	67	67

As at 31 March 2019, the Group had balances amounted to RMB128,307,000 (equivalent to HK\$148,630,000 (2018: approximately RMB230,228,000, equivalent to approximately HK\$285,584,000) 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.

於二零一九年三月三十一日，本集團存於中國境內銀行之結餘為人民幣 128,307,000 元 (相當於 148,630,000 港元) (二零一八年：約人民幣 230,228,000 元，相當於約 285,584,000 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 aging analysis of the trade payables (presented based on the invoice date) is as follows:

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90天內		11	9,478
91 – 180 days	91天至180天		10,523	2,032
181 – 365 days	181天至365天		80	2,609
Over 1 year	超過1年		75	13
Trade payables	應付貨款		10,689	14,132
Contract liabilities	合約負債	23(a)	564	1,534
Other taxes payable	其他應付稅項		–	6,877
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		27,307	29,241
– Others	– 其他		3,845	4,117
Accrued expenses	應計費用		3,906	2,325
Non-refundable deposits received	已收不可退還按金	23(b)	5,673	6,075
Other payables	其他應付款項		6,810	5,497
			58,794	69,798

All the trade and other payables that are classified as current liabilities are expected to be settled with one year.

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.

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：

所有分類為流動負債之應付貨款及其他應付款項預計將於一年內結清。

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。

23. TRADE AND OTHER PAYABLES (continued)

23(a) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the years ended 31 March 2019 and 2018 are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	1,534	2,261
Receipt of advances	預收墊款	564	1,534
Recognised as revenue	確認為收益	(1,534)	(2,261)
At the end of the reporting period	於報告期末	564	1,534

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

23(b) Non-refundable deposits received

Non-refundable deposits received of approximately RMB4,897,000 (equivalent to approximately HK\$5,673,000) were received from two independent third parties in accordance with respective undisputed agreements signed during the year ended 31 March 2018 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(續)

23(a) 合約負債

截至二零一九年及二零一八年三月三十一日止年度，香港財務報告準則第15號客戶合約產生的合約負債變動(不包括同年產生的增加及減少引致的變動)如下：

本集團採用可行權宜方法，而並無披露有關該等原定預期年期為一年或以內之餘下履約責任之資料。

23(b) 已收不可退還按金

根據於截至二零一八年三月三十一日止年度訂立之各項無爭議協議，已就出售本集團所持有煤礦區域向兩名獨立第三方收取不可退還按金約人民幣4,897,000元(相當於約5,673,000港元)。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. INTEREST-BEARING BORROWINGS

24. 計息借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current portion	流動部分		
Interest-bearing borrowings, secured	計息借貸，有抵押	68,345	-

As at 31 March 2019, the Group's interest-bearing borrowings carry interest rate at 4.75% per annum and are repayable by instalments of RMB1,000,000 semiannually while the outstanding balances of the borrowings to be repaid in full in September 2020.

The interest-bearing borrowings with a clause in their terms that gives the bank an overriding right to demand for repayment without notice at its sole discretion are classified as current liabilities even though the directors of the Company do not expect that the bank would exercise its right to demand repayment. The interest-bearing borrowings are secured by restricted bank balances (Note 21) with carrying amount of approximately HK\$77,612,000.

於二零一九年三月三十一日，本集團之計息借貸按年利率4.75厘計息，並須分期每半年償還人民幣1,000,000元，而未償還借貸結餘將於二零二零年九月悉數償還。

條款中賦予銀行最大權利可全權決定毋須通知要求還款之計息借貸乃分類為流動負債，儘管本公司董事預期銀行將不會行使要求還款之權利。計息借貸乃由受限制銀行結餘(附註21)作抵押，賬面值約為77,612,000港元。

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25. 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 during the year are set out below:

The Company

25. 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。本公司於年內個別權益部分之變動詳情載列如下：

本公司

		Share premium	Exchange translation reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	匯兌儲備	繳入盈餘	累計虧損	總額
		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
		(Note i)	(Note iv)	(Note vi)		
		(附註i)	(附註iv)	(附註vi)		
As at 1 April 2017	於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)
Total other comprehensive income:	其他全面收益總額：					
<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	年內全面收益總額	-	5,374	-	(71)	5,303
As at 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	191,534	16,134	128,013	(351,587)	(15,906)
Profit for the year	年內溢利	-	-	-	20,646	20,646
Total other comprehensive loss:	其他全面虧損總額：					
<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	-	(4,032)	-	-	(4,032)
Total comprehensive income for the year	年內全面收益總額	-	(4,032)	-	20,646	16,614
As at 31 March 2019	於二零一九年三月三十一日	191,534	12,102	128,013	(330,941)	708

25. SHARE CAPITAL AND RESERVES (continued)

(a) Movements in components of equity (continued)

The Company (continued)

Notes:

- (i) **Share premium**
The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.
- (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 to the consolidated financial statements.

25. 股本及儲備(續)

(a) 權益部分變動(續)

本公司(續)

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。
- (ii) **股本儲備**
股本儲備源於過往年度收購附屬公司額外股權。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盈利。
- (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所載會計政策處理。

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25. SHARE CAPITAL AND RESERVES (continued)

(a) Movements in components of equity (continued)

The Company (continued)

Notes: (continued)

(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 in a previous year.

(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.

(b) Authorised and issued share capital

25. 股本及儲備(續)

(a) 權益部分變動(續)

本公司(續)

附註：(續)

(v) 特別儲備

特別儲備金額相當於進一步收購星力富鑫49%股權之已付代價與星力富鑫上一年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。

(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
Authorised:	法定：		
Balance as at 1 April 2017,	於二零一七年四月一日、		
31 March 2018 and	二零一八年三月三十一日及		
31 March 2019	二零一九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 2017,	於二零一七年四月一日、		
31 March 2018 and	二零一八年三月三十一日及		
31 March 2019	二零一九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.

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。

25. SHARE CAPITAL AND RESERVES (continued)

(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.

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 interest-bearing borrowings and convertible bond designated as financial liabilities at FVPL. Equity comprises all components of equity.

25. 股本及儲備(續)

(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。

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，總負債即指定為計息借貸及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。

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25. SHARE CAPITAL AND RESERVES (continued)

(c) Capital management (continued)

The debt-to-equity ratio at 31 March 2019 and 2018 are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸	68,345	-
Convertible bond designated as financial liabilities at FVPL	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	217,869	247,242
Total debt	總負債	286,214	247,242
Total equity	總權益	184,683	165,716
Debt-to-equity ratio	權益負債比率	1.55	1.49

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25. 股本及儲備(續)

(c) 資本管理(續)

於二零一九年及二零一八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。

26. 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 was denominated in HK\$ and entitled 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 should 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 (“1st 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 FVPL in the consolidated statement of financial position.

On 21 January 2014, the Company entered into a second deed of amendment with Ascent Goal (“2nd extended Convertible Bond”), to extend the maturity date of 1st extended 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 (“2nd 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.

26. 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」），以將第一次延期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。

26. CONVERTIBLE BOND (continued)

The 2nd extended Maturity Date was considered to be a substantial modification of terms of 1st extended Convertible Bond as the discounted present value of the cash flows of the 2nd extended Convertible Bond was more than 10% different from the discounted present value of the cash flows of the outstanding 1st extended Convertible Bond prior to the extension of maturity date. As such, the 1st extended Convertible Bond was derecognised and the 2nd extended Convertible Bond was recognised. The fair value of the 2nd extended Convertible Bond as at 14 March 2014 amounted to approximately HK\$200,000,000. An extinguishment loss of approximately HK\$211,000 had 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 (“3rd extended Convertible Bond”), to further extend the maturity date of the 2nd 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 (“3rd 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 3rd extended Maturity Date was considered to be a substantial modification of terms of the 2nd extended Convertible Bond as the discounted present value of the cash flows of the 3rd extended Convertible Bond was more than 10% different from the discounted present value of the outstanding 2nd extended Convertible Bond prior to the extension of maturity date. As such, the 2nd extended Convertible Bond was derecognised and the 3rd extended Convertible Bond was recognised. The fair value of the 3rd extended Convertible Bond as at 14 March 2017 amounted to approximately HK\$264,904,000. An extinguishment loss of approximately HK\$5,941,000 had been recognised in profit and loss during the year ended 31 March 2017.

The 3rd extended Convertible Bond was valued by the directors of the Company with reference to valuation report issued by Val Quest (2018: Roma) as at 31 March 2019.

26. 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第一次延期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第一次延期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第二次延期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瀚維(二零一八年：羅馬)於二零一九年三月三十一日所出具之估值報告進行估值。

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26. CONVERTIBLE BOND (continued)

The movements of the 3rd extended Convertible Bond for the year are set out below:

26. 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 rd extended Convertible Bond 第三次延期可換股債券	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at beginning of the year	於年初之結餘	247,242	261,616
Fair value change charged to the profit or loss	於損益內扣除之公平值變動	(29,373)	(14,374)
Loss/(Gain) on translation of 3 rd 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虧損/(收益)	16,340	(23,569)
Exchange adjustment arising on translation of functional currency to presentation currency and recorded in other comprehensive income	換算功能貨幣為呈列貨幣時產生並計入其他全面收益之匯兌調整	(16,340)	23,569
Balance at end of the year	年末結餘	217,869	247,242
Analysed for reporting as:	報告分析為：		
Current liabilities	流動負債	217,869	-
Non-current liabilities	非流動負債	-	247,242
		217,869	247,242
Difference between carrying amount and maturity amount:	賬面值與到期金額之差額：		
3 rd extended Convertible Bond at fair value	按公平值計算之第三次延期可換股債券	217,869	247,242
Amount payable on maturity	於到期時應付金額	(200,000)	(200,000)
		17,869	47,242

None of the 3rd extended Convertible Bond had been converted into ordinary shares of the Company during the years ended 31 March 2019 and 2018.

截至二零一九年及二零一八年三月三十一日止年度，概無第三次延期可換股債券已獲轉換為本公司普通股。

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27. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS 27. 關閉、復墾及環境成本撥備

		HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	2,802
Exchange difference	匯兌差額	272
As at 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	3,074
Exchange difference	匯兌差額	(204)
As at 31 March 2019	於二零一九年三月三十一日	2,870

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.

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。

27. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS (continued)

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.

28. DEFERRED TAX
Deferred tax assets

The following are the major deferred tax asset recognised and its movement during the current and prior reporting periods:

27. 關閉、復墾及環境成本撥備 (續)

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。

28. 遞延稅項
遞延稅項資產

當前及過往報告期間之已確認主要遞延稅項資產及其變動如下：

		Accrued expenses 應計費用 HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	6,663
Exchange realignment	匯兌調整	647
As at 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	7,310
Exchange realignment	匯兌調整	(484)
As at 31 March 2019	於二零一九年三月三十一日	6,826

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28. DEFERRED TAX (continued)

Deferred tax liabilities

The following are the major deferred tax liabilities recognised and their movements during the current and prior reporting periods:

		Intangible assets 無形資產 HK\$'000 千港元	Inventories 存貨 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	9,447	5,133	14,580
Exchange realignment	匯兌調整	704	216	920
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 and 1 April 2018	於二零一八年三月三十一日 及二零一八年四月一日	5,774	(404)	5,370
Exchange realignment	匯兌調整	(381)	26	(355)
Acquisition of subsidiaries (Note 32)	收購附屬公司(附註32)	387	-	387
Charge/(Credit) to profit or loss for the year	於年內損益扣除/(計入)	(1,165)	967	(198)
As at 31 March 2019	於二零一九年三月三十一日	4,615	589	5,204

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net deferred tax assets	遞延稅項資產淨額	2,009	1,940
Net deferred tax liabilities	遞延稅項負債淨額	(387)	-
		1,622	1,940

28. 遞延稅項(續)

遞延稅項負債

當前及過往報告期間之已確認主要遞延稅項負債及其變動如下：

就呈報目的而言，若干遞延稅項資產及負債已於綜合財務狀況表內抵銷。就財務報告目的而言的遞延稅項結餘分析如下：

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28. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

Under the EIT Law of the PRC, withholding tax is payable on dividends declared in respect of profits earned by 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\$184,688,000 (2018: approximately HK\$167,764,000) 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 be reversed in the foreseeable future.

29. OTHER CASH FLOW INFORMATION

Changes in liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

28. 遞延稅項(續)

遞延稅項負債(續)

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184,688,000港元(二零一八年：約167,764,000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。

29. 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：

		Non-cash changes 非現金變動				
		Change in fair value 公平值 變動 HK\$'000 千港元	Translation of convertible bond into functional currency 換算可換股債券 為功能貨幣 HK\$'000 千港元	Translation from functional currency to presentation currency 換算功能貨幣 為呈列貨幣 HK\$'000 千港元	As at 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元	
As at 1 April 2018 於二零一八年 四月一日 HK\$'000 千港元	Net cash flows 淨額 HK\$'000 千港元				As at 1 April 2018 於二零一八年 四月一日 HK\$'000 千港元	As at 31 March 2019 於二零一九年 三月三十一日 HK\$'000 千港元
Year ended 31 March 2019 截至二零一九年三月三十一日止年度						
Interest-bearing borrowings 計息借貸		-	-	(72)		68,345
Convertible bond designated as financial liabilities at FVPL 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	(29,373)	(16,340)		217,869
		247,242	(29,373)	(16,412)		286,214

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30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

30. 金融工具

(a) 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loans and receivables:	貸款及應收款項：		
Trade and other receivables	應收貨款及其他應收款項	-	3,123
Security deposit	保證按金	-	5,048
Restricted bank balances	受限制銀行結餘	-	-
Cash and cash equivalents	現金及現金等值項目	-	440,437
		-	448,608
Financial assets measured at amortised cost:	按攤銷成本計量之 金融資產：		
Trade and other receivables	應收貨款及其他應收款項	6,614	-
Security deposit	保證按金	5,506	-
Restricted bank balances	受限制銀行結餘	77,612	-
Cash and cash equivalents	現金及現金等值項目	278,814	-
		368,546	-
Financial assets measured at FVPL	按公平值列賬並在損益內處 理之金融資產	60,236	-
Financial liabilities measured at amortised cost:	按攤銷成本計量之 金融負債：		
Trade and other payables	應付貨款及其他應付款項	21,405	21,954
Interest-bearing borrowings	計息借貸	68,345	-
		89,750	21,954
Financial liabilities designated as at FVPL:	指定為按公平值列賬並在損 益內處理之金融負債：		
Convertible bond	可換股債券	217,869	247,242

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include security deposit, financial assets measured at FVPL, trade and other receivables, restricted bank balances, cash and cash equivalents, trade and other payables, interest-bearing borrowings 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.

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.

Certain receivables, cash and cash equivalents, payables 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.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Assets	資產	133,675	155,044
Liabilities	負債	(221,018)	(248,388)

30. 金融工具(續)

(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、按公平值列賬並在損益內處理之金融資產、應收貨款及其他應收款項、受限制銀行結餘、現金及現金等值項目、應付貨款及其他應付款項、計息借貸以及可換股債券。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。本公司董事管理以及監察該等風險，以確保及時與有效地採取適當措施。

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。

本集團若干應收款項、現金及現金等值項目、應付款項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。

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

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% (2018: 10%) increase and decrease in HK\$ against each group entity's functional currency. 10% (2018: 10%) 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% (2018: 10%) 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 (2018: decrease in profit for the year and increase in accumulated losses of the Group) where each group entity's functional currency weaken 10% (2018: 10%) against HK\$. For a 10% (2018: 10%) strengthening of each group entity's functional currency against HK\$, there would be an equal and opposite impact.

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

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%(二零一八年:10%)之敏感度。10%(二零一八年:10%)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%(二零一八年:10%)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%(二零一八年:10%)時,下表負數顯示本集團年內溢利減少及累計虧損增加(二零一八年: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%(二零一八年:10%),則構成金額相等但效果相反之影響。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit or loss and accumulated losses 溢利或虧損及累計虧損	(8,734)	(9,334)

30. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Interest rate risk**

The Group is exposed to cash flow interest rate risk in relation to bank balances, restricted bank balances, security deposit, financial assets measured at FVPL and interest-bearing borrowings 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 has 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 0.5% (2018: 0.5%) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2019 would increase and accumulated losses as at the reporting date would decrease by approximately HK\$1,247,000 (2018: increase the Group's profit and decrease accumulated losses by approximately HK\$786,000). This was mainly attributable to the exposure to interest rates on its variable-rate bank balances of the Group.

30. 金融工具(續)**(b) 財務風險管理目標及政策(續)****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餘、受限制銀行結餘、保證按金、按公平值列賬並在損益內處理之金融資產及計息借貸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0.5% (二零一八年：0.5%)，而所有其他變數維持不變，則本集團截至二零一九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1,247,000港元(二零一八年：本集團溢利增加及累計虧損減少約786,000港元)，主要原因為本集團面對其浮動利率銀行結餘之利率風險。

30. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Equity price risk**

The Group was required to estimate the fair value of the Convertible Bond (see Note 26) 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% (2018: 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 the convertible bond) would decrease and accumulated losses would increase by approximately HK\$5,803,000 (2018: the Group's post-tax profit for the year would decrease and accumulated losses would increase by approximately HK\$5,411,000) during the year ended 31 March 2019. If the input of share price to the valuation model of the derivatives embedded in the convertible bond had been 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\$4,010,000 (2018: the Group's post-tax profit for the year would increase and accumulated losses would decrease approximately HK\$6,697,000) during the year ended 31 March 2019.

30. 金融工具(續)**(b) 財務風險管理目標及政策(續)****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26)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%(二零一八年：5%)，而所有其他變數維持不變，則本集團於截至二零一九年三月三十一日止年度之年內除稅後溢利(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5,803,000港元(二零一八年：本集團的年內除稅後溢利將減少及累計虧損將增加約5,411,000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%，而所有其他變數維持不變，則本集團於截至二零一九年三月三十一日止年度之年內除稅後溢利(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4,010,000港元(二零一八年：本集團的年內除稅後溢利將增加及累計虧損將減少約6,697,000港元)。

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

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.

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

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
As at 31 March 2019	於二零一九年三月三十一日					
Trade and other payables	應付貨款及其他應付款項	21,405	-	-	21,405	21,405
Interest-bearing borrowings (Note)	計息借貸(附註)	68,345	-	-	68,345	68,345
Convertible bond designated as financial liabilities at FVPL	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	217,869
		289,750	-	-	289,750	307,619

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30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued) Liquidity risk (continued)

		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
As at 31 March 2018	於二零一八年三月三十一日					
Trade and other payables	應付貸款及其他應付款項	21,954	-	-	21,954	21,954
Convertible bond designated as financial liabilities at FVPL	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
		21,954	200,000	-	221,954	269,196

Note: The amounts repayable under bank loan agreements that include a clause that gives the bank an unconditional right to call the borrowings at any time are classified under the category of "within 1 year or on demand". However, the management of the Group does not expect that the bank would exercise such right to demand the repayment and thus, the borrowings, which included the related interest, would be repaid according to the below schedule as set out in the bank loan agreements as follow:

附註：包括賦予銀行無條件隨時催收借貸之條款之銀行貸款協議項下應償還之款項分類為「一年內或應要求」。然而，本集團管理層預期銀行不會行使該項要求還款的權利，因此，包括相關利息在內的借款將按照銀行貸款協議所載的以下時間表予以償還：

		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	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
As at 31 March 2019	於二零一九年三月三十一日				
Interest-bearing borrowings	計息借貸	5,536	67,596	73,132	68,345
As at 31 March 2018	於二零一八年三月三十一日				
Interest-bearing borrowings	計息借貸	-	-	-	-

30. 金融工具(續)

(b) 財務風險管理目標及政策 (續) 流動資金風險(續)

30. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Credit risk**

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Trade and bills receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

In estimating the ECL, the Group has taken into account the historical actual credit loss experience over the past three years and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The directors of the Company consider the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The credit risk in respect of trade and bills receivables is insignificant as the Group's sales to coal customers are largely done on payment in advance basis. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 19 to the consolidated financial statements.

30. 金融工具(續)**(b) 財務風險管理目標及政策(續)****信貸風險**

於綜合財務狀況表確認的金融資產賬面值乃扣除減值虧損，代表本集團最大的信貸風險，惟並未計及所持有任何抵押或其他信貸增值的價值。

應收貨款及應收票據

本集團僅與獲認可及信譽卓著的第三方交易。本集團的政策為所有願意按信貸條款交易的客戶接受信用驗證程序。此外，應收結餘持續受監控，而本集團所承擔的壞賬風險並不重大。

於估計預期信貸虧損時，本集團在估計該等金融資產的違約概率及違約虧損時，已計及過去三個年度的過往實際信貸虧損經驗及可用報刊資料，並就債務人特定的前瞻性因素及對手方經營所處行業的整體經濟環境予以調整。經計及對手方的財務狀況及信貸質量後，本公司董事認為該等金融資產的預期信貸虧損並不重大。由於本集團僅與獲認可及信譽卓著的第三方交易，故無需收取抵押品。由於本集團向煤炭客戶作出的銷售大部分於預付款項時完成，故本集團就應收貨款及應收票據並無存在重大信貸風險。有關本集團所承擔來自應收貨款之信貸風險之更多量化數據於綜合財務報表附註19披露。

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Other receivables

The Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. No impairment on the other receivables is recognised based on the measurement on 12-month ECL.

Security deposit, financial assets measured at FVPL, restricted bank balances and cash and cash equivalents

The Group considers the credit risk in respect of security deposit, financial assets measured at FVPL, restricted bank balances and cash and cash equivalents is minimal because the counter-parties are authorised financial institutions with high credit ratings.

Fair value measurements

The carrying amounts of the Group's financial instruments carried amortised cost are not materially different from their fair values as at 31 March 2019 and 2018.

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

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

其他應收款項

由於借款人具有雄厚實力，可於短期內履行其合約現金流量責任及較低的違約風險，故本集團認為其他應收款項的信貸風險較低。概無根據計量十二個月預期信貸虧損確認其他應收款項減值。

保證按金、按公平值列賬並在損益內處理之金融資產、受限制銀行結餘及現金及現金等值項目

本集團認為有關保證按金、按公平值列賬並在損益內處理之金融資產、受限制銀行結餘及現金及現金等值項目的信貸風險微乎其微，因為對手方為信貸等級較高的獲授權金融機構。

公平值計量

本集團以攤銷成本列賬之金融工具之賬面值與於二零一九年及二零一八年三月三十一日之公平值並無重大分別。

下表呈列本集團金融工具之公平值，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：

- 第一層級(最高層級)：本集團在計量日能獲得的相同資產或負債在活躍市場中的報價(未經調整)

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Fair value measurements (continued)

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 (lowest level): unobservable inputs for the asset or liability

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.

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

公平值計量(續)

- 第二層級：除了第一層級輸入值所包含的報價以外的，資產或負債的直接或間接可觀察的輸入值
- 第三層級(最低層級)：資產或負債的不可觀察輸入值

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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30. FINANCIAL INSTRUMENTS (continued) (b) Financial risk management objectives and policies (continued) Fair value measurements (continued)

30. 金融工具(續) (b) 財務風險管理目標及政策(續) 公平值計量(續)

		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
As at 31 March 2019	於二零一九年 三月三十一日				
Recurring fair value measurements	經常性公平值計量				
Financial assets measured at FVPL	按公平值列賬並在損益內處理之金融資產				
Principal Guaranteed Funds	保本基金	60,236	-	60,236	-
Financial liabilities designated as at FVPL	指定為按公平值列賬並在損益內處理之金融負債				
Convertible bond designated as financial liabilities at FVPL	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	217,869	-	-	217,869
As at 31 March 2018	於二零一八年 三月三十一日				
Recurring fair value measurements	經常性公平值計量				
Financial liabilities designated as at FVPL	指定為按公平值列賬並在損益內處理之金融負債				
Convertible bond designated as financial liabilities at FVPL	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

During the years ended 31 March 2019 and 2018, 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.

The fair value of the principal Guaranteed Funds is determined by reference to the price quoted by the bank at initial subscription and adjusted for any change in relevant interest rates credit rating and/or holding period of the Principal Guaranteed Funds, if the impact is material.

截至二零一九年及二零一八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。

保本基金之公平值乃參考銀行於初步認購時之報價釐定，並就有關利率信用評級及／或保本基金的持有期間(倘影響重大)之任何變動進行調整。

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Fair value measurements (continued)

Information about Level 3 fair value measurements

The fair value of the convertible bond is determined with reference to 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 Exchange Fund Bill with same duration as the convertible bond;
- (ii) The estimation of volatility for the underlying share price has considered the historical price movements of the Company;
- (iii) The discount rate was determined based on the Company's credit rating and comparable corporate bonds with similar maturity and credit risk for which the range of comparable yield to maturity as of date of valuation was determined and the median has been adopted; and
- (iv) The estimation of dividend yield is based on historical dividend payment of the Company.

Major parameters adopted in the calculation of the fair value are summarised below:

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

公平值計量(續)

有關第三級公平值計量之資料

可換股債券公平值參照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釐定。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外匯基金票據收益估計；
- (ii) 相關股價波幅之估計已考慮本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可資比較公司債券而釐定，就可資比較公司債券而言，已釐定於估值日之可資比較到期收益範圍，計算時採納的中位數；及
- (iv) 股息率之估計乃基於本公司過往之股息派付。

計算公平值所採納之主要參數概列如下：

		As at 31 March 2019 於二零一九年 三月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Stock price	股價	HK\$0.24	HK\$0.42
Exercise price	行使價	HK\$0.20	HK\$0.20
Risk free rate	無風險利率	1.44%	1.35%
Discount rate	貼現率	9.40%	7.62%
Dividend yield	股息率	0%	0%
Time to expiration	到期時間	0.95 years	1.95 years
Stock price volatility	股價波幅	64.00%	65.46%

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Fair value measurements (continued)

Information about Level 3 fair value measurements (continued)

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% (2018: 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\$3,080,000 (2018: decrease in the Group's profit and increase accumulated losses by approximately HK\$597,000) during the year ended 31 March 2019. If the expected stock price volatility has been 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\$3,048,000 (2018: increase in the Group's profit and decreased in accumulated losses by approximately HK\$1,863,000) during the year ended 31 March 2019.

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

公平值計量(續)

有關第三級公平值計量之資料(續)

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%(二零一八年: 5%)，而所有其他變數維持不變，則本集團於截至二零一九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3,080,000港元(二零一八年: 本集團的溢利將減少及累計虧損將增加約597,000港元)。倘預期股價波幅調低5%，而所有其他變數維持不變，則本集團於截至二零一九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3,048,000港元(二零一八年: 本集團的溢利將增加及累計虧損將減少約1,863,000港元)。

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30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Fair value measurements (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 set out in Note 26.

31. RELATED PARTY TRANSACTIONS

- (a) Except as disclosed elsewhere in the consolidated financial statements, the significant related party transactions are as follows:

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)
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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 Nil (2018: approximately HK\$630,000).

30. 金融工具(續)

(b) 財務風險管理目標及政策(續)

公平值計量(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
餘之年內變動載列於附註26。

31. 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：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
630	840

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為零(二零一八年：約630,000港元)。

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31. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 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	4,414	4,527
Contributions to defined contribution plan	定額供款計劃供款	45	56
		4,459	4,583

The remuneration of directors was determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 關連人士交易(續)

(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。

32. ACQUISITION OF SUBSIDIARIES

On 10 August 2018, Radiant Day, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with NEFIN Holding Limited and Mr. Lim Hong Teo (together referred to as the "Vendors"), pursuant to which Radiant Day agreed to purchase, and the Vendors agreed to sell 90% equity interest in NEFIN Leasing and its wholly-owned subsidiary at an aggregate consideration of US\$1,350,000 (equivalent to approximately HK\$10,530,000). The Vendors have jointly and severally guaranteed that the annual result of NEFIN Technology for the years ending 30 September 2019, 2020, 2021, 2022 and 2023 would not be less than 5% of the consideration, i.e. approximately HK\$527,000 per annum. The transaction completed on 8 October 2018 as all conditions in the sale and purchase agreement were fulfilled.

NEFIN Group is principally engaged in renewable energy solutions and solar farm development in Malaysia. The directors of the Company are of the view that the acquisition will further enhance the Group's expansion of innovative and renewable energy business. The acquisition constituted a business combination and had been accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

The following summarises the consideration paid and the amounts of the assets acquired and liabilities assumed of NEFIN Group at the date of acquisition:

32. 收購附屬公司

於二零一八年八月十日，耀日（本公司之間接全資附屬公司）與NEFIN Holding Limited及林豐潮先生（統稱為「賣方」）訂立買賣協議，據此，耀日有條件同意收購而賣方有條件同意出售新能源租賃及其全資附屬公司90%的股權，總代價為1,350,000美元（相等於約10,530,000港元）。賣方共同及個別擔保NEFIN Technology截至二零一九年、二零二零年、二零二一年、二零二二年及二零二三年九月三十日止年度的全年業績將不低於代價的5%（即每年約527,000港元）。由於買賣協議所訂明的所有條件均已獲達成，故該交易於二零一八年十月八日完成。

新能源集團於馬來西亞主要從事可再生能源解決方案及太陽能發電站開發業務。本公司董事認為，收購事項將進一步加強擴展本集團之創新及可再生能源業務。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

以下概述新能源集團於收購日期已付代價及所購入資產及所承擔負債金額：

		HK\$'000 千港元
Recognised amounts of identifiable assets acquired and liabilities assumed:	所購入可識別資產及所承擔負債之已確認金額：	
Property, plant and equipment	物業、廠房及設備	5,636
Intangible assets	無形資產	
– renewable energy service contract	– 可再生能源服務合約	1,618
Bank balances and cash	銀行結餘及現金	207
Trade and other receivables	應收貨款及其他應收款項	353
Deferred tax liabilities	遞延稅項負債	(387)
Trade and other payables	應付貨款及其他應付款項	(93)
Total identifiable net assets	可識別資產淨值總額	7,334
Non-controlling interests	非控股權益	(1,033)
Goodwill arising on acquisition	收購產生之商譽	4,229
Total consideration	總代價	10,530
Satisfied by:	支付方式：	
Cash	現金	10,530

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32. ACQUISITION OF SUBSIDIARIES (continued)

Analysis of the net cash outflow in respect of the acquisition of NEFIN Group is as follows:

		HK\$'000 千港元
Cash and cash equivalents acquired	已獲得的現金及現金等值項目	207
Cash paid	已付現金	(10,530)
		<hr/> (10,323) <hr/>

The directors of the Company have engaged Roma to provide assistance in determining the fair value of the assets and liabilities of NEFIN Group. Roma has reviewed the methodologies, the key valuation parameters and business assumptions adopted.

The non-controlling interests were measured at the present ownership instruments' proportionate share in the recognised amounts of NEFIN Group's identifiable net assets as at 8 October 2018.

The goodwill arising from the acquisition is attributable to the growth and profit potential in the expansion of innovative and renewable energy business. None of the goodwill recognised is expected to be deductible for income tax purposes.

32. 收購附屬公司(續)

就收購新能源集團之現金流出淨額分析如下：

	HK\$'000 千港元
Cash and cash equivalents acquired	207
Cash paid	(10,530)
	<hr/> (10,323) <hr/>

本公司董事委聘羅馬幫助釐定新能源集團資產及負債之公平值。羅馬已就所採取的方法、主要評估參數以及商業假設進行審核。

非控股權益乃按現時擁有權工具按比例分佔新能源集團於二零一八年十月八日之可識別資產淨值之已確認金額計量。

收購事項產生之商譽乃由於創新及可再生能源業務擴張發展及潛在溢利所致。預期並無已確認商譽可用以扣除所得稅。

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32. ACQUISITION OF SUBSIDIARIES (continued)

Since acquisition and up to 31 March 2019, the acquired business has contributed revenue of approximate HK\$391,000 and contributed a loss of approximately HK\$45,000 to the Group.

If the business combinations effected during the year ended 31 March 2019 had been taken place as at 1 April 2018, the revenue and profits of the Group would be increased by approximately HK\$587,000 and decreased by approximately HK\$83,000, respectively.

33. COMMITMENTS

Capital expenditure commitments

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)
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2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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13,993	1,389
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Commitments 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:

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：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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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)

1,211	1,181
1,725	40

2,936	1,221
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33. COMMITMENTS (continued)
Commitments under operating lease (continued)

The Group as lessor

The Group leases out certain of its offices under operating lease arrangements. Lease for properties are negotiated for a term ranging from one year and rental are fixed.

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:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year 一年內	-	130

34. DEFINED CONTRIBUTION RETIREMENT 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\$1,034,000 (2018: approximately HK\$1,006,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

33. 承擔(續)
經營租賃承擔(續)

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。

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：

34. 定額供款退休計劃

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託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1,034,000港元(二零一八年：約1,006,000港元)指本集團就本財政年度向該等計劃應付之供款。

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

For the year ended 31 March 2019
截至二零一九年三月三十一日止年度

35. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 本公司公司層面之財務狀況表

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	246	105
Investments in subsidiaries	於附屬公司之投資		-	-
			246	105
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	16	164,544	153,870
Other receivables	其他應收款項		4,345	424
Cash and cash equivalents	現金及現金等值項目		129,056	154,620
			297,945	308,914
Current liabilities	流動負債			
Convertible bond designated as financial liabilities at FVPL	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	26	217,869	-
Other payables and accruals	其他應付款項及應計費用		3,077	1,146
			220,946	1,146
Net current assets	流動資產淨值		76,999	307,768
Total assets less current liabilities	總資產減流動負債		77,245	307,873
Capital and reserves	股本及儲備			
Share capital	股本	25	76,537	76,537
Reserves	儲備	25	708	(15,906)
Total equity	總權益		77,245	60,631
Non-current liabilities	非流動負債			
Convertible bond designated as financial liabilities at FVPL	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	26	-	247,242
			77,245	307,873

This statement of financial position was approved and authorised for issue by the board of directors on 20 June 2019 and signed on its behalf by

本財務狀況表於二零一九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 CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2019
截至二零一九年三月三十一日止年度

36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2019

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 2019 and relevant to the Group and which have not been early adopted in these consolidated financial statements:

Annual Improvements to HKFRSs	2015–2017 Cycle ¹
HKFRS 16	Leases ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKAS 19	Employee Benefits ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKASs 1 and 8	Definition of Material ²
Amendments to HKFRS 3	Definition of a Business ³

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

³ Effective to acquisitions occur on or after the beginning of the first annual period beginning on or after 1 January 2020

36. 於截至二零一九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二零一九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提早採納：

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 ¹
香港財務報告準則第16號	租賃 ¹
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 ¹
香港會計準則第19號之修訂本	僱員福利 ¹
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 ¹
香港會計準則第1號及第8號之修訂本	重大之定義 ²
香港財務報告準則第3號之修訂本	業務之定義 ³

¹ 於二零一九年一月一日或之後開始之年度期間生效

² 於二零二零年一月一日或之後開始之年度期間生效

³ 於二零二零年一月一日或之後開始之首個年度期間或之後收購生效

36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2019 (continued)

HKFRS 16 Leases

As disclosed in Note 2 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.

36. 於截至二零一九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

誠如綜合財務報表附註2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)。本集團作為出租人與作為承租人之其他人士訂立若干租賃。

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賃入賬，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賃項下所產生之租金開支。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。

36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2019 (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 consolidated statement of profit or loss and the comprehensive income over the period of the lease. As disclosed in Note 33 to the consolidated financial statements, as at 31 March 2019 the Group's future minimum lease payments as a lessee under non-cancellable operating leases amount to approximately HK\$2,936,000 (2018: approximately HK\$1,221,000), 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.

37. EVENT AFTER REPORTING PERIOD

On 11 March 2019, Ample Talent, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, pursuant to which the vendor has conditionally agreed to sell, and Ample Talent has conditionally agreed to purchase 80% equity interest in Harbour Group Holdings Limited ("Harbour Group") and its subsidiaries (together referred to as the "Target Group"), at an aggregate consideration of HK\$35,712,000; and (ii) Ample Talent and Harbour Group entered into a subscription agreement, pursuant to which Harbour Group has conditionally agreed to issue and allot to Ample Talent, and Ample Talent has conditionally agreed to subscribe for 450 ordinary shares, representing approximately 4.5% of the total number of shares in issue as at the date of subscription agreement at an aggregate subscription price of HK\$2,008,800. Upon completion of the above transactions, Ample Talent will hold approximately 80.86% equity interest in Harbour Group.

36. 於截至二零一九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，並影響租賃期間於綜合損益及全面收益表內確認開支之時間。誠如綜合財務報表附註33所披露，於二零一九年三月三十一日，本集團(作為承租人)於不可撤銷經營租賃項下之未來最低租賃款項為約2,936,000港元(二零一八年：約1,221,000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。

37. 報告期間後事項

於二零一九年三月十一日，裕智創投(為本公司間接全資附屬公司)與獨立第三方訂立買賣協議，據此，賣方有條件同意出售，而裕智創投有條件同意購買港海控股有限公司(「港海集團」)及其附屬公司(統稱「目標集團」)80%的股權，總代價為35,712,000港元；及(ii)裕智創投與港海集團訂立認購協議，據此，港海集團有條件同意向裕智創投發行及配發，而裕智創投有條件同意認購450股普通股(相當於認購協議日期已發行股份總數約4.5%)，總認購價為2,008,800港元。於完成上述交易後，裕智創投將持有港海集團約80.86%股權。

37. EVENT AFTER REPORTING PERIOD (continued)

Pursuant to the sale and purchase agreement, the vendor has agreed to guarantee that the audited consolidated net profit generated from operating activities of the Target Group in its ordinary and usual course of business, prepared in accordance with HKFRSs (the “Net Profit”), for the years ended or ending 31 December 2018, 31 December 2019 and 31 December 2020 (the “PG Period”) shall be no less than HK\$7,200,000 per annum (the “Guaranteed Profit”). In the event that the Net Profit during the each of the PG Period is less than the Guaranteed Profit, the vendor unconditionally and irrevocably undertakes and guarantees, as a continuing obligation, to pay the shortfall to the Group under the terms as stipulated in the sale and purchase agreement.

The Target Group consists of Harbour Group, Harbour Group (Singapore) Pte. Ltd., Harbour Group Consulting (UK) Limited, HGH Technology Sdn. Bhd., Mountain Managed Cloud Consulting Limited and Vanguard Business Services Limited. The Target Group is principally engaged in the provision of information technology outsourcing, consultancy and technical services mainly in Hong Kong with expanding business in United Kingdom, Malaysia and Singapore. The directors of the Company are of the view that the acquisition can broaden the Group’s revenue base and benefit from the diversified return in future.

As at 31 March 2019, deposit for acquisition of the Target Group of approximately HK\$3,571,000 was paid to the vendor and was included in “Refundable deposit paid for acquisition of subsidiaries” as set out in Note 19 to the consolidated financial statements. Upon completion of the transaction, the Target Group will become indirect non-wholly owned subsidiaries of the Company. Details of the acquisition were set out in the Company’s circular dated 12 April 2019.

On 23 April 2019, the conditions as stipulated in the sale and purchase agreement and subscription agreement were fulfilled. The Target Group became indirect non-wholly owned subsidiaries of the Company. The acquisition constituted a business combination and will be accounted for using the acquisition method under HKFRS 3 *Business Combinations*.

As the initial accounting for the acquisition of the Target Group is incomplete, it is not practicable to reliably estimate its financial effect.

37. 報告期間後事項(續)

根據買賣協議，賣方已同意保證，截至二零一八年十二月三十一日、二零一九年十二月三十一日及二零二零年十二月三十一日止年度（「溢利保證期間」），根據香港財務報告準則編製的目標集團於一般及日常業務過程中經營活動產生的經審核綜合純利（「純利」）將不少於每年7,200,000港元（「保證溢利」）。倘各溢利保證期間的純利少於保證溢利，賣方無條件及不可撤回地承諾及保證，作為持續義務，按買賣協議所規定條款向本集團支付不足金額。

目標集團由港海集團、Harbour Group (Singapore) Pte. Ltd.、Harbour Group Consulting (UK) Limited、HGH Technology Sdn. Bhd.、峻嶺雲端顧問有限公司及領導商業服務有限公司組成。目標集團主要業務為主要於香港提供的資訊科技外包、諮詢及技術服務以及於英國、馬來西亞以及新加坡的拓展業務。本公司董事相信，收購事項日後可拓寬本集團的收益基礎，並從多元化回報中受益。

於二零一九年三月三十一日，收購目標集團之按金約3,571,000港元已支付予賣方，並計入綜合財務報表附註19所載「收購附屬公司所支付之可退還按金」內。於完成交易後，目標集團將成為本公司之間接非全資附屬公司。有關收購事項之詳情載於本公司日期為二零一九年四月十二日之通函內。

於二零一九年四月二十三日，買賣協議及認購協議所規定之條件已獲達成。目標集團成為本公司之間接非全資附屬公司。收購事項構成業務合併，並將根據香港財務報告準則第3號業務合併採用收購法入賬。

由於收購目標集團之初步會計處理未完成，因此可靠估計其財務影響乃不切實際。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

For the year ended 31 March 2019
截至二零一九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				
		2019 二零一九年 HK\$'000 千港元	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
REVENUE	收益	75,625	182,445	73,024	59,841	124,463
PROFIT FROM OPERATIONS	經營溢利	12,359	35,509	13,053	19,209	44,709
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(6,175)	8,866	(11,490)	(7,101)	741
Finance costs	融資成本	(964)	-	(176)	(187)	-
Change in fair value of convertible bond designated as financial liabilities at FVPL	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	29,373	14,374	56,034	(73,449)	(38,970)
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	-	(3,511)	-	(3,105)	-
Impairment loss on intangible assets	無形資產減值虧損	-	(12,618)	-	(8,907)	-
Profit/(loss) before tax	除稅前溢利/(虧損)	34,593	42,620	57,421	(73,540)	7,136
Income tax expenses	所得稅開支	(5,750)	(5,942)	(9,154)	(6,068)	(12,655)
Profit/(loss) for the year	年內溢利/(虧損)	28,843	36,678	48,267	(79,608)	(5,519)
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	17,923	50,349	42,480	(85,924)	(5,342)
Non-controlling interests	非控股權益	11	-	-	-	-
		17,934	50,349	42,480	(85,924)	(5,342)

FIVE-YEAR FINANCIAL SUMMARY 五年財務摘要

For the year ended 31 March 2019
截至二零一九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				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	536,144	493,720	448,504	456,185	475,242
Total liabilities	總負債	(351,461)	(328,004)	(333,137)	(383,298)	(316,431)
Net assets	資產淨值	184,683	165,716	115,367	72,887	158,811

